

The background is a deep blue gradient. It features a complex network of thin, light blue lines connecting small dots, resembling a data network or a molecular structure. On the left side, there are several large, solid blue arrows pointing upwards and to the right. In the bottom right corner, there are several white dashed arrows pointing in various directions, mostly upwards and to the right. The overall aesthetic is high-tech and futuristic.

smiths

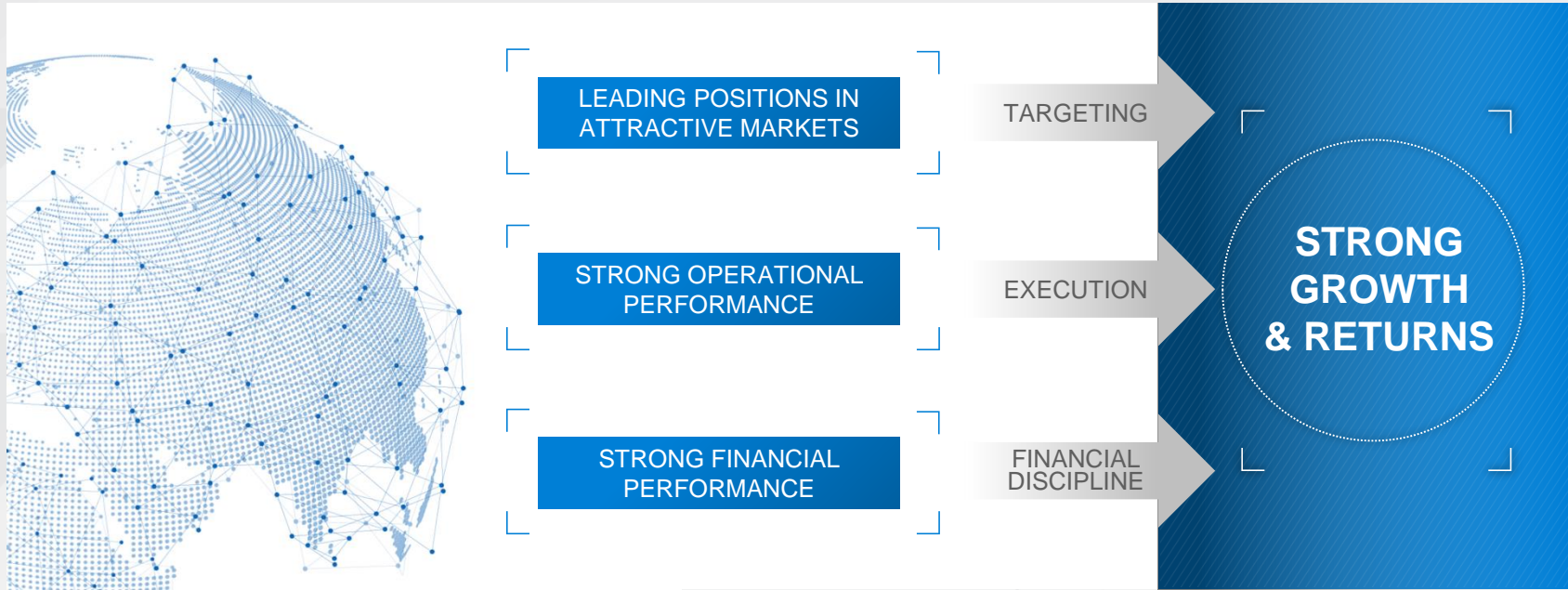
[SMITHS GROUP]

JANUARY 2018



This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this document should be construed as a profit forecast. The Company and its directors accept no liability to third parties in respect of this document save as would arise under English law. This presentation contains brands that are trademarks and are registered and/or otherwise protected in accordance with applicable law.

