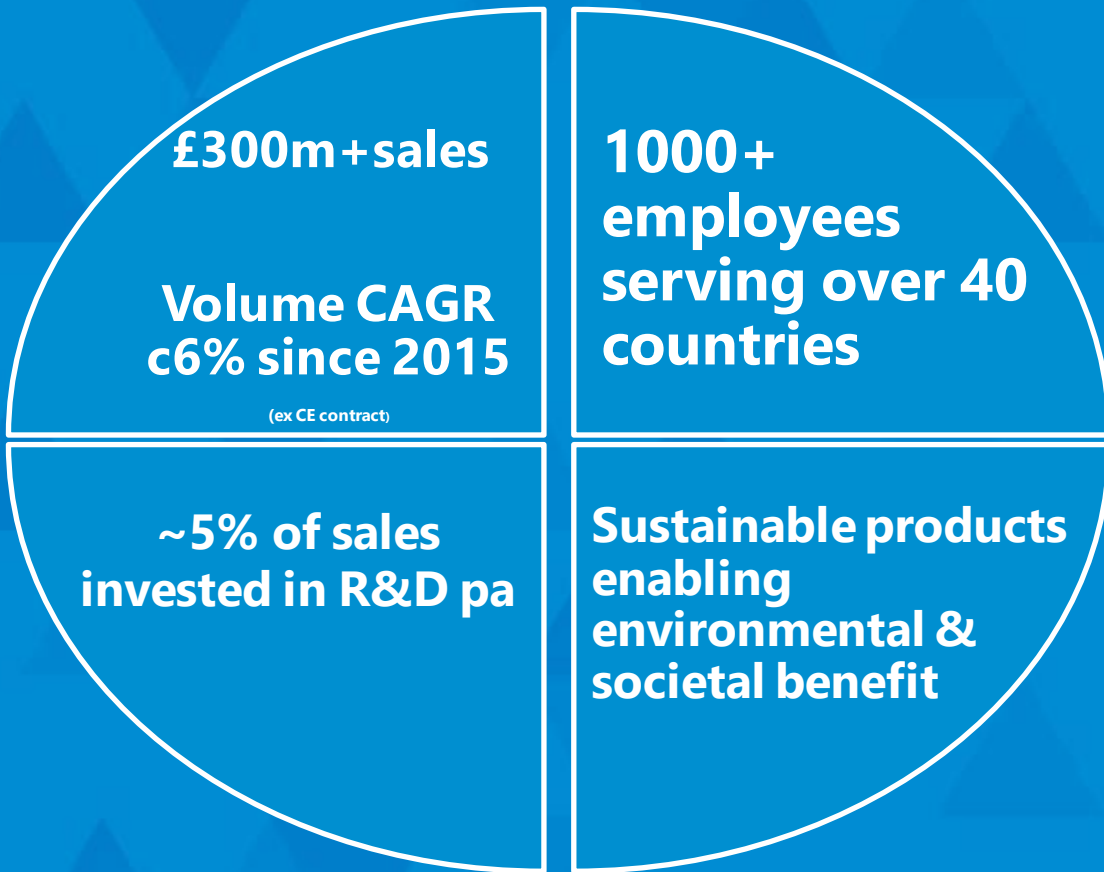




# ENABLING ENVIRONMENTAL & SOCIETAL BENEFITS

**VICTREX PLC**  
INVESTOR OVERVIEW

OUR PURPOSE: WE BRING TRANSFORMATIONAL & SUSTAINABLE SOLUTIONS THAT ADDRESS WORLD MATERIAL CHALLENGES EVERY DAY



## STRONG MEGATRENDS SUPPORT LONG-TERM GROWTH RUNWAY

- ▲ #1 PEEK experts; strong core business – 5 key end-markets
- ▲ Innovative growth pipeline – increasing commercialisation
- ▲ Highly cash generative business model
- ▲ Strong and growing ESG agenda

## INVESTMENT CASE

# #1 PEEK EXPERTS

40+ Years since the invention of PEEK, with Victrex as the first to commercialise this exceptional thermoplastic



## OUR PURPOSE

WE BRING TRANSFORMATIONAL & SUSTAINABLE SOLUTIONS THAT ADDRESS WORLD MATERIAL CHALLENGES EVERY DAY

## DRIVE CORE BUSINESS

Delivering the key PEEK & PAEK materials with No.1 manufacturing capacity and growing...



