

spectris

Strategy for Sustainable Growth

Spectris Capital Markets Day
19 October 2022



Agenda

13:30 Strategy for Sustainable Growth

Andrew Heath, Chief Executive



15:00 Our Purpose in action Cleaner

Kimberly Miller, Head of Product Development, HBK



13:50 Spectris Scientific

Mark Fleiner, President, Spectris Scientific



Healthier

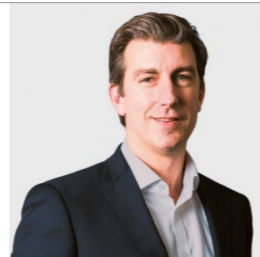
Tanneke Reinders, VP Business Development, MP

Paul Kippax, Marketing Dir., Pharma & Food, MP



14:10 Spectris Dynamics

Ben Bryson, President, Spectris Dynamics



More productive

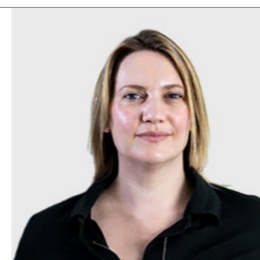
Thomas Lippok, Chief Strategy Officer, HBK



14:30 Break

14:45 Sustainability

Rebecca Dunn, Head of Sustainability



15:30 Financial profile and capital allocation

Derek Harding, Chief Financial Officer



16:00 Q&A followed by drinks and product demo stands

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Strategy for Sustainable Growth

Andrew Heath



Spectris –
we deliver value
beyond measure



We have fundamentally reshaped the Group

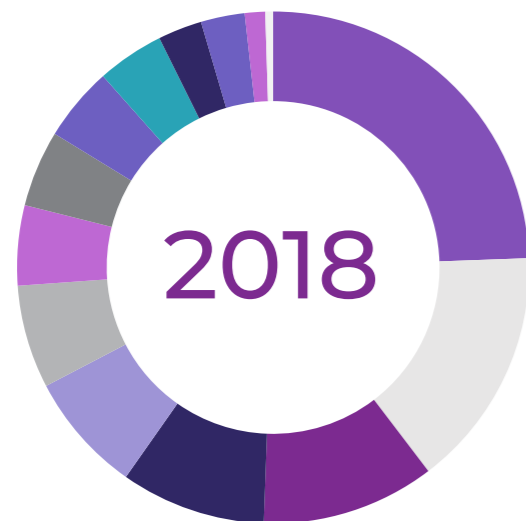
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2019-2022:
Strategy for
Profitable
Growth
successfully
executed

- Portfolio repositioned
- Leaders in attractive, structural growth markets
- Invested for growth
- Strengthened leadership & culture
- ESG credentials established

More focused, higher quality, more sustainable growth

Sales by business (%)



- HBK
- Malvern Panalytical
- PMS
- Servomex
- Red Lion

LFL sales growth
9.7% (2021)
10.5% (YTD 2022)

Adj operating margin
15.5% (2018)
16.3% (2021)

Cashflow conversion
59% (2018)
96% (2021)

ROGCE
13.7% (2018)
14.2% (YTD 2022)

What's next?

Strategy for
Sustainable
Growth

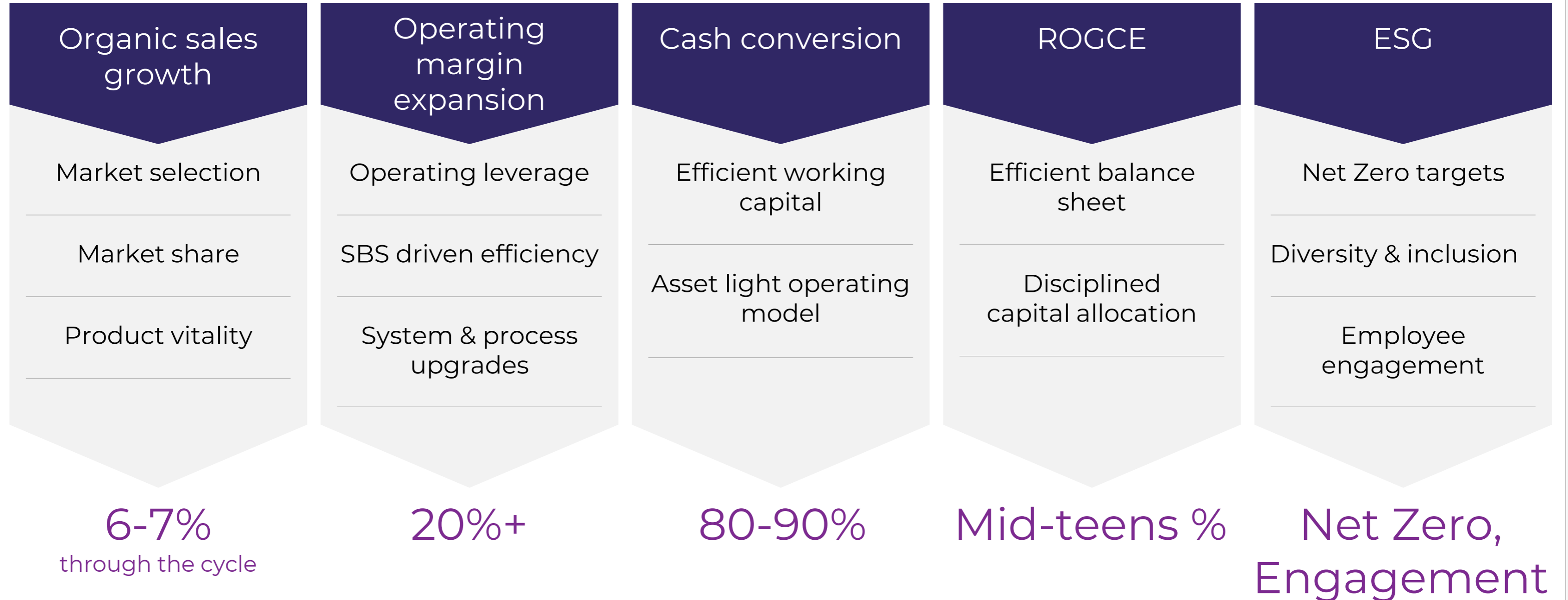


Leading
sustainable
business



Compounding
growth

Strengthened business – new performance framework



Strategy for Sustainable Growth



1 Great businesses	Asset-light businesses focused on premium, precision measurement solutions and industry-leading domain expertise , aligned with our Purpose
2 Structural growth markets	Aligned with attractive, sustainable, structural growth markets with high barriers to entry
3 Customer centricity	Solving customer challenges with leading, differentiated solutions, equipping them to make the world cleaner, healthier and more productive
4 Investing in growth	Disciplined capital allocation for the benefit of all stakeholders – investment in growth through R&D and M&A
5 Operational excellence	Leveraging the Spectris Business System ('SBS') , business improvement projects and our high-performance culture
Underpinned by our Purpose	Leading sustainable business Investing in our people Living our Values

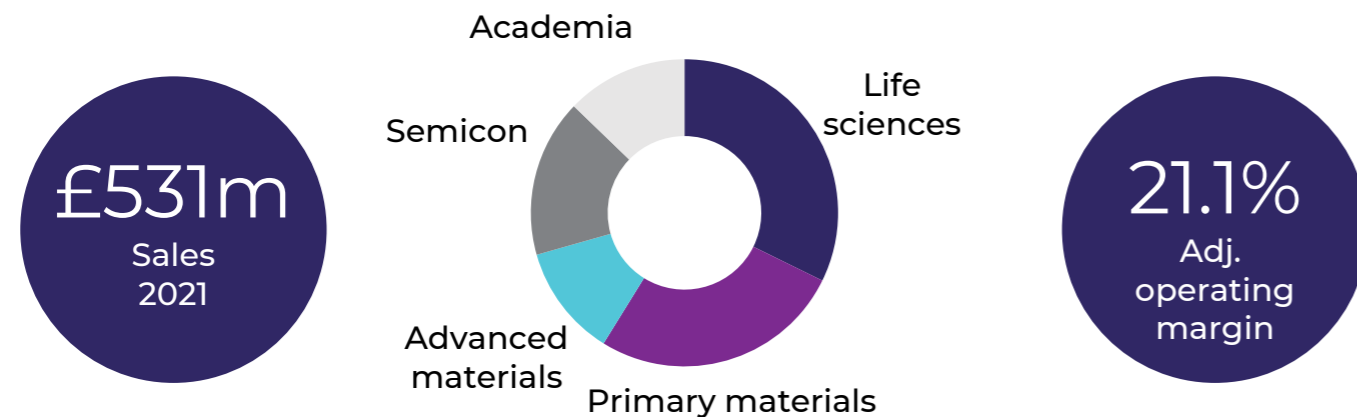
1. Great businesses – leaders in premium, precision measurement