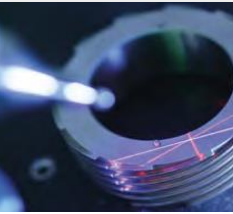









WHAT IT MEANS TO BE SMITHS



A HIGH PERFORMING, DIVERSIFIED TECHNOLOGY COMPANY

SMITHS GROUP TODAY

A HIGH PERFORMING, DIVERSIFIED TECHNOLOGY COMPANY

SMITHS GROUP	JOHN CRANE	SMITHS MEDICAL	SMITHS DETECTION	SMITHS INTERCONNECT	FLEX-TEK	End markets
<ul style="list-style-type: none"> Founded in 1851 c. 22,000 employees Operating in 50 countries Serving customers in 200 countries and territories 	<p>Mission-critical solutions for global energy and process industries</p> 	<p>High-quality, cost-effective medical devices and consumables that are vital to patient care</p> 	<p>A leader in the detection and authentication of security threats and contraband</p> 	<p>Solutions for high-speed, secure connectivity in demanding applications</p> 	<p>Innovative components to heat and move fluids and gases</p> 	<p> MEDICAL TECHNOLOGY</p> <p> SECURITY & DEFENCE</p> <p> GENERAL INDUSTRIAL</p> <p> OIL & GAS</p> <p> SPACE & COMMERCIAL AEROSPACE</p>
<ul style="list-style-type: none"> Revenue £3.2bn Headline OP £589m 	<p>27% of Group revenue</p> <p>32% of Group OP</p>	<p>29% of Group revenue</p> <p>33% of Group OP</p>	<p>21% of Group revenue</p> <p>16% of Group OP</p>	<p>13% of Group revenue</p> <p>9% of Group OP</p>	<p>10% of Group revenue</p> <p>10% of Group OP</p>	

Based on reported FY 2017 numbers

CREATING THE FUTURE OF SMITHS



A SMITHS BUSINESS



TECHNOLOGY
DIFFERENTIATION



INCREASING
DIGITISATION

TARGETED
IN
GROWING
MARKETS



HIGH PROPORTION OF
AFTERMARKET AND
SERVICES



SUSTAINABLY
COMPETITIVE
AND ASSET LIGHT

TARGETED IN GROWING MARKETS



MEDICAL TECHNOLOGY

- Market growth: 3-4%¹
- Smiths Medical; Smiths Interconnect; Flex-Tek



SECURITY & DEFENCE

- Market growth: 4-6%²
- Smiths Detection; Smiths Interconnect



GENERAL INDUSTRIAL

- Market growth: GDP+
- John Crane; Smiths Interconnect; Flex-Tek



OIL & GAS

- Market growth: 1-2%³
- John Crane



SPACE & COMMERCIAL AEROSPACE

- Market growth: 4-6%⁴
- Flex-Tek; Smiths Interconnect

OVERALL MARKET GROWTH RATE: 3-4%

Source:

(1) Health Research International 2016; BMI 2017; McKinsey analysis
(2) IHS Markit; Frost & Sullivan; Markets and Markets; Smiths Detection analysis

(3) BP Energy Outlook 2017
(4) Bishop Report, Markets and Markets, Boeing Current Market Outlook (2017-2036)

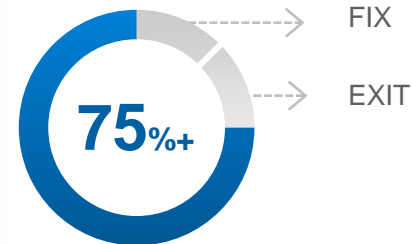
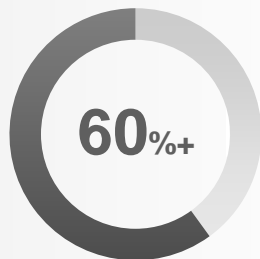
TOP 3 LEADERSHIP IN TARGETED MARKET SEGMENTS