## GLOBAL BUSINESS

**1,000+**  
Employees

...waking up every day focused on PEEK and delivering innovative & sustainable solutions

**40+**  
Countries

...served by Victrex across our markets

circa  
**£1.5bn**

Market Value

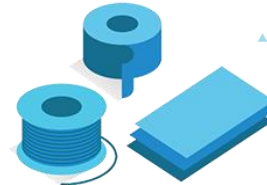
- FTSE 250 Company
- £300m+ revenue

## DIFFERENTIATE THROUGH INNOVATION TO CREATE NEW MARKETS



POLYMER

Pioneering new grades e.g. LMPAEK™ for Composites & Additive Manufacturing (3D Printing)



PRODUCT FORMS

Manufacturing product forms: Pipes, Films, Fibres and Composite Tapes



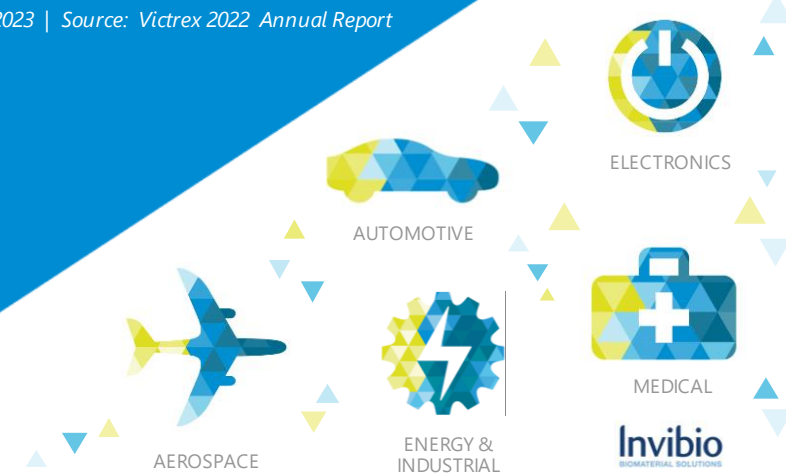
PARTS

Developing new applications for PEEK, PAEK and Thermoplastic Composites

\* PEEK = Poly Ether Ether Ketone / PAEK = Poly Aryl Ether Ketone

## CREATE VALUE THROUGH PEEK AND PAEK-BASED POLYMER SOLUTIONS

Enabling customers to develop sustainable solutions and overcome complex design & engineering challenges across key markets



## INVESTMENT IN INNOVATION

Expanded capabilities through Polymers, Forms & Parts

circa  
**5 - 6%**  
of annual sales invested in R&D

- Polymer Capacity
- Aerospace Parts
- Composite Solutions
- Gear Solutions
- Additive Manufacturing
- Medical Components

## Sustainability Strategy

Aligned to UN Sustainable Development Goals 2030



- Align to SBTi net zero by 2050 across all scopes
- Increase the use of our sustainable & recyclable products which support CO<sub>2</sub> reduction
- Minimise resources (Energy, Waste and Water) used in our operations
- Increase employee and community engagement on social responsibility
- Enhanced diversity, equity & inclusion (DE&I) agenda including Females in Leadership

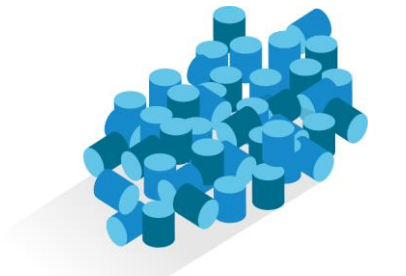
**OUR  
STRATEGY**

**POLYMER  
& PARTS**

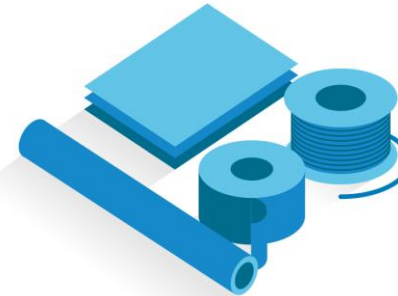


**PRODUCT FORMS**

**POLYMER**



PEEK & PAEK  
Polymers



Compounds

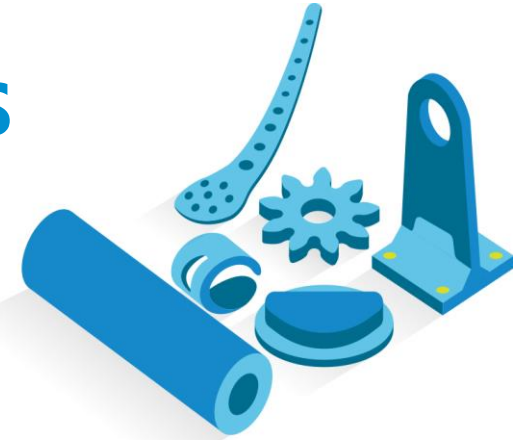
Pipe

UD Tape

APTIV Film

Coatings

**PARTS**



Gears

Aerospace  
Composites

Magma pipe

Trauma plates

Knee

Composites

**FURTHER GROW THE MARKET FOR PEEK & CAPTURE NEW REVENUE STREAMS**



# END-MARKETS & APPLICATIONS

## AEROSPACE

20,000+

aircraft have VICTREX  
solutions on-board



## AUTOMOTIVE

500 million

VICTREX™ PEEK based applications  
on the road today

## MEDICAL

Every 30 seconds a patient is treated using  
Invibio PEEK OPTIMA™ solutions

15 million+  
implanted devices



## INDUSTRIAL AND VAR

100+ million  
machines using  
Viktrex solutions



## ELECTRONICS

Over 4 billion  
mobile devices use  
APTIV™ Film technology



## ENERGY

75+ million

VICTREX™ PEEK  
seals in use today



PEEK was developed by ICI in 1978, with Victrex being formed from ICI in 1993 and listed in 1995.  
PEEK has a unique combination of properties and is typically used as a metal replacement