Spectris Scientific




Leader in advanced measurement techniques for materials analysis

Malvern Panalytical, Particle Measuring Systems



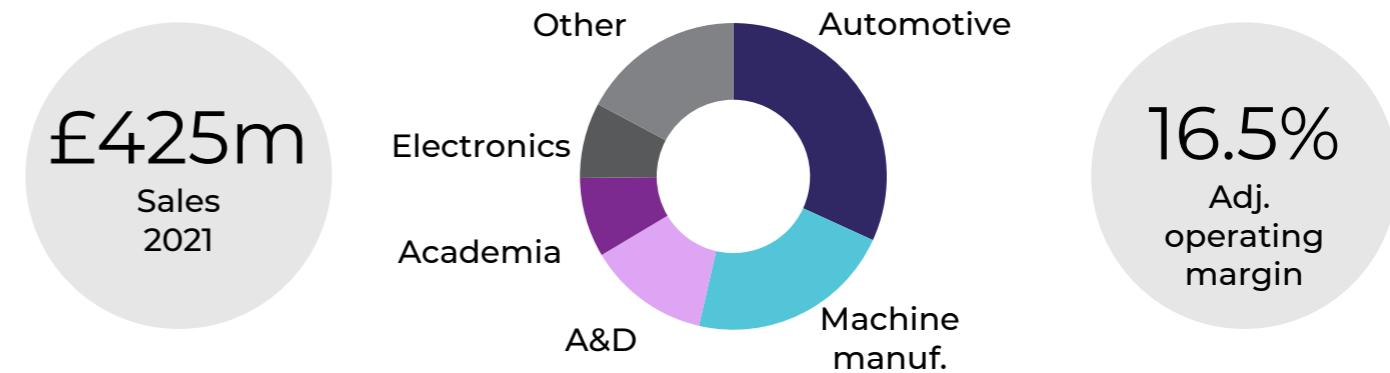
Making the invisible ... visible

Spectris Dynamics



Leader in advanced integrated physical & virtual testing and measurement

HBK



Empowering the innovators

Strong market positions ... compelling growth opportunities

spectris

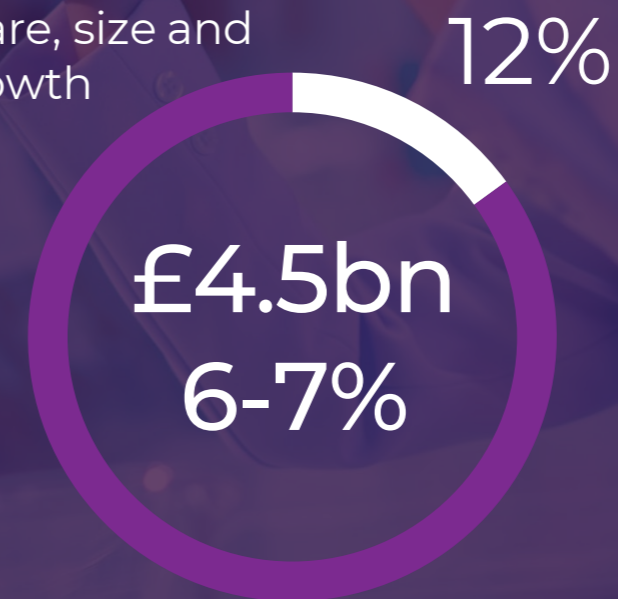
Spectris Scientific

- World-class business with a differentiated proposition where the measurement is critical
- Technology leadership within customer workflows, providing the best solutions
- Partner with major OEMs
- High-touch customer engagement, leveraging our domain expertise

Leading positions

- Drug discovery and development
- Micro contamination control
- XRF spectrometers
- Laser diffraction and calorimetry
- Particle counters

Spectris market share, size and growth



Sources: ITR, PMI, SDI, IBO, advisor research, internal analysis

Strong market positions ... compelling growth opportunities

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Spectris Dynamics

- Broadest offering in advanced high precision testing and measurement solutions
- Leading market positions in premium segments
- Significant opportunity to integrate both virtual and physical test
- We operate where superior quality, reliability and strong domain expertise are essential

Leading positions

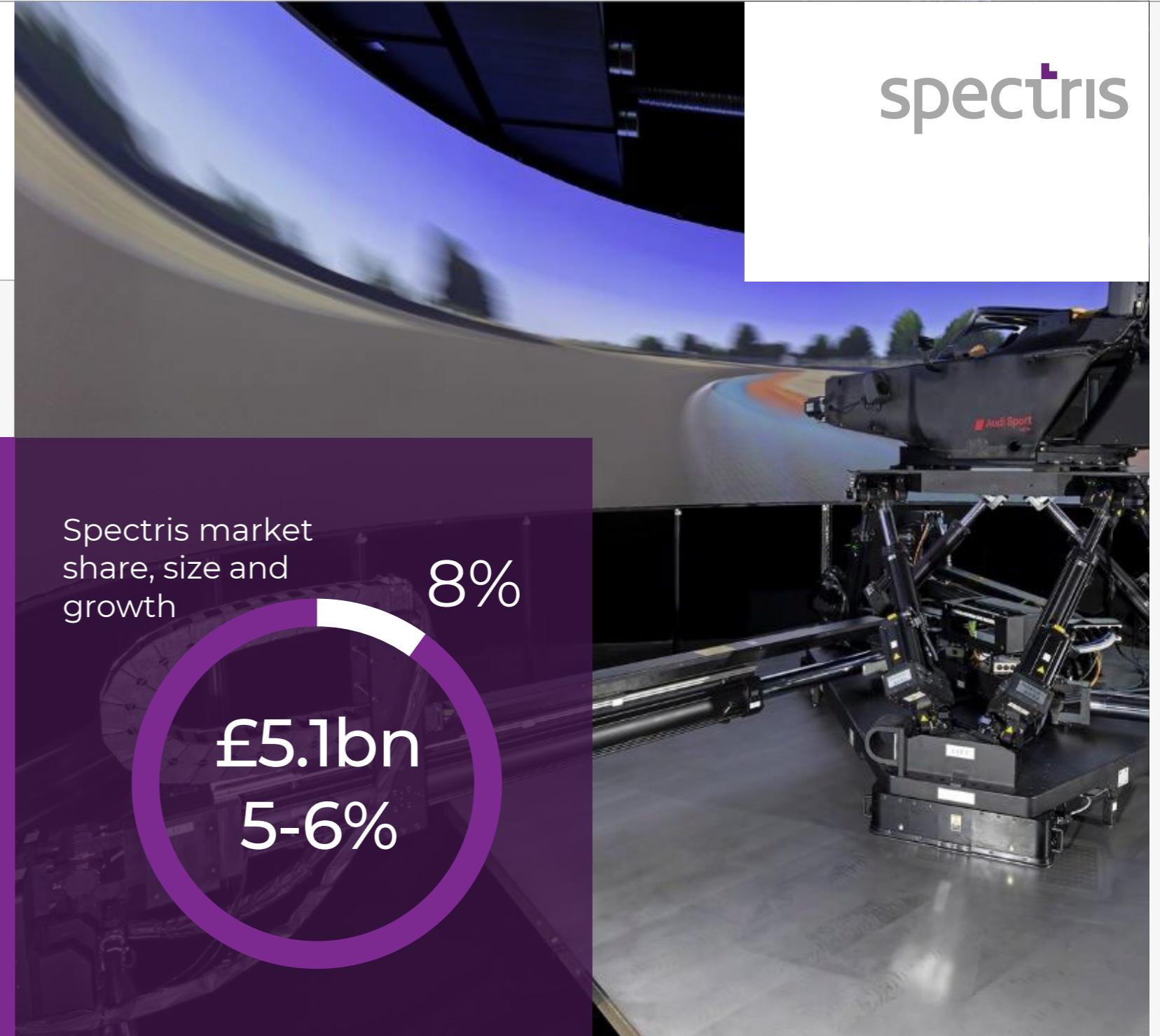
- High precision, physical test
- Premium virtual test (simulators and software)
- High speed, multi-channel data acquisition
- High precision sensors

Spectris market share, size and growth

8%

£5.1bn
5-6%

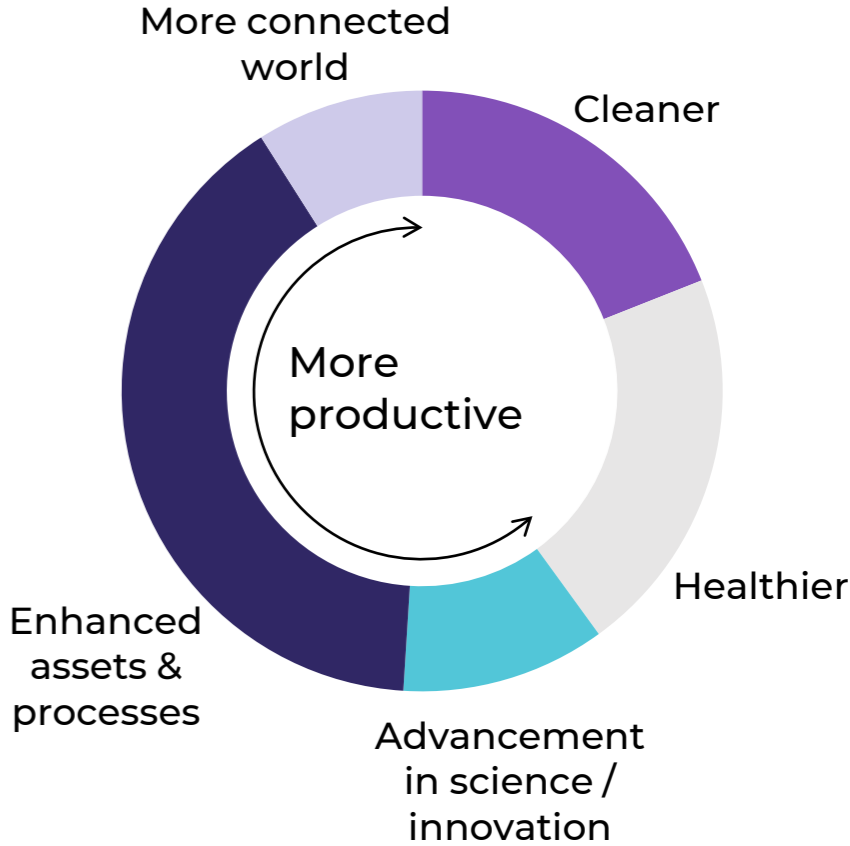
Sources: ITR, PMI, Ifo index, advisor research, internal analysis