MARKET ATTRACTIVENESS

- Size
- Growth
- Segment profitability
- Competitor landscape

COMPETITIVE POSITION

- Relative market share
- Relative growth
- Relative profitability



- Infusion systems
- Vascular access
- Vital care



- Air transportation
- Ports and borders
- Military
- Urban security



- Pharma
- Chemical
- Processing
- Rail
- Semiconductor test
- Construction

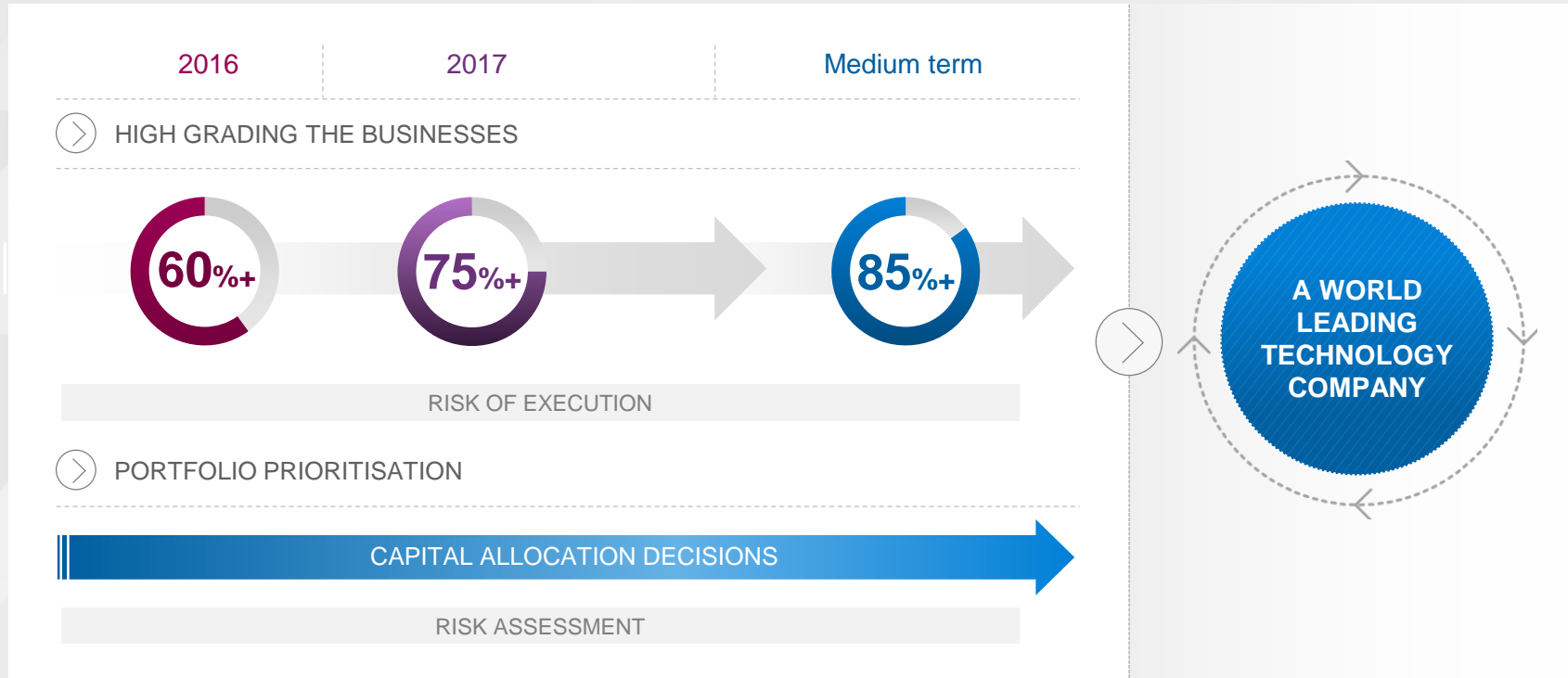


- Oil refineries
- Gas processing
- Pipelines

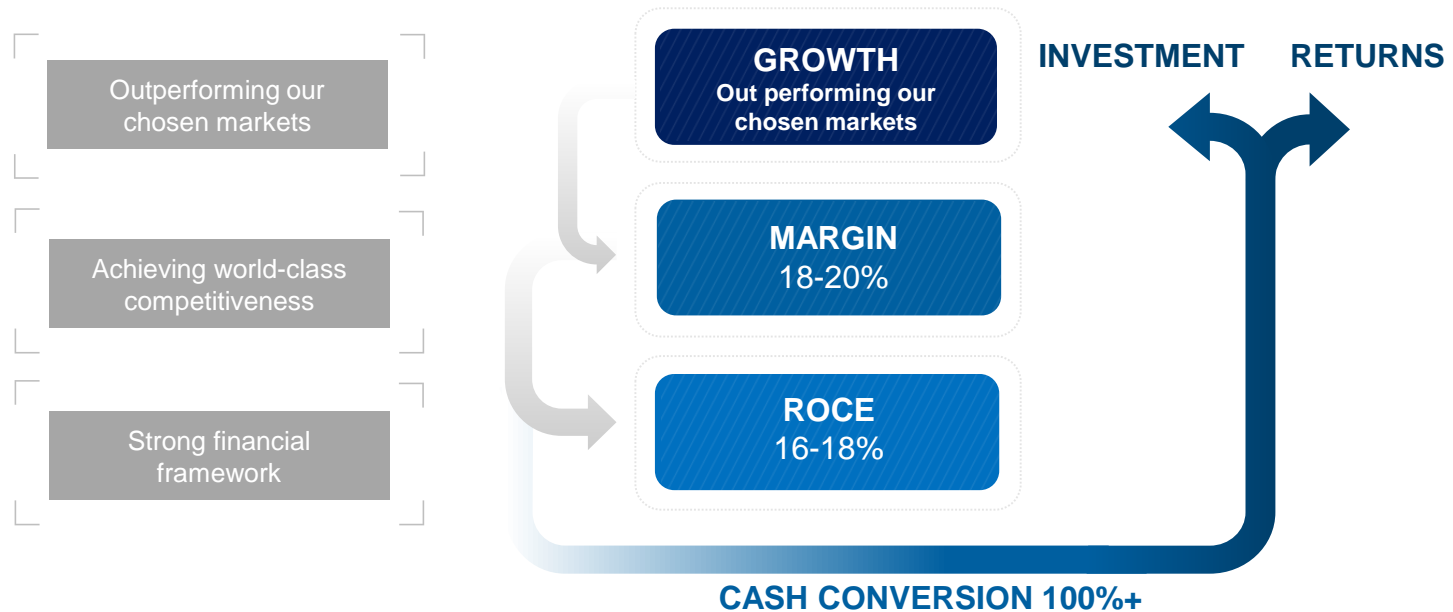


- Aircraft
- Satellites

PARALLEL PATH



A WORLD LEADING TECHNOLOGY COMPANY



MEDIUM TERM AMBITION



OPERATIONAL PERFORMANCE

Competitive position	Top 3
R&D % sales	5-6%
Vitality index	~20%