# OUR PRODUCTS: ENABLING ENVIRONMENTAL & SOCIETAL BENEFITS

**48%**

OF REVENUE FROM SUSTAINABLE PRODUCTS<sup>#</sup>



**AEROSPACE**

## CO2 savings

... each year, our sales to Aerospace help save three times more CO2 annually than Victrex produces in its own operations\*  
(annual scope 1 & 2 CO2 emissions)



**AUTOMOTIVE**

## 80,000 tonnes

... annual CO2 saving in Europe for selected applications\*\*



**ELECTRONICS**

## 100,000 rpm

Supporting energy efficiency, durability & reliability at high rotation speeds in vacuum cleaners & hairdryers



**MEDICAL**

## 25% improved brain function

... using PEEK-OPTIMA™  
Natural in CMF skull plates\*\*\*  
vs metal plates

## Better union rate

... using carbon fibre PEEK  
trauma plate vs. steel plates\*\*\*\*



**ENERGY & INDUSTRIAL**

## Up to 80%

... weight saving vs metal using VICTREX™ PEEK helps reduce stress on mechanical systems in renewable energy applications

\* Based on 10kg of PEEK replacement for metal, IATA carbon reduction & climate change 2018

\*\* Based on European annual mileage for passenger cars using vacuum pumps

\*\*\* 25% improved brain function vs Titanium plates, based on paper by Zhang Q, Yuan Y, Li X, et al, World Neurosurgeon 2018

\*\*\*\* Data on file refers to Trauma outcomes in high-risk patients.

# Sustainable products are defined as those which offer a quantifiable environmental or societal benefit. These are primarily in Automotive and Aerospace (supporting CO2 reduction) but also specific applications in Energy & Industrial and Electronics (e.g. wind energy applications, or those which support energy efficiency) and Medical, supporting better patient outcomes. Volumes into Oil & Gas (Energy & Industrial) and Value Added Resellers are currently excluded.