2. Portfolio aligned to structural growth drivers



Cleaner, healthier, more productive – accelerating growth in our markets

Cleaner	Healthier	Purpose-led sales
<div data-bbox="206 679 469 938"></div> <p data-bbox="136 990 543 1134">Transition to cleaner energy and mobility solutions</p> <div data-bbox="669 679 932 938"></div> <p data-bbox="616 990 982 1134">More responsible extraction and use of resources</p> <div data-bbox="1136 679 1399 938"></div> <p data-bbox="1109 990 1422 1134">Increase in environmental protection</p>	<div data-bbox="1569 679 1832 938"></div> <p data-bbox="1569 990 1829 1134">Evolution of food and agriculture</p> <div data-bbox="1969 679 2232 938"></div> <p data-bbox="1949 990 2255 1084">Advancement in health</p>	
More productive		
<div data-bbox="179 1472 409 1699"></div> <p data-bbox="459 1540 816 1628">More connected world</p>	<div data-bbox="939 1472 1169 1699"></div> <p data-bbox="1206 1489 1616 1680">Enhancing process and asset performance; automation</p>	<div data-bbox="1666 1472 1895 1699"></div> <p data-bbox="1929 1489 2242 1680">Advancement in science and acceleration of innovation</p>

3. Customer centricity – partnerships based on differentiated solutions and domain expertise



~67,000
customers

>80%
of sales direct

~30%
recurring
revenues

>60%
repeat customers

50+
NPS scores

2,200
sales and service
employees



Solving
customers'
critical
challenges



4. Investment in growth – driving organic growth through R&D

2018
↓
2022



R&D investment
as % sales

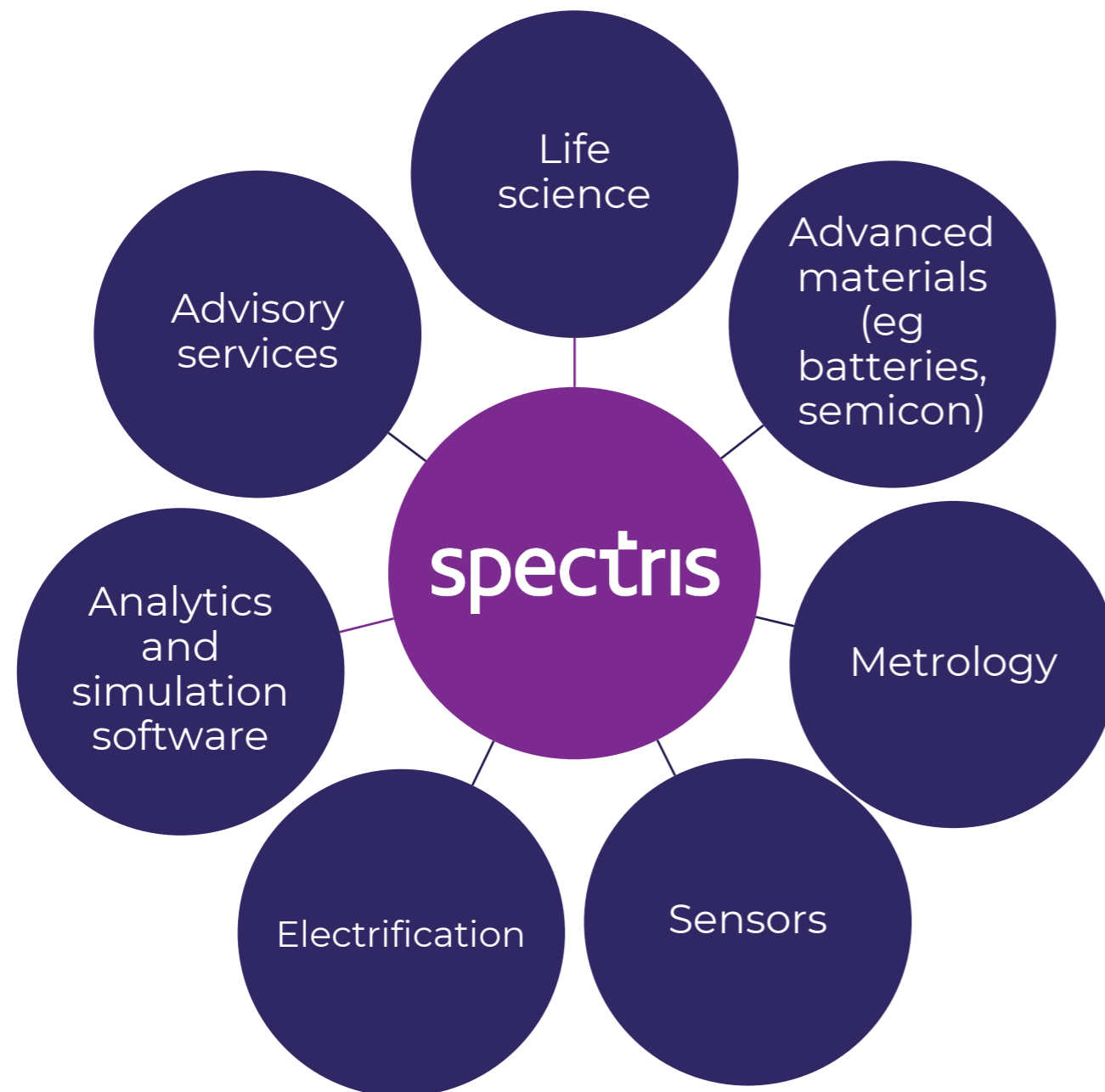


R&D spend
on NVI



NVI vitality
index

Investment in growth – compounding growth through M&A



- Expanded our addressable market from £10bn to £13bn
- Resulting in more white space opportunities
- Targets include:
 - Early-stage companies
 - Bolt-ons
 - Medium and large-scale opportunities

5. Operational excellence – self-help initiatives to drive margin expansion



Operating leverage



Spectris Business System



System and process updates



Operating model



Delivering *Value Beyond Measure* for all stakeholders

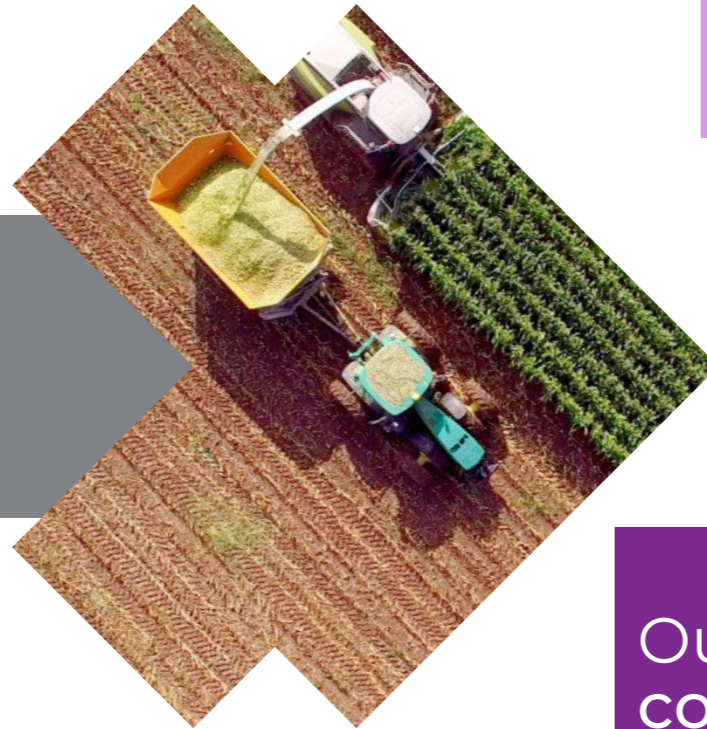
Our
customers



Our
shareholders



Our
planet



Our
people

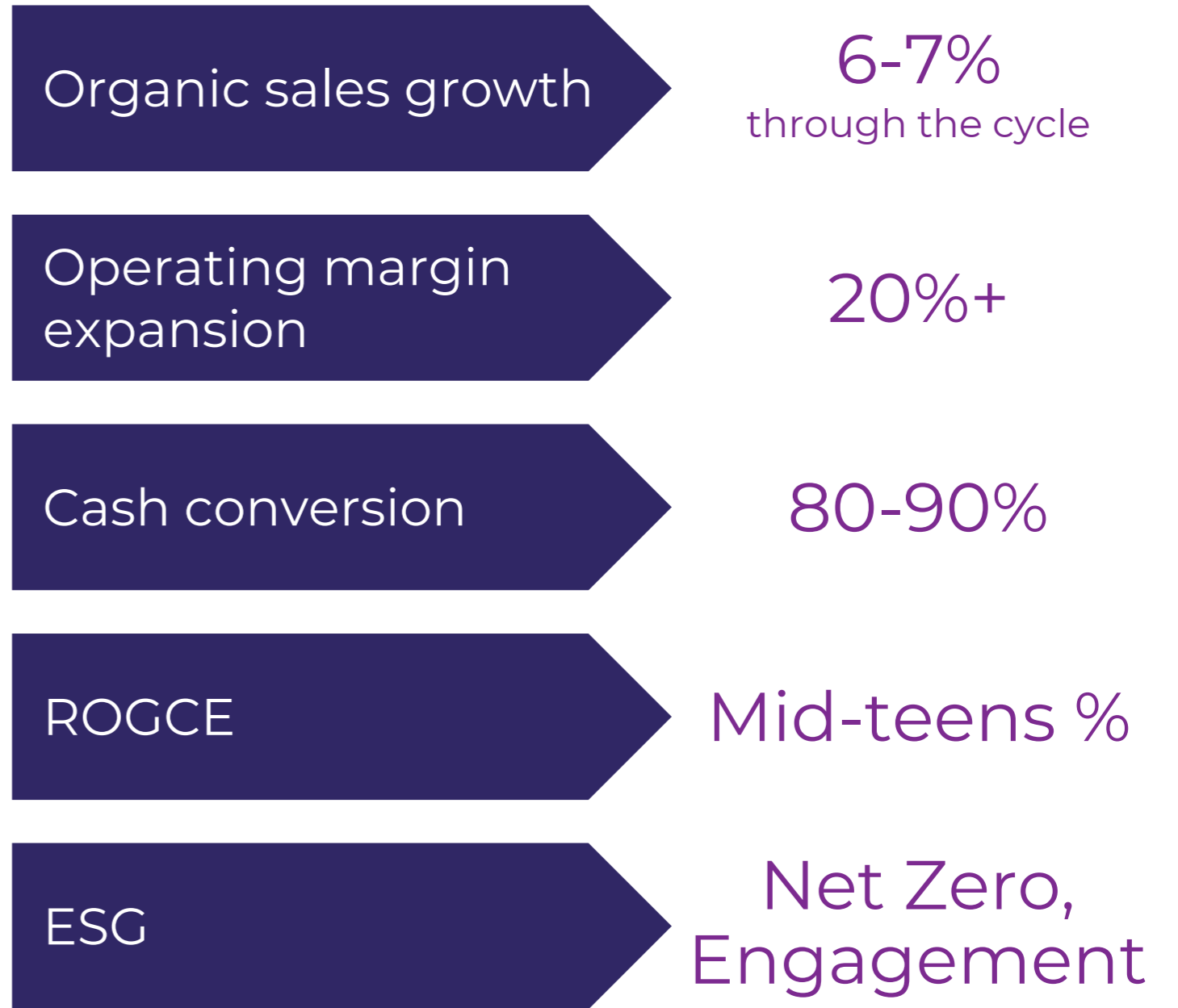
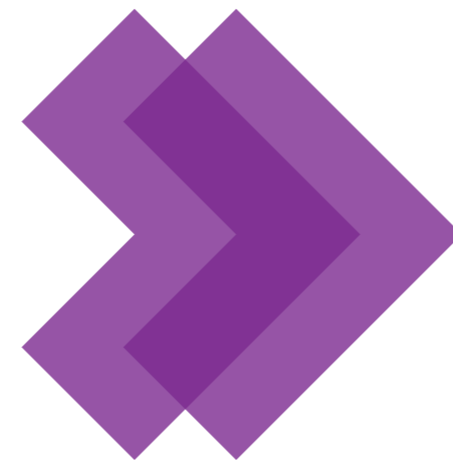