Stock turns	~6x
Aftermarket %	60%+



FINANCIAL PERFORMANCE

Organic revenue growth	Outperforming our chosen markets
Operating margin	18-20%
ROCE	16-18%
WC % sales	~20%
Cash conversion	100%+



smiths

[SMITHS GROUP IN 2017]

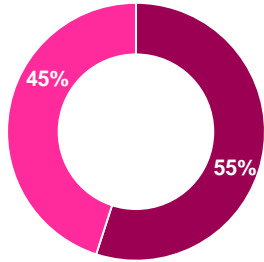
SMITHS GROUP - 2017

	JOHN CRANE	SMITHS MEDICAL	SMITHS DETECTION	SMITHS INTERCONNECT	FLEX-TEK	GROUP
Revenue (£'m)	£885m	£951m	£687m	£419m	£338m	£3,280m
Revenue growth* (%)	(4)%	(3)%	+4%	+1%	+3%	(1)%
Operating profit (£'m)	£204m	£209m	£103m	£56m	£65m	£589m**
Operating margin (%)	23.0%	22.0%	15.0%	13.4%	19.3%	18.0%
ROCE	22.9%	16.7%	12.6%	11.4%	35.8%	16.2%
Aftermarket % of revenue	64%	82%	39%	n/a	n/a	55%
R&D % sales	1.1%	6.4%	7.1%	6.7%	0.6%	4.6%