# PEOPLE, PLANET, PRODUCTS

## A focused Sustainability & ESG agenda



### PEOPLE

Social  
responsibility



### PLANET

Resource  
efficiency



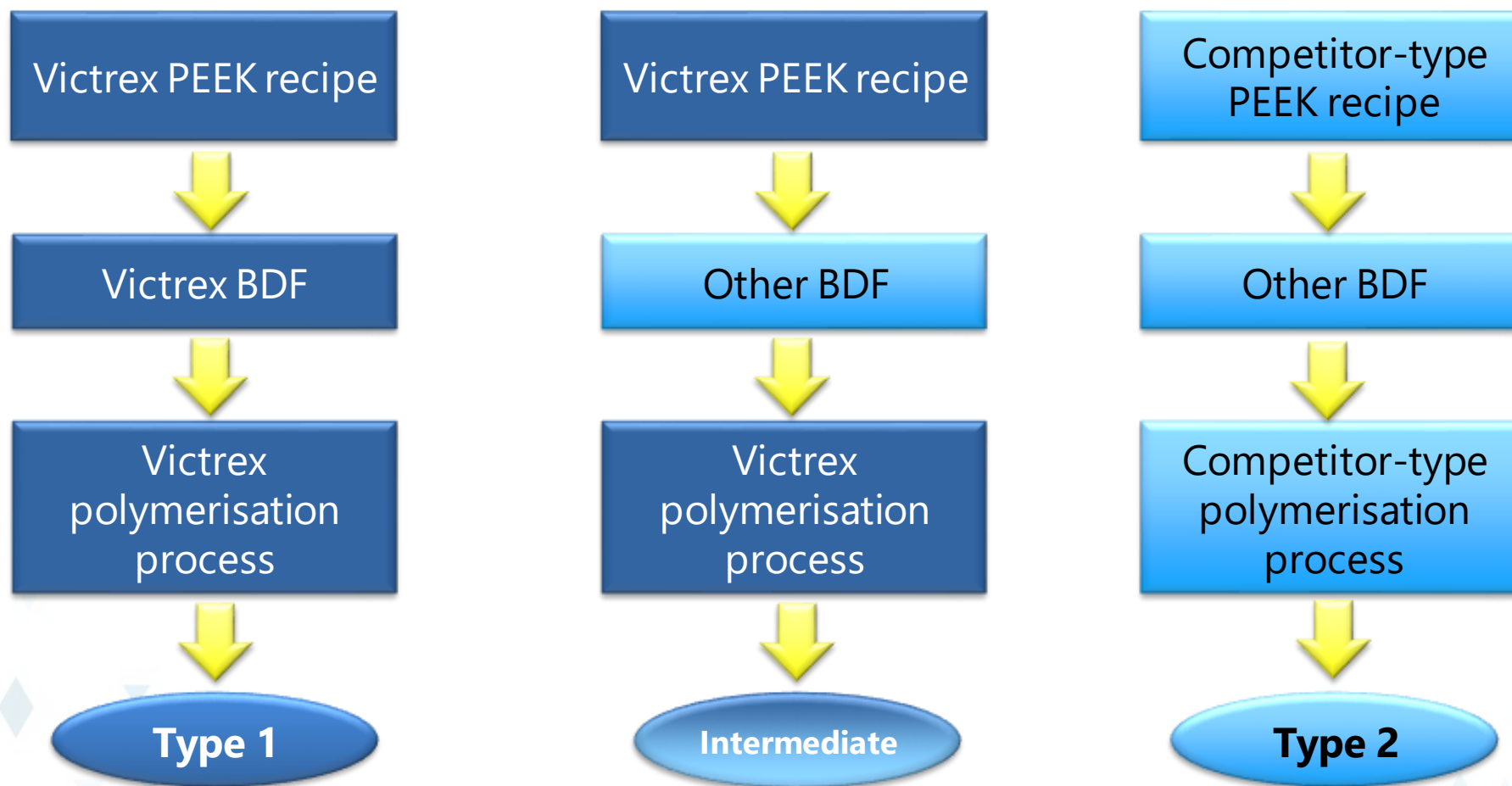
### PRODUCTS

Sustainable  
solutions



# TYPES OF PEEK

Victrex makes Type 1, Type 2 and an intermediate type of PEEK



Victrex is unique being integrated into BDF & in being able to make all types of PEEK



# FOCUS ON INCREASING MEDICAL CONTRIBUTION

Potential for long-term sales and margin mix improvement



**CARDIO**



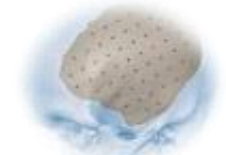
**TRAUMA**



**KNEE**

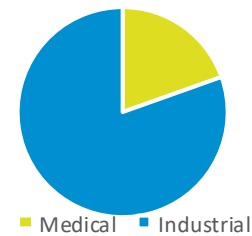


**DRUG DELIVERY**

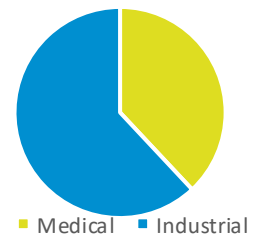


**CMF (SKULL PLATES)**

FY22 Revenue



FY32E Revenue



**SIGNIFICANT ADDRESSABLE MARKET OPPORTUNITY IN MEDICAL**

# "BY 2027, OUR MEDICAL SOLUTIONS WILL SEEK TO TREAT A PATIENT EVERY 15-20 SECONDS"



Maintain and grow core applications

1

## Core Business

SPINE



ARTHROSCOPY



CMF



Develop emerging and growing non-Spine segments

2

## New Segment Growth

CARDIO



DRUG DELIVERY



AIMD



Invest to support major innovators and disruptors

3

## Innovators

POROUS CAGE (SPINE)



TRAUMA PLATE



KNEE



# POTENTIAL CLINICAL BENEFITS

Clinical impact of using bone-like modulus materials

## DENTAL SOLUTIONS

Superior biomechanical performance and higher patient quality of life\*

### Full Arch Implant Supported Prosthetics Outcomes

Titanium	vs.	JUVORA™
10%	PERI-IMPLANTITIS	1%

89-95%	IMPLANT SURVIVAL	99%
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## SPINE SOLUTIONS

Higher fusion, lower subsidence rates compared to titanium\*

### Cervical Fusion Outcomes

Titanium	vs.	PEEK-OPTIMA™
47-93%	FUSION RATE	88-100%

16-20%	SUBSIDENCE RATE	0-14%
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**CRANIO-MAXILLOFACIAL**  
Higher brain function improvement and lower reoperation rates compared to titanium\*

### Cranioplasty Outcomes

Titanium	vs.	PEEK-OPTIMA™
10%	PATIENT REOPERATION	1.3%

10.9%	BRAIN FUNCTION IMPROVEMENT	25.3%
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## TRAUMA SOLUTIONS

Higher union rates without hardware failure\*

### Distal Femur Outcomes in High Risk Patients

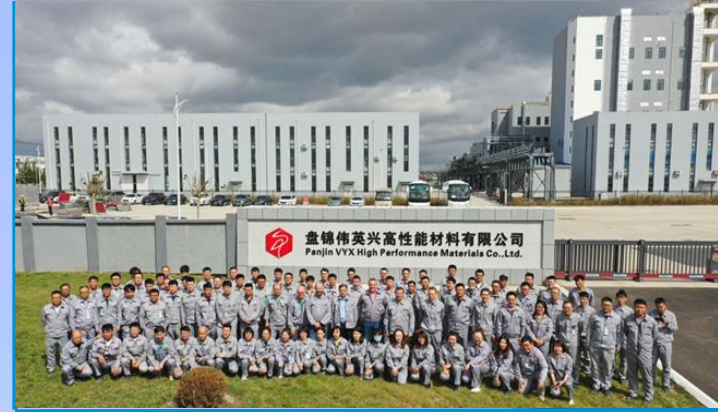
Stainless Steel Plate	vs.	Carbon Fiber PEEK Plate
8%	COMPLICATIONS (Hardware failures)	0%