Our
communities



Strategy for Sustainable Growth – summary

- 1 Great businesses
 - 2 Structural growth markets
 - 3 Customer centricity
 - 4 Investing in growth
 - 5 Operational excellence
- Underpinned by our Purpose



Spectris Scientific

Mark Fleiner



Mark Fleiner, President, Spectris Scientific

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- Joined Spectris in January 2019
- Business Group Director, Industrial Solutions Division
- President, Malvern Panalytical, May 2020
- President, Spectris Scientific, October 2022



Spectris Scientific – at a glance

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= Spectris Scientific

3,100+
Employees

1,100+
Customer
facing
employees

450+
Employees
working
in R&D

~40
Sales and support
locations - global
presence

32,000
Customers
served

100,000+
Installed
instruments

£531m
2021
sales

21.1%
2021 adj.
operating margin

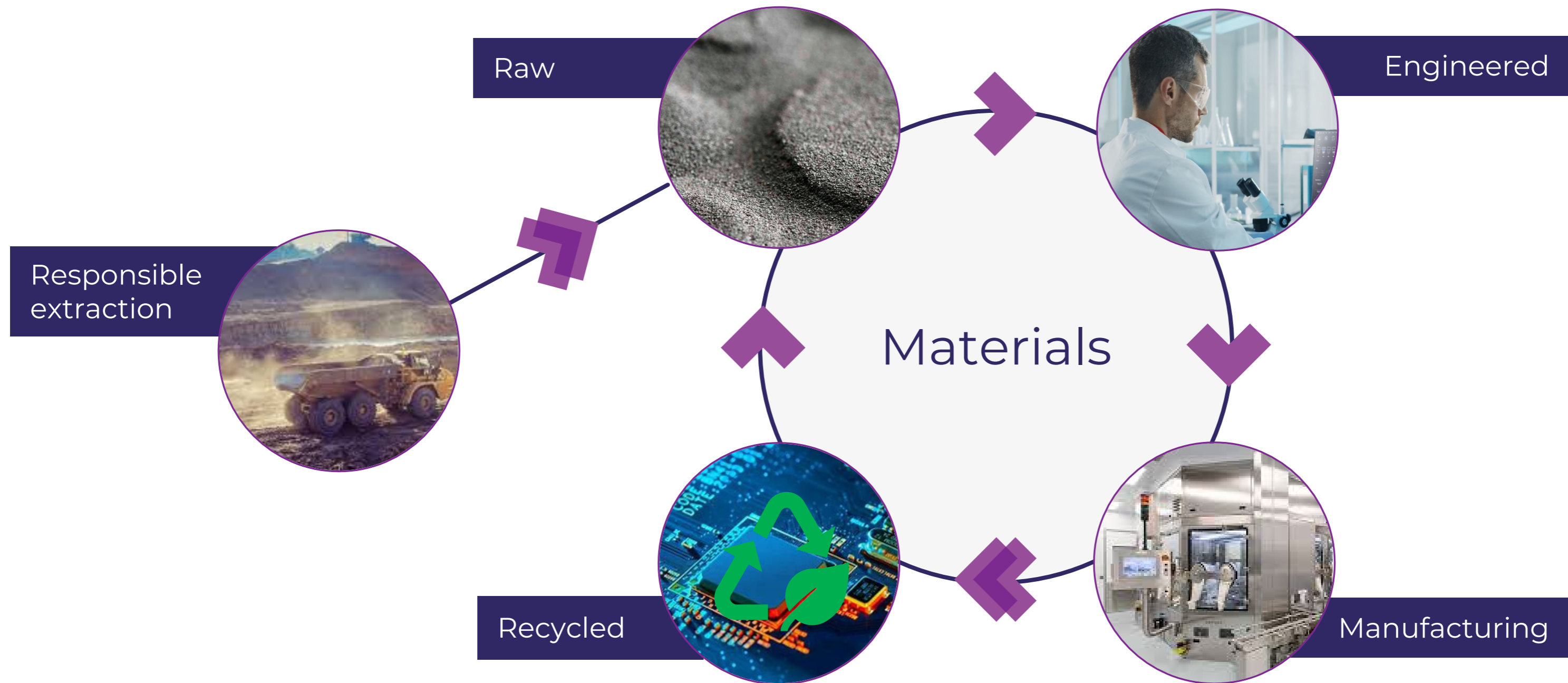
Making the
invisible ... visible
+60 years

Making the
invisible
–
Visible









Spectris Scientific – insights through the workflow

Delivering value beyond measure through critical insights ... along the customer workflow



Focused on high growth end markets

<p>£4.5bn Served market</p>	 <p>£1.1bn Life sciences</p>	<p>£2.3bn Material sciences</p>	<p>£0.7bn Semiconductor</p>	<p>£0.4bn Academia</p>
<p>6-7% Market CAGR</p>	<p>6-7%</p>	<p>Advanced 6-9% Primary 3-5%</p>	<p>~8%</p>	<p>~6%</p>
<p>Market share</p>	 ~16%	 ~7%  ~10%	 ~13%	 ~17%
<p>Growth drivers</p>	<ul style="list-style-type: none"> - Increasing investment of small and large molecules - Expansion of generics - Onshoring / expanding manufacturing facilities - Compliance, monitoring, and certification of facilities 	<ul style="list-style-type: none"> - Materials for energy technologies - Electrification driving innovation for materials - Material science & selection for additive manufacturing - Responsible extraction of natural resources 	<ul style="list-style-type: none"> - Capex supercycle - Smaller devices requiring advanced materials - Compliance & monitoring of clean manufacturing - Onshoring of production 	<ul style="list-style-type: none"> - Governments investing in critical technologies - Fundamental research on materials - Partnering with industry in support of applied research
<p>% of Spectris Scientific sales (2021)</p>	<p>32%</p>	<p>~12% ~26%</p>	<p>17%</p>	<p>13%</p>

Life sciences – molecules to medicines

Drug discovery through to manufacturing

Customer challenges

- Develop / launch products faster
- Consistency of method development
- Compliance in regulated environments
- Contamination free manufacturing environments

Spectris Scientific solution

- Precision measurement
- Domain expertise
- Solutions and advisory services for regulated environment and ultra-clean manufacturing
- Drug development services supporting formulation



Total 2021 sales:
~£170m

Key growth areas: Biologics (+++) – Aseptic manufacturing (++)

2021 sales key growth areas:
~£95m

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

Material sciences – making better products

Material science improving everything around us

Customer challenges

- Material innovation and problem solving to make better products
- Accelerating development and reducing cost of materials
- Sustainability ... reduce waste and accelerating recycling



Spectris Scientific solution

- Precision measurements
- Domain expertise through the workflow
- Data analytics & data science
- Reliability ... quality instruments and tailored service

Total 2021 sales:
~£200m

Key 2021 growth: Batteries/fuel cells (+++) – Mining & minerals (++)

2021 sales key growth areas:
~£70m

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

Semiconductor – critical materials and monitoring

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Material science from miniaturisation through to aseptic manufacturing

Customer challenges

- Material innovation and problem solving
- Accelerating development
- Yield and quality of final product
- Sustainability ... reduce waste and accelerating recycling



Spectris Scientific solution

- Precision measurements
- Domain expertise through the workflow
- Data analytics & data science
- Expert advisory services
- 24/7 service delivery

Total 2021 sales:
~£90m

Key 2021 growth: Contamination control (+++) – Thin film metrology (+++)

2021 sales key growth areas:
~£90m

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

Academia – advancing fundamental research

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Fundamental science and engineering of materials for all end markets



Customer challenges

- Easy-to-use instruments with advanced sensors
- Analytical software with flexibility
- Optimising uptime
- Comparing and contrasting orthogonal measurements