* On an underlying basis. Underlying excludes the effects of foreign exchange translation and acquisitions but includes divested business for the period they were owned in the reported financial year and adjusts the prior financial year comparator as if the divested business were owned for the same period in that financial year to aid comparability. ** Includes £(48)m of corporate costs

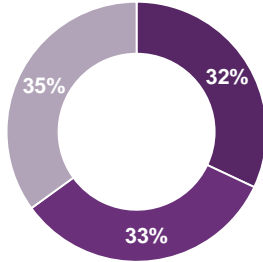
REVENUE ANALYSIS*

JOHN CRANE



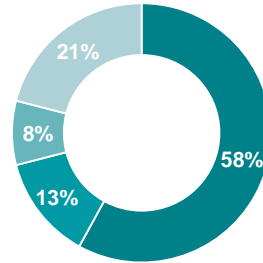
- Oil & gas
- Non-oil & gas

SMITHS MEDICAL



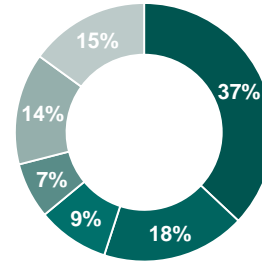
- Infusion systems
- Vascular access
- Vital Care

SMITHS DETECTION



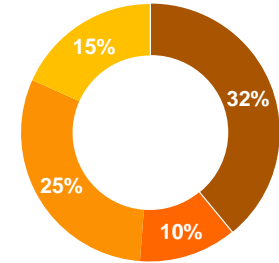
- Air transportation
- Ports and borders
- Military
- Urban security

SMITHS INTERCONNECT



- Defence
- Semi-Conductor
- Medical
- Space
- Commercial aerospace
- Rail, Industrial, Other

FLEX-TEK



- Construction
- Fluid Management
- Heat Solutions
- Flexible Solutions

JOHN CRANE*

Mission-critical solutions for global energy and process industries

Revenue
£885m
(27% of Group)

OP
£204m
(32% of Group)

Margin
23.0%

COMPETITIVE STRENGTHS

- Market leader in mechanical seals
- Broad installed base
- One of the largest global service networks, with c. 200 service centres
- Significant aftermarket stickiness and value over the product life-cycle
- Strong proprietary technology
- Expertise in applied engineering
- Long term customer relationships

GROWTH DRIVERS

- Operational improvements in non-oil and gas process industries
- Pent-up demand for maintenance and upgrades in oil and gas and petrochemical
- Expansion in high-growth markets
- Material science advancements and digital transformation of industry

END MARKETS

- c.55% oil & gas
 - 85% downstream
 - 15% midstream
- c.45% non-oil & gas
 - Pharmaceutical
 - Chemicals
 - Pulp & paper
 - Water treatment

GEOGRAPHIES



- Americas 45%
- Europe 27%
- APAC 16%
- RoW 12%

COMPETITIVE LANDSCAPE

- Flowserve
- EagleBurgmann

OE/AM



- Aftermarket 64%
- OE 36%

SMITHS MEDICAL*

High-quality, cost-effective medical devices and consumables that are vital to patient care

Revenue
£951m
(29% of Group)

OP
£209m
(33% of Group)

Margin
22.0%

COMPETITIVE STRENGTHS

- Category leadership
- Trusted brands with a reputation for quality and safety
- Proprietary consumables
- Strong, defensible intellectual property
- Strong customer relationships
- Extensive global sales network

GROWTH DRIVERS

- Expansion of developing markets
- Ageing populations
- Increasing personalised medicine and patient expectation/quality of life
- Rise of chronic diseases
- Increasing connectivity
- Growth of alternate site and home-based healthcare
- Clinically relevant innovation