75%	PATIENT OUTCOME (Bone Union)	91%
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\* Supporting information available upon request

# CHINA

Investment to  
underpin future  
growth



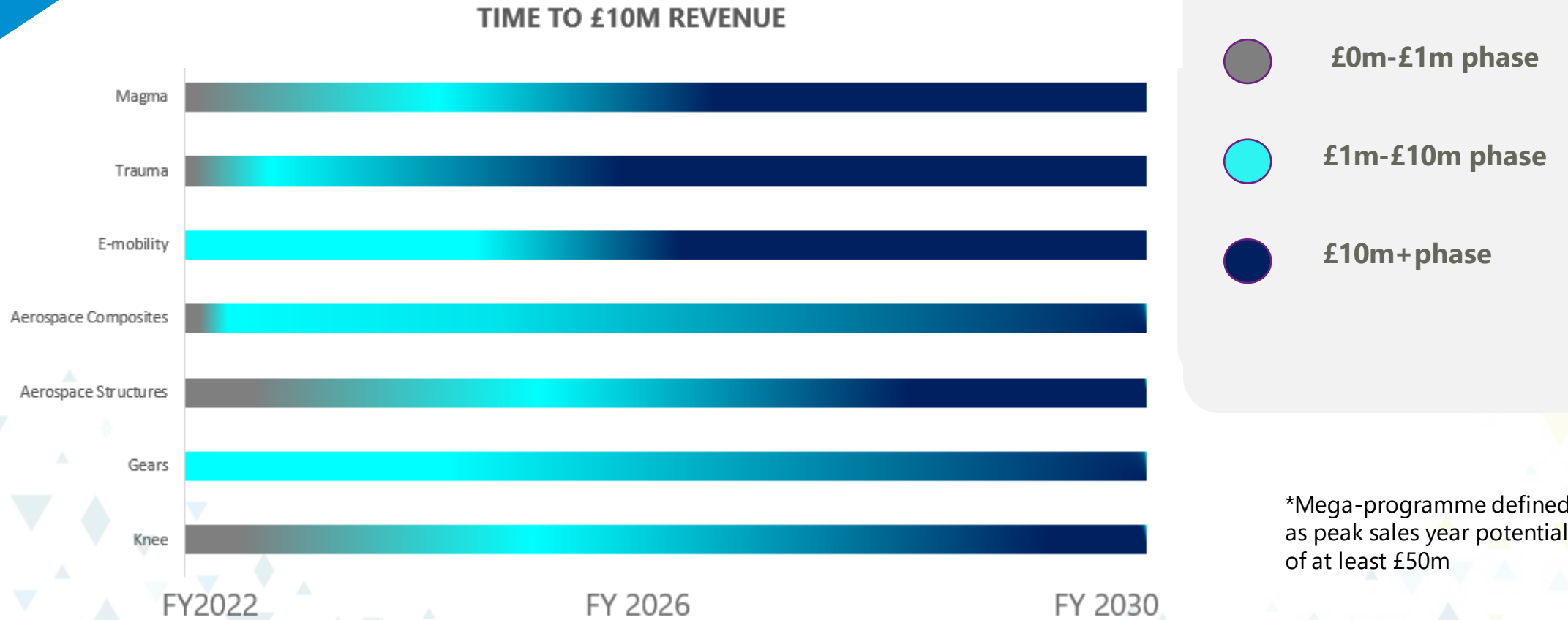
- NEW CHINA MANUFACTURING FACILITIES
- 1,500 TONNE NAMEPLATE CAPACITY
- PORTFOLIO EXTENSION
- COMMERCIAL OPERATIONS IMMINENT





# MEGA-PROGRAMMES\*

The pathway to  
£10m revenue



PRIORITISE INVESTMENT IN KEY MEGA-PROGRAMMES TO DRIVE ACCELERATION



# MEGA- PROGRAMME MILESTONES

PROGRAMME	REVENUE STATUS	H1 2023 MILESTONES	FY 2023 FOCUS
MAGMA	Commercial (£1m-£2m)	<ul style="list-style-type: none"> <li>Supporting sample manufacturing</li> <li>Engagement with TechnipFMC &amp; Petrobras on scale-up</li> </ul>	<ul style="list-style-type: none"> <li>Qualification programme &amp; bid outcomes</li> <li>Support to TechnipFMC for new extrusion facility (Brazil) in 2023/24</li> </ul>
TRAUMA	<£1m	<ul style="list-style-type: none"> <li>Demand 5x exceeded expectations</li> <li>On track for &gt;£1m revenue &amp; growing</li> <li>New manufacturing partner (Paragon)</li> </ul>	<ul style="list-style-type: none"> <li><u>Focus on meaningful revenue</u></li> <li>Partnership and manufacturing scale up in Asia</li> <li>Build product pipeline in the US</li> </ul>
E-MOBILITY	Commercial (£1m-£2m)	<ul style="list-style-type: none"> <li>Further new business wins</li> <li>On track for &gt;£3m revenue</li> </ul>	<ul style="list-style-type: none"> <li><u>Commercialise additional applications beyond wire coating</u></li> <li>Further build commercial revenue</li> </ul>
AERO COMPOSITES	Commercial (£1m-£2m)	<ul style="list-style-type: none"> <li>Strong industry validation for AE™250 composite tape (low-melt PEEK)</li> <li>Assessing new opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Further qualifications</li> <li>Support positioning of thermoplastics in AAM</li> </ul>
AERO STRUCTURES	< £1m	<ul style="list-style-type: none"> <li>Ongoing multi-OEM/ supply chain collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Grow prototype revenue from Airbus Clean Sky II</li> <li>Further partnership opportunities</li> </ul>
PEEK GEARS	Pathway to £10m (£4m revenue in FY 2022)	<ul style="list-style-type: none"> <li>Good growth from parts and polymer resin supply through partners</li> <li>Growing e-bike business &amp; customers</li> </ul>	<ul style="list-style-type: none"> <li>Several start of production opportunities in FY 2023</li> <li>Increase penetration in e-bikes</li> </ul>
KNEE	<£1m	<ul style="list-style-type: none"> <li>35 patient implants; clinical trial progress</li> <li>New 'top 5' player in Aesculap &amp; further potential collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Support progress towards US clinical trial</li> <li>Establish pathway to commercialisation</li> </ul>