Spectris Scientific solution

- Precision measurements
- Domain expertise to accelerate research
- Bespoke solutions for fundamental research
- Data analytics & data science

Total 2021 sales: ~£70m

2021 growth: Academia (+)

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

Investing – R&D is driving growth and market share gain

~8%

R&D spend % sales

~20%

Vitality index

Recent product launches – examples

Key areas of R&D spend

- Growing our leadership position in core platforms
 - Expand functionality / enhancing performance
- Breakthrough innovation centred on
 - Software, analytics and digitalisation
 - Automation tools for material analysis
 - Advanced monitoring of aseptic manufacturing
 - High-value consumables



Zetasizer Advance

- Launched July 2020
- Sales to date: £55 million
- 2022 exp. growth: +++



Omnitrust software

- Launched October 2020
- Sales to date: £18 million
- 2022 exp. Growth: +++



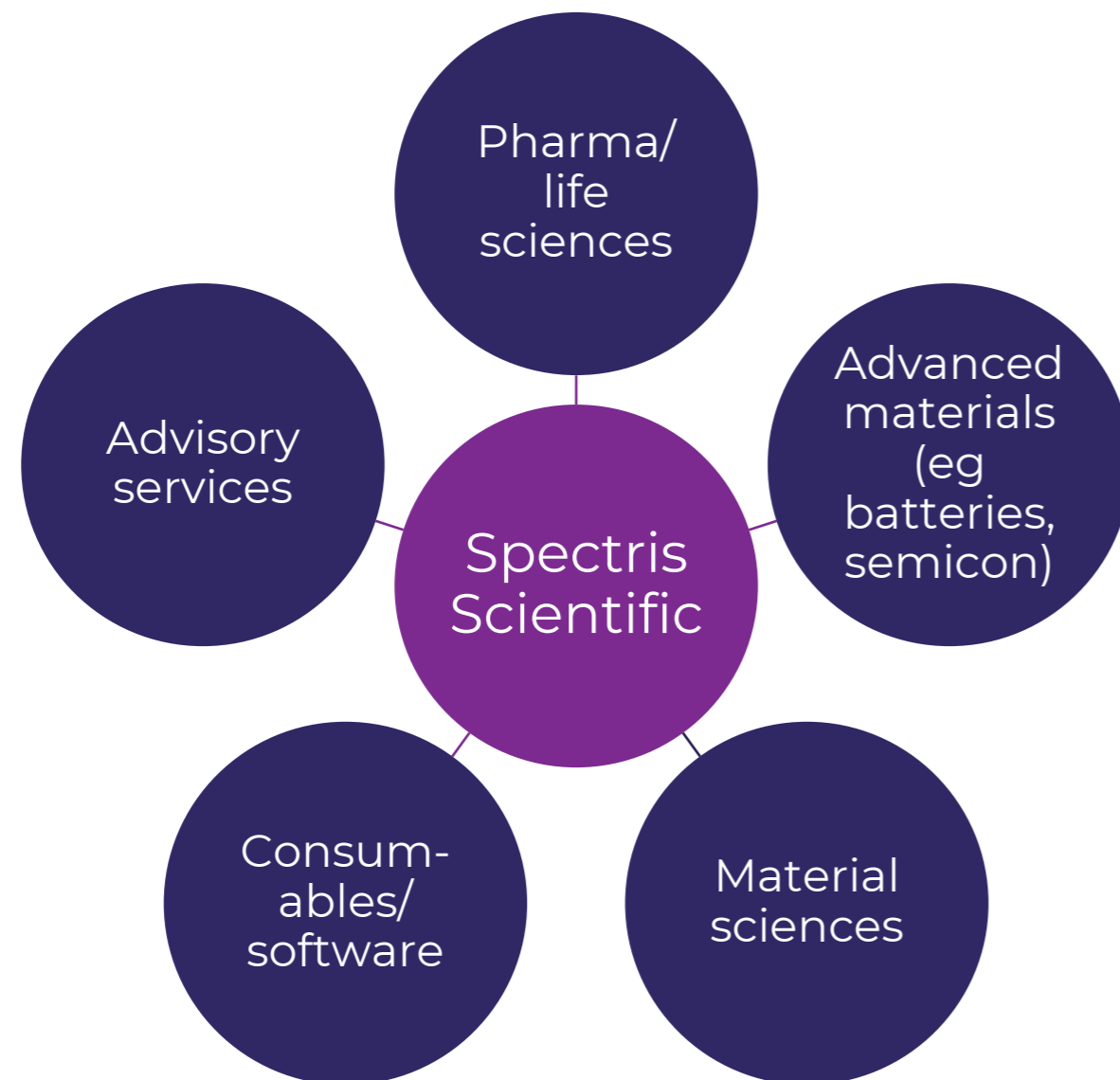
Ultra DI 20 Plus

- Launched July 2022
- Leading precision, stability/reliability

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

Investing – compounding growth through M&A

M&A strengthening and expanding leadership position in key end markets, targeting served and adjacent markets along the customer workflow



- **Start-up and/or technology** companies at the forefront of biologics and/or digitalisation
- **Bolt-on opportunities** filling gaps in customer workflows with instruments, sensors, analytics, and automation tools
- **Medium and large-scale opportunities** expanding leadership position in key markets

Recent acquisitions:



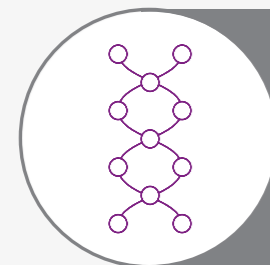
Spectris Scientific – key messages



Providing critical materials insights through high precision instruments, workflow solutions, data science



Strongly positioned in high growth end markets supported by sustainability trends



Solving customer challenges ... from early research to manufacturing and recycling



Delivering above market growth ... with strong sustainable margins

Making the
invisible
–
Visible

Spectris Dynamics

Ben Bryson



Ben Bryson, President, Spectris Dynamics

spectris



- Joined Spectris in January 2020
- Chief Operating Officer, HBK
- President, HBK, January 2022
- President, Spectris Dynamics, October 2022



Spectris Dynamics – a global leader in test and measurement



HBK  HOTTINGER
BRÜEL & KJÆR = Spectris Dynamics

3,300+
Employees

Customers in
50+
countries
worldwide

500+
Customer
facing
employees

300+
Employees
working
in R&D

35,000
Customers
served

£425m
2021
sales

16.5%
2021 adj.
operating margin

>£60m
Software
sales

Innovating
for more than
75 years

Spectris Dynamics – empower the innovators



R&D: Accelerate product innovation



Advanced virtual testing



Physical testing

In-process: Enhance processes and assets



Process & product quality







Asset optimisation

Seamless integration – Closed loop

Integrated data analytics and management software, solving the big data challenge

Focused on premium product lines with high growth

	Virtual test	Physical test			In-process
£5.1bn Served market	£1bn Virtual test*	£0.7bn Software	£1.6bn Data acquisition	£1.9bn Sensors	
5-6% Market CAGR	~10%	~10%	~4-5%	~4-5%	
Market share	 ~ 6%	 ~ 7%	 ~ 7%	 ~ 11%	
Growth drivers	Hardware-in-the-loop testing solutions, Integrated ADAS functionality	Life cycle data management, analytics software	Open eco system, managing big data	Intelligence at the edge, automation, high value asset and process performance	
% of Spectris Dynamics sales	14%**	11%	24%	51%	

* Includes hardware and software **Assumes full year Concurrent RT

Our growth markets

Strategic focus on attractive growth markets



Auto and ground vehicle



Aerospace and defence



Industrials and infrastructure



Personal audio



Harnessing four trends to outgrow the market

1

Shift towards virtual environment in innovation

Accelerating innovation in automotive

2

Shift towards digitisation in innovation

Reducing cost of innovation with software

3

Transformation of mobility and energy

Advancing the development of EVs

4

Automation & productivity in a connected world

Enhancing processes and assets

Virtual Test – accelerating innovation in automotive

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Customer challenges

- Launch products significantly faster
- Lower cost to develop
- Digitalisation and virtualisation of testing
- Implementing new technologies like ADAS



Spectris Dynamics solution

- Fully scalable and configurable
- Real-time software
- Simulators immerse ‘Driver and Hardware in the Loop’
- Calibrated sound and vibration with full motion simulation

2021 sales: ~£40m

2021 growth: +++

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

We help customers to accelerate innovation by integrating the physical and virtual environment

Digitisation – reducing cost of innovation with software



Customer challenges

- Efficiency in engineering teams
- Seamless virtual and physical testing
- Connections between simulation, testing and analytics data
- Volume of data



Spectris Dynamics solution

- Complete multi-physics offering
- Closed loop between virtual and physical test
- Connecting with enhanced analytics
- Test lifecycle data management

2021 sales: ~£60m*

2021 growth: +

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

We help customers to innovate with software solutions, underpinned by domain expertise



Customer challenges

- Maximising range
- Design dynamics of electrified vehicles
- The knowledge gap in engineering workforce



Spectris Dynamics solution

- Electrical powertrain testing
- Battery development and electrification testing
- Structural & durability testing
- Precision end of line testing

2021 sales: ~£52m

2021 growth: ++

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

We help customers in mobility and energy transitions for a cleaner world

Automation – enhancing processes and assets



Customer challenges

- Increased complexity of interconnected manufacturing environments
- Increasing input cost and scarce resources require automation



Spectris Dynamics solution

- Bring intelligence to the point of measure
- Simplify machines
- Precision increases productivity
- Adapts customer hardware to become the sensor

2021 sales: ~£28m (OEM/Smart sensors)