END MARKETS



- Infusion systems 32%
- Vascular access 33%
- Vital Care and Specialty products 35%

GEOGRAPHIES



- Americas 58%
- Europe 24%
- APAC 16%
- RoW 2%

COMPETITIVE LANDSCAPE

- Becton-Dickinson
- B Braun
- Teleflex
- ICU
- Fresenius
- Vyair
- AngioDynamics

OE/AM



- OE 18%
- Consumables 82%

SMITHS DETECTION*

A leader in the detection and authentication of security threats and contraband

Revenue
£687m
(21% of Group)

OP
£103m
(16% of Group)

Margin
15.0%

COMPETITIVE STRENGTHS

- Global market leader
- Integrated solutions provider
- Unrivalled R&D capability
- Growing aftermarket revenue
- Operating in several regulated markets requiring product certification
- Differentiated technologies leveraged across markets

GROWTH DRIVERS

- Evolving threat environment
- Changing security regulations
- Recapitalisation cycles
- Growth of security infrastructure in emerging markets
- Globalisation of trade
- Growing number of passengers
- Software-driven solutions providing functionality, networking and systems integration

END MARKETS



- Air transportation 58%
- Ports and borders 13%
- Military 8%
- Urban security 21%

GEOGRAPHIES



- Americas 37%
- Europe 28%
- APAC 17%
- RoW 18%

COMPETITIVE LANDSCAPE

- L3
- Rapiscan
- Nuctech
- Leidos (Reveal)

OE/AM



- OE 61%
- Aftermarket 39%

SMITHS INTERCONNECT*

Solutions for high-speed, secure connectivity in demanding applications

Revenue
£419m
(13% of Group)

OP
£56m
(9% of Group)

Margin
13.4%

COMPETITIVE STRENGTHS

- Innovative and technically differentiated offerings
- Ultra-high reliability solutions used in demanding applications
- Customer intimacy, responsiveness and product customisation
- Global presence, reach and support

GROWTH DRIVERS

- Growth in high data rate applications
- Continued proliferation of electronics
- Demand for greater connectivity and mobility
- Increasing sophistication of customer needs in high-growth markets
- Increasing geopolitical uncertainty

END MARKETS



- Defence 37%
- Semi-Conductor 18%
- Medical 9%
- Space 7%
- Commercial aerospace 14%
- Rail, Industrial, Other 15%

GEOGRAPHIES



- Americas 62%
- Europe 22%
- APAC 15%
- RoW 1%

COMPETITIVE LANDSCAPE

- Competitors range from large multinationals through to small, more focused companies across the product portfolio.
- Examples include Amphenol, TE Connectivity, Yokowo and Cobham.

FLEX-TEK

Innovative components to heat and move fluids and gases

Revenue
£338m
(10% of Group)

OP
£65m
(10% of Group)

Margin
19.3%

COMPETITIVE STRENGTHS

- High-performance products
- Market leading residential gas tubing products
- High performance flexible tubing for aerospace
- Leading capability in design and manufacture
- Strong customer relationships

GROWTH DRIVERS

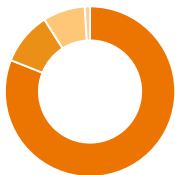
- Steady growth of US housing construction market
- Continued increase in large commercial aircraft production
- Growth of medical devices and their increased use of flexible tubing
- Growing presence in Europe and Asia with further expansion potential

SEGMENTS



- Construction 32%
- Fluid Management 24%
- Heat Solutions 25%
- Flexible Solutions 19%

GEOGRAPHIES



- Americas 81%
- Europe 10%
- APAC 8%
- RoW 1%

COMPETITIVE LANDSCAPE

- Fluid management - Parker and Eaton for flex assemblies and numerous smaller competitors for metal products.
- Construction – c.7-8 competitors.
- Flexible solutions – c.5-6 competitors for industrial ducting and medical.
- Heat - numerous smaller competitors for specialty products including Zoppas and Nibe.