# CAPITAL ALLOCATION PRIORITIES

## CAPEX

- Normalised capex c8-10% of sales
- Periodic capacity investment

## M&A / INVESTMENT

- Investment to support mega-programmes
- Investment to enhance capability & IP

## REGULAR DIVIDENDS

- Progressive dividend retained
- Maintain cover around c2x EPS over the cycle

## SPECIAL DIVIDENDS

- Optionality to return cash if no additional investment opportunities
- 50p/share minimum

## EXCESS CAPITAL DISTRIBUTION OPTIONS

## SHARE BUYBACKS

- Existing approval to buyback 10% of shares
- Flexible buyback options

**PRIORITISE GROWTH INVESTMENT & RETAIN FLEXIBILITY**



## APPENDIX

# VICTREX™ PEEK: A UNIQUE COMBINATION OF PROPERTIES



# P&L (FY22)

## STRONG CORE GROWTH

- FY 2022 revenue +11% at £341.0m
- Underlying PBT +4% & +12% in constant currency, offset by lag in inflation recovery
- Reported PBT down 5%, reflecting exceptional items of £7.9m (year 1 ERP investment – SaaS cost)

<sup>1</sup> Alternative performance measures are defined in the Appendix on slide 37

Year ended 30 September

	2022	2021	Change	Change (constant currency) <sup>1</sup>
	£m	£m	%	%
<b>Revenue</b>	<b>341.0</b>	306.3	<b>11%</b>	<b>10%</b>
<b>(Losses)/gains on foreign currency net hedging*</b>	(2.8)	4.9	-157%	
<b>Gross profit</b>	<b>174.5</b>	165.3	<b>6%</b>	<b>10%</b>
<i>Gross margin %</i>	<b>51.2%</b>	54.0%	-280bps	
<i>FX hedge-adjusted gross margin %<sup>1</sup></i>	<b>51.6%</b>	53.1%	-150bps	
<b>Overheads**</b>	<b>(78.1)</b>	(72.7)	<b>7%</b>	<b>8%</b>
<b>Interest</b>	<b>0.2</b>	0.0		
<b>Share of loss of associate</b>	<b>(1.0)</b>	(0.9)		
<b>Underlying profit before tax<sup>1</sup></b>	<b>95.6</b>	91.7	<b>4%</b>	<b>12%</b>
<b>Exceptionals</b>	<b>(7.9)</b>	0.8		
<b>Profit before tax</b>	<b>87.7</b>	92.5	<b>-5%</b>	<b>2%</b>
<b>Underlying earnings per share (pence)<sup>1</sup></b>	<b>95.0</b>	83.4	<b>14%</b>	NA
<b>Earnings per share (pence)</b>	<b>87.6</b>	84.3	<b>4%</b>	NA
<b>Dividend per share***</b>	<b>59.56p</b>	109.56p	<b>-46%</b>	NA

\* (Losses)/gains on foreign currency contracts, when net hedging is applied on cash flow hedges, are disclosed separately within gross margin on adoption of IFRS 9.

\*\* Excluding exceptional items of £7.9m (FY21: credit of £0.8m)

\*\*\* Dividend per share in the prior year (FY 2021) also includes a 50p/share special dividend