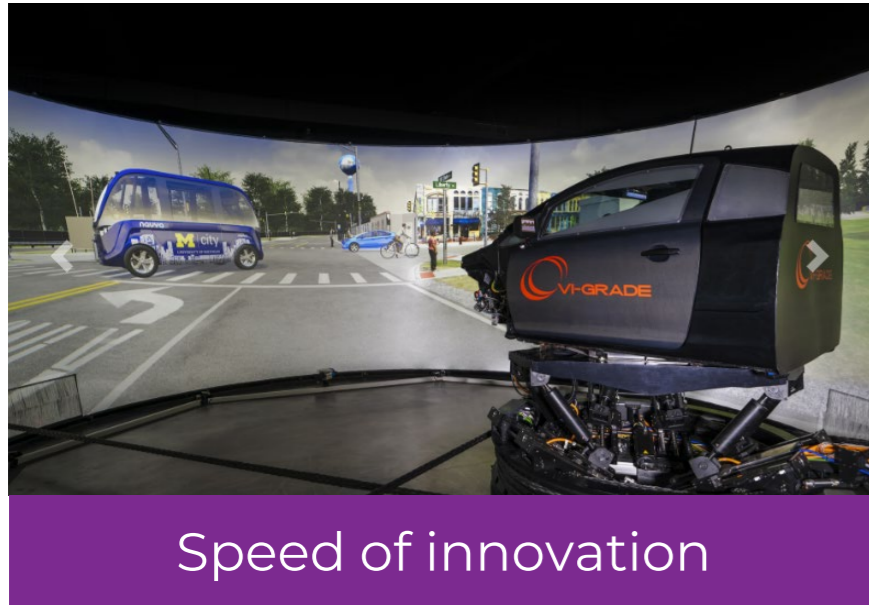
2021 growth: +++

Note: (+) 5-10%, (++) 10-20%, (+++) >20%

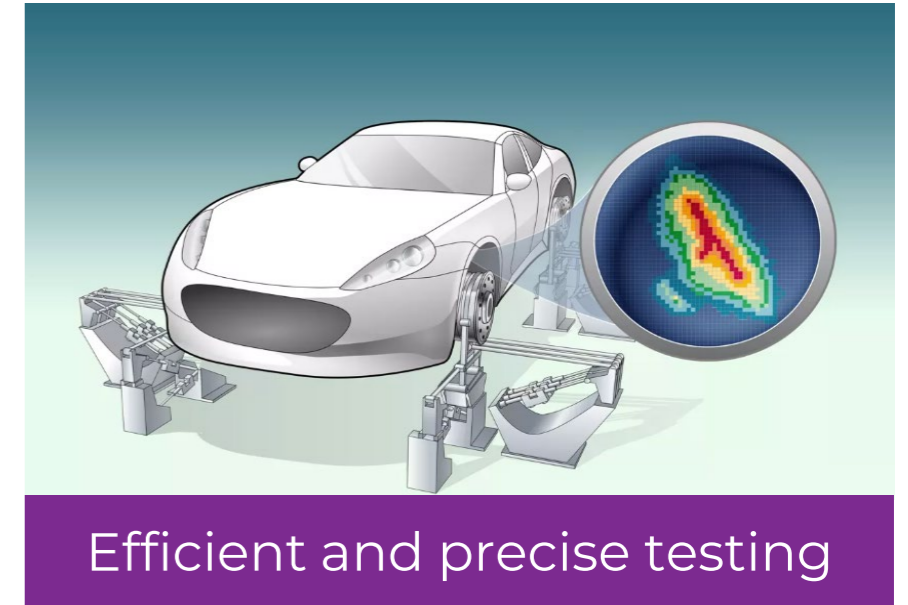
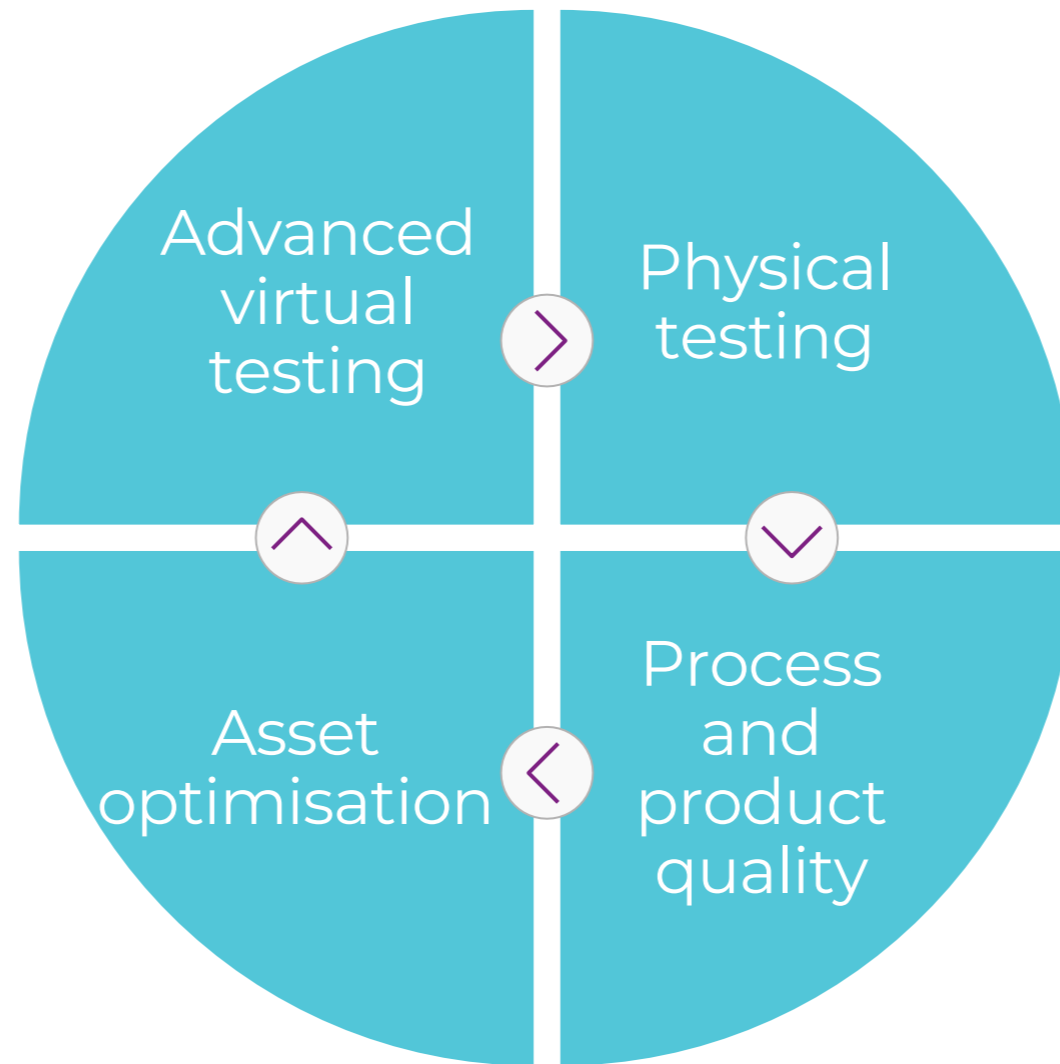
We increase productivity in an increasingly automated and connected world

Supporting our customers through the lifecycle

A case study for automotive



Accelerate product innovation



Enhance processes and assets



Investing – R&D is driving growth and market share gain

~8%

R&D spend % sales

~35%

Vitality index

Recent product launches – examples

Key areas of R&D spend

- Enhanced virtual test solutions
- Simulation software
- Data acquisition ecosystem
- Smart and OEM sensors



Autohawk

- Launched June 2022
- Leading real time computation for simulators and integrated hardware-in-the-loop testing