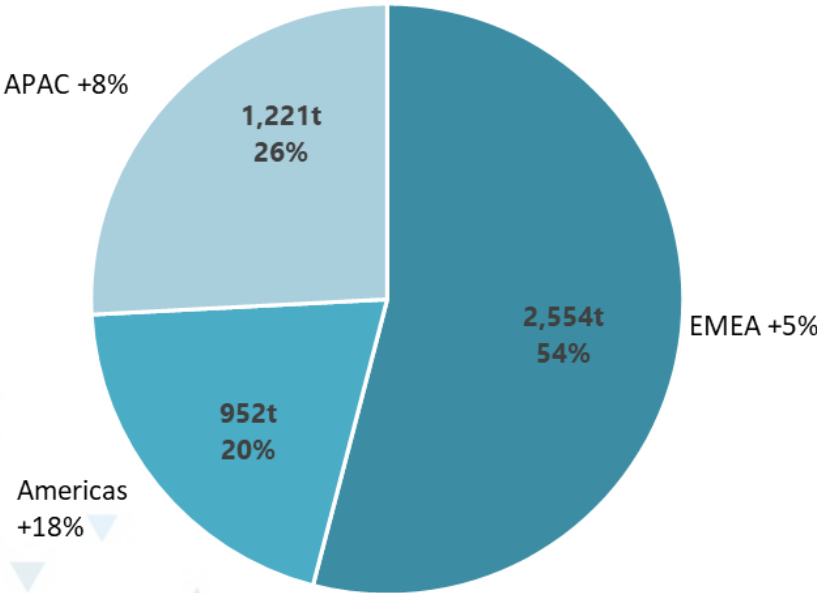
## SOLID UNDERLYING PBT GROWTH



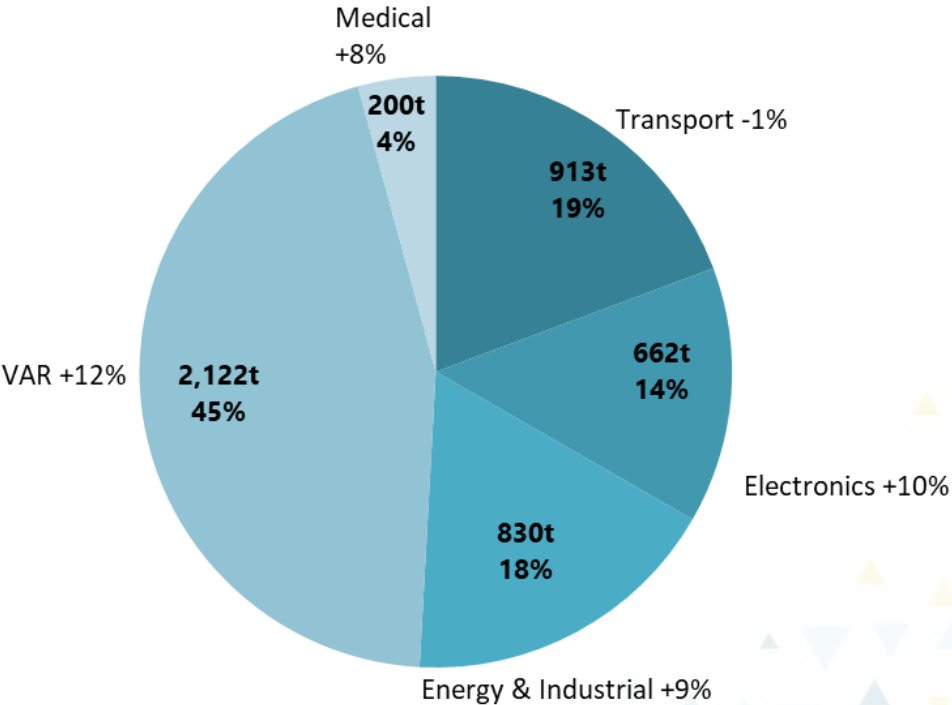
# GROUP END MARKETS

FY 2022: 4,727 tonnes (+8% vs FY21)  
FY 2021: 4,373 tonnes (+25% vs FY20)