Fusion DAQ hardware/Advantage software

- Launching October 2022
- Fully modular DAQ ecosystem

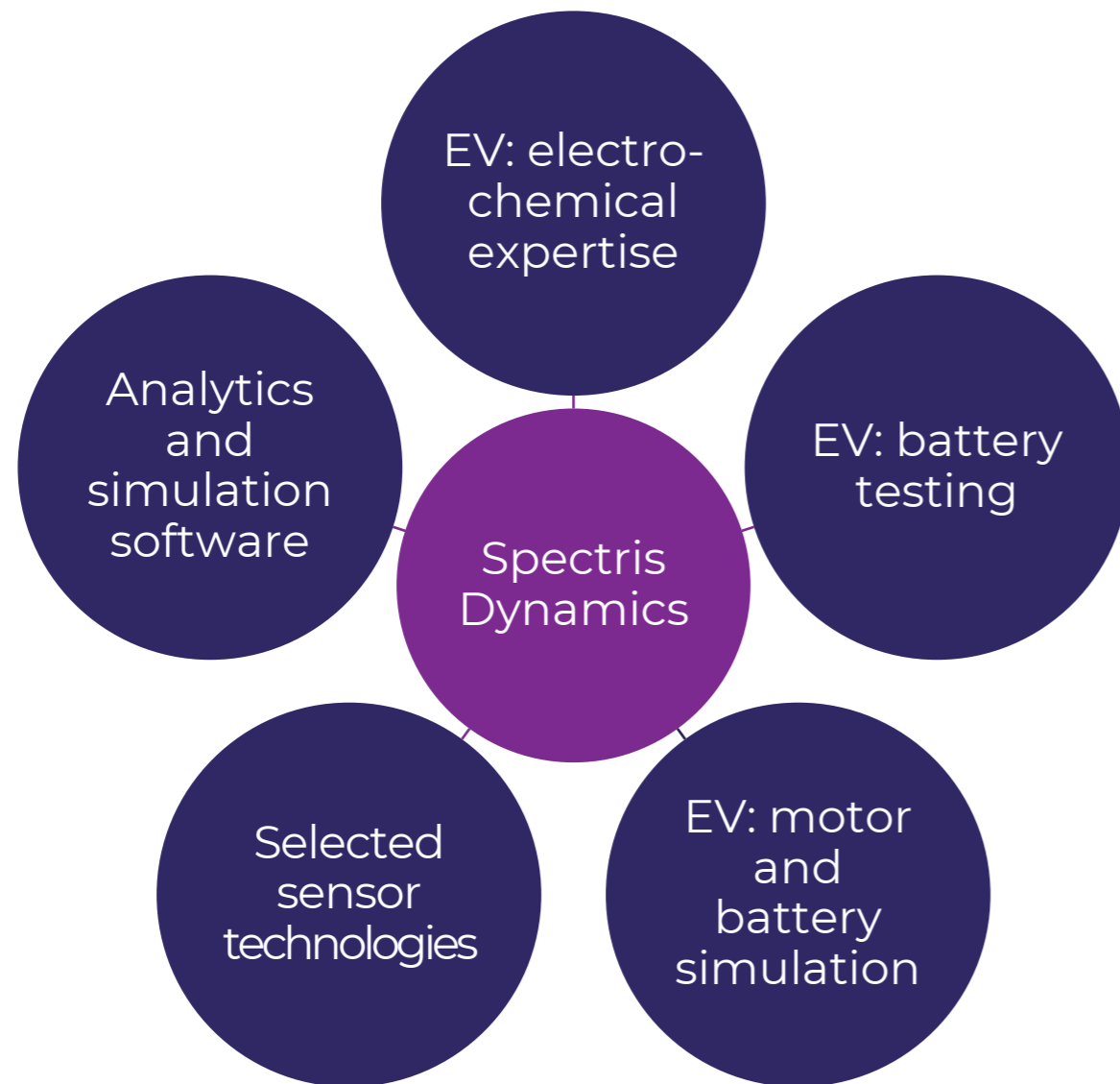


OEM sensor solutions

- Sales 2019-22 £90 million
- State-of-the-art sensors integrated into machine parts for real-time insights

Investing – compounding growth through M&A

M&A to enhance leading position and adding further technology and capability within focus domains of electrification, analytics & simulation software and sensor technologies



- **Start-up and/or technology** companies at the forefront of virtual test and software applications
- **Bolt-on opportunities** filling gaps in sensors, analytics and automation tools
- **Medium and large-scale opportunities** expanding leadership position in key markets, e.g. end-to-end simulation solutions

Recent acquisitions:



M&A case study – building a Virtual Test business



Leader in virtual test and real-time simulation market

- Completed four acquisitions as part of buy-and-build virtual test strategy
- Unique offering to help global manufacturers accelerate innovation, reduce hardware prototypes, and minimise cost and risk
- VI-grade original revenue £11.5m, on track for £60m in 2022
- Return on invested capital increasing to 20% in year 5



Real-time Simulation
Software & Simulators

2018



AI-Traffic, Sensor Fusion
and 3D Worlds

2019



Simulators & Mechatronic
Automation

2020

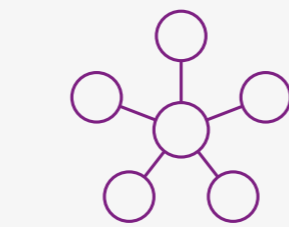


Real-Time Computation &
Hardware-in-Loop Systems

2021

Operational excellence driving margin expansion

Our core transformation projects will improve operating margin



Benefits

Improve mix

Execute on strategic growth projects



Process efficiency

Salesforce.com and SAP deployment



Lean culture

SBS

Spectris Dynamics – key messages



An established leader in high performance virtual test, software, DAQ, sensing



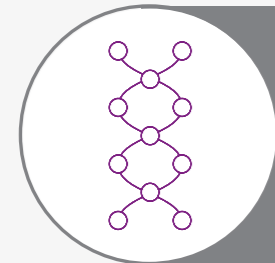
Well positioned in attractive markets supported by sustainable trends

Virtual testing

Digitalisation

Electrification

Automation



Strengthening customer offering – integrated virtual and physical test solutions, software-oriented roadmaps, customer centric organisation / processes, compounded by value creating M&A



Delivering above market growth with strong margin expansion through the cycle

Empower
the
Innovators

Sustainability at our core

Rebecca Dunn



Building a sustainable future



We are committed to Net Zero

Our Net Zero Ambition
(validated by the Science Based Targets initiative)

Spectris operations:

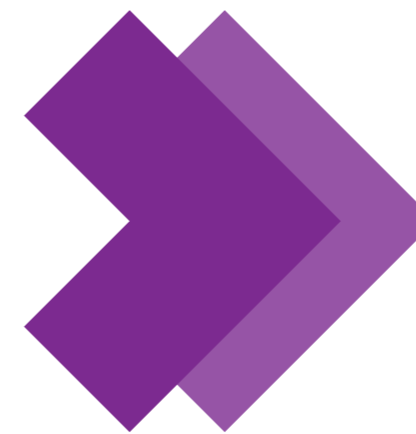
- Net Zero by 2030 (Scope 1 and 2 emissions)

Our value chain:

- Net Zero by 2040 (Scope 3 emissions)

Driving our progress:

- Progressing well towards 100% renewable energy
- Energy efficiency audits complete - workplans underway
- Committed investment strategy of at least £3m per annum
- SBS Kaizen programme to reduce waste and plastic
- Developing sustainability in our products through life-cycle assessments
- Empowering our people to deliver our progress



Developing our future talent

 Young Professionals



spectris
STEM
VIRTUAL WORK EXPERIENCE
TUESDAY 26TH JULY
3:00PM - 4:00PM

Malvern Analytical
a spectris company
STEM
IN PERSON WORK EXPERIENCE
WEDNESDAY 27TH JULY
10:00AM - 3:00PM

 The Forage



Forage

spectris
Measurement Techniques for Sustainability Virtual Experience Programme

Discover Measurement Techniques at Spectris

Register Now ...

This virtual experience programme is free for all students

Learn More

This virtual experience programme is free for all students

This programme is self-paced. It takes 3-5 hours to complete this virtual experience programme

Gain practical skills and experience from Spectris

Use this experience on your CV to help you stand out

 Developing diversity

 INTERNATIONAL WOMEN
In ENGINEERING DAY
23 June

 SHPE
Leading Hispanics in STEM

 swe
Society of Women Engineers

 ProWoc
Professional Women Of Colour
Women Colouring Business

 Underpinned by the Spectris Foundation




spectris
FOUNDATION



Our Purpose in practice

Cleaner



Healthier



More productive



Our Purpose in action – Cleaner

Kimberly Miller



Making our world cleaner – transformation of mobility

Electrification driving the transformation of mobility for a cleaner world

Cars and trucks account for nearly one-fifth of all US emissions

18% US+EU+China penetration of BEV + PHEV (July 2022)

>16 million of additional EV production capacity to be added by 2025

30%+ annual growth in BEV to 2030 and beyond

Supporting our customers in their energy transition



Helping our customers solve their major challenges:

Extending the range of electric vehicles

Lighter designs without compromising safety

Providing expertise, enabling the energy transition

We are experts in electric power train development, battery optimisation, design software

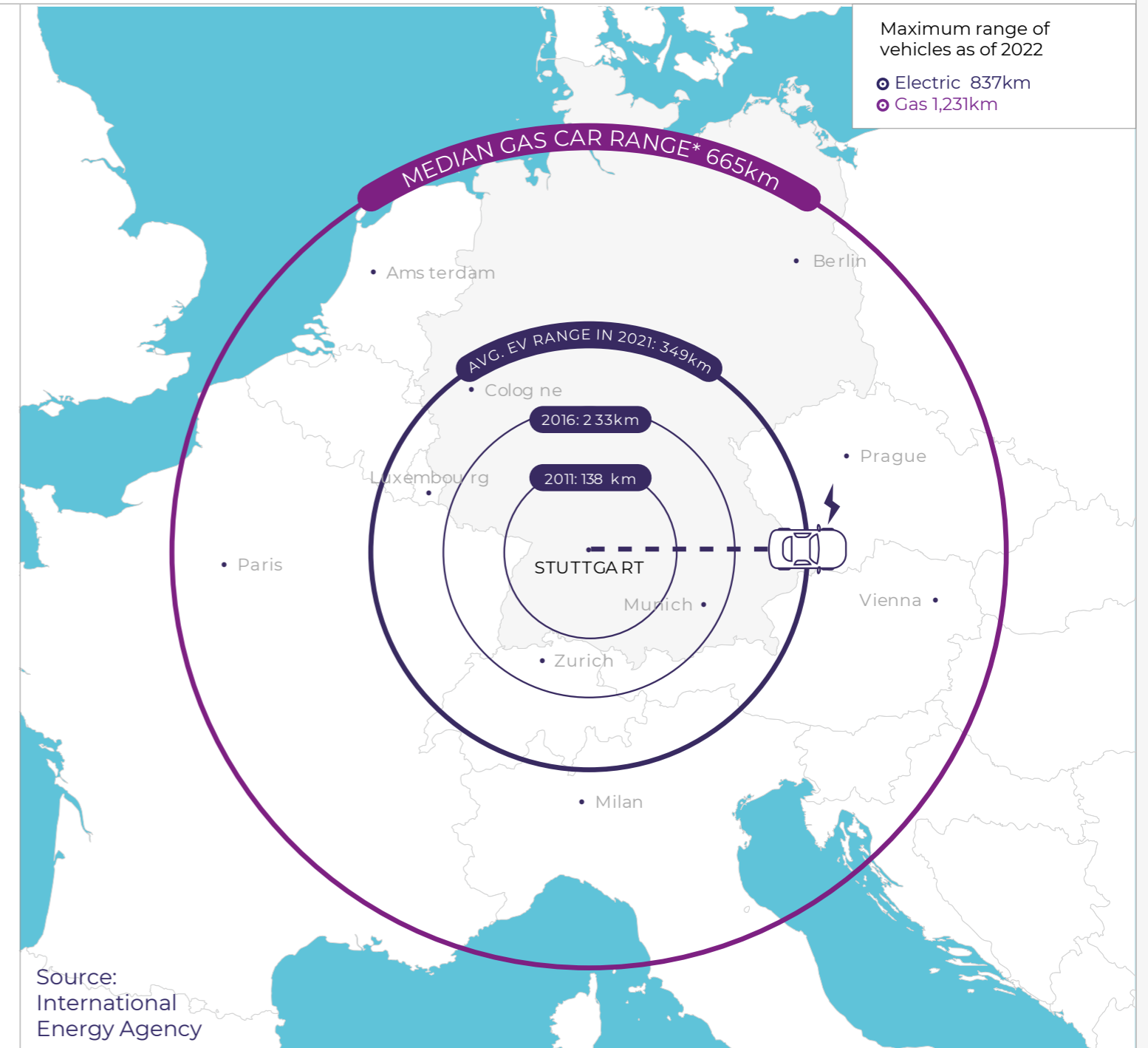
Extending the range of electric vehicles

The challenge: More efficient drives for EVs

- Optimisation of battery, inverter and motors
- Independently, as well as a system

Our solution: Advanced power analysers and highest precision torque sensors

- Precise and fast insights into the complete drive – electrical and mechanical
- Reducing testing time from days to minutes



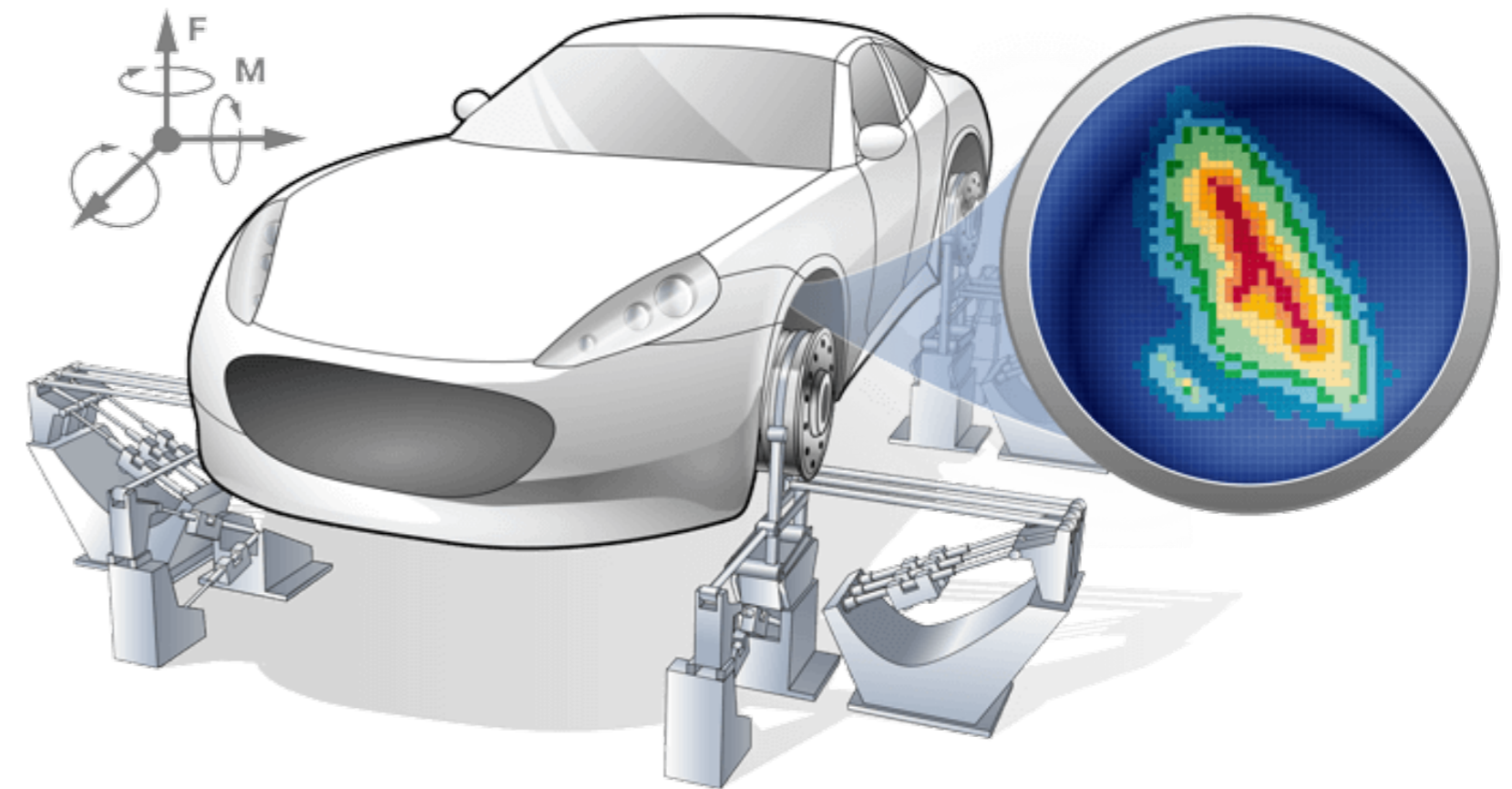
Lighter designs without compromising safety

The challenge: EV development is more than just the electric drive system

- New EV structures must be tested and optimised for safety and durability
- EV sound emissions are critical for safety and comfort

Our solution: Measurement solutions for structure and sound

- Bringing together a complete toolbox for structural and sound testing
- Trusted results from a single supplier



Providing expertise to enable the energy transition

The challenge: Move from mechanical to mechanical + electrical engineering

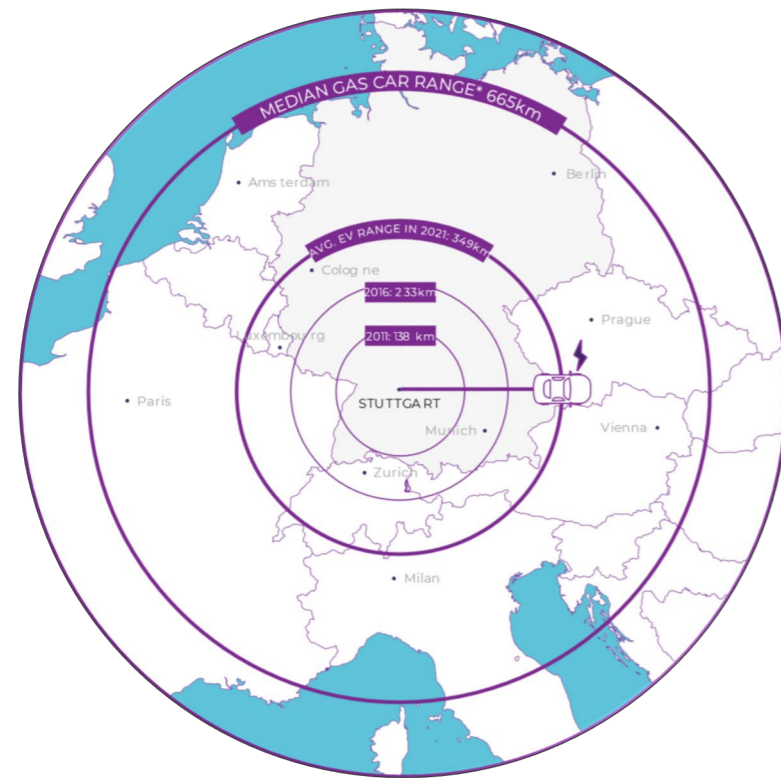
- Electrical knowledge gap in customer workforce
- Increasing speed of innovation - more complex challenges requiring advanced technologies

Our solution: Provide deep domain knowledge, services and easy-to-use solutions

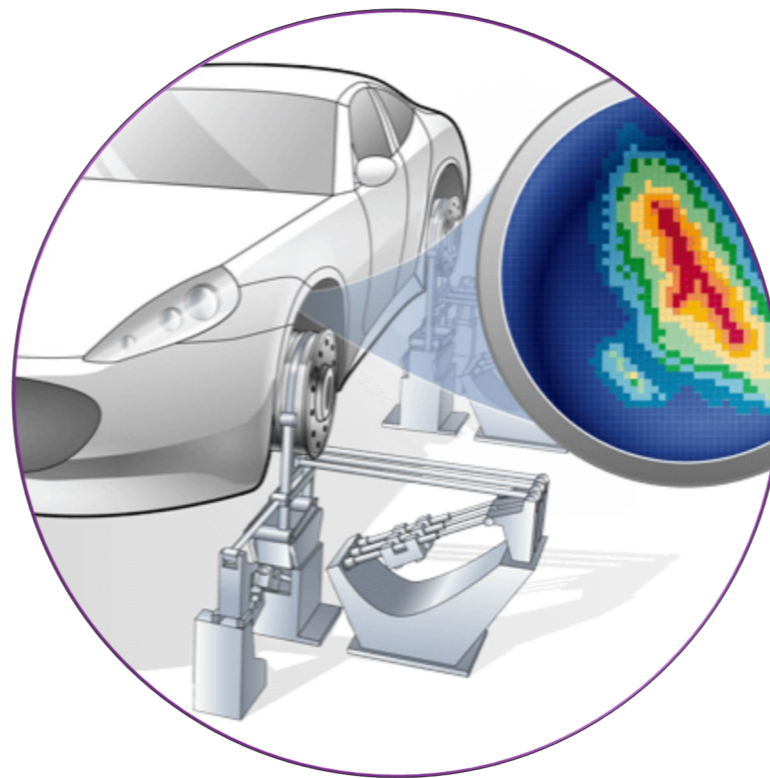
- Help customers understand and optimise their testing – mechanical and electrical
- Deep domain knowledge, hardware, software and service expertise



Supporting our customers ... transforming mobility



Range



Safety