Volume by Region



Volume by Industry

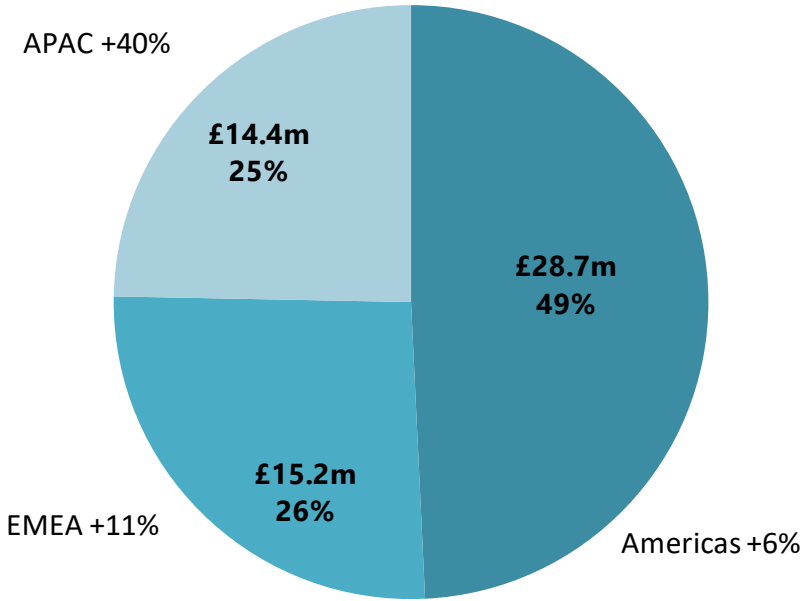


\* Medical volume reflects both non-implantable and implantable volumes

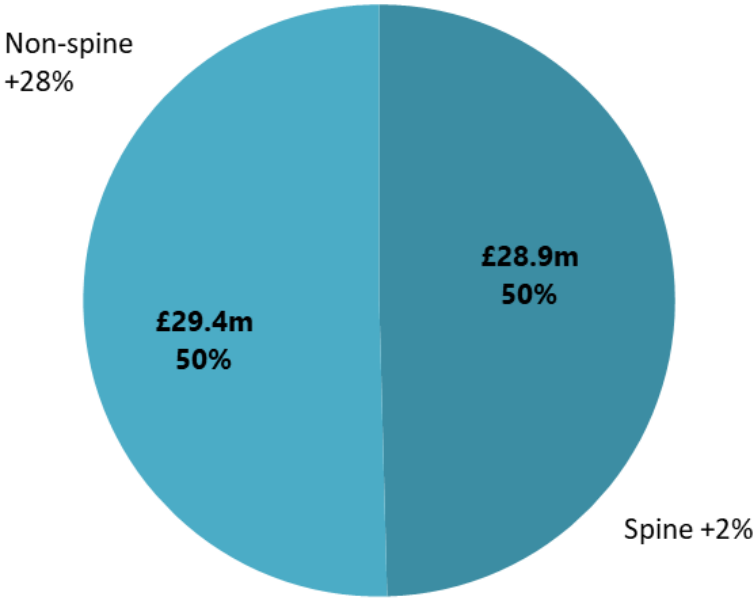
# MEDICAL: KEY MARKETS

FY 2022: £58.3m (+14% vs FY21)  
FY 2021: £51.1m (+3% vs FY20)

Revenue by Region



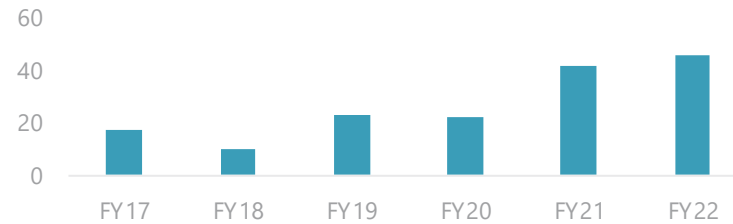
Revenue by Market



# USE OF CASH

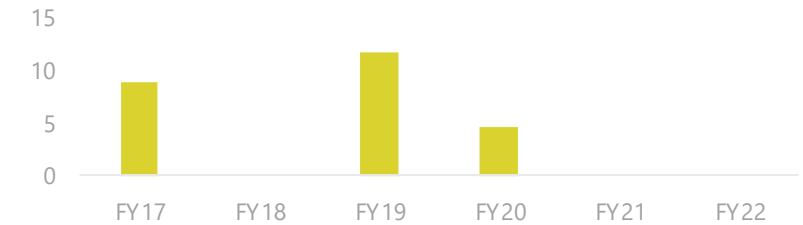
FY 2017 TO FY 2022

CAPEX (£m)



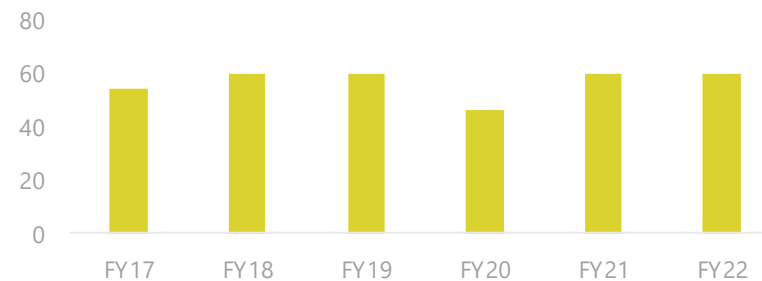
- Normalised capex c8-10% of revenue
- Periodic investment in capacity & innovation

ACQUISITIONS/INVESTMENTS (£m)



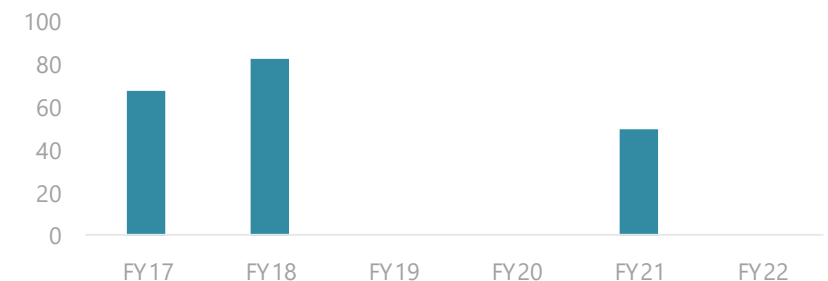
- 'Enablers' to support core & mega-programmes
- Develop further downstream capability

REGULAR DIVIDENDS p/share\*



- Average CAGR c5%
- Grow in line with EPS

SPECIAL DIVIDENDS p/share\*



- 50p/share minimum
- Excess cash if not used for growth investment

\* Regular & special dividends shown are based on the financial year those dividends are declared (rather than paid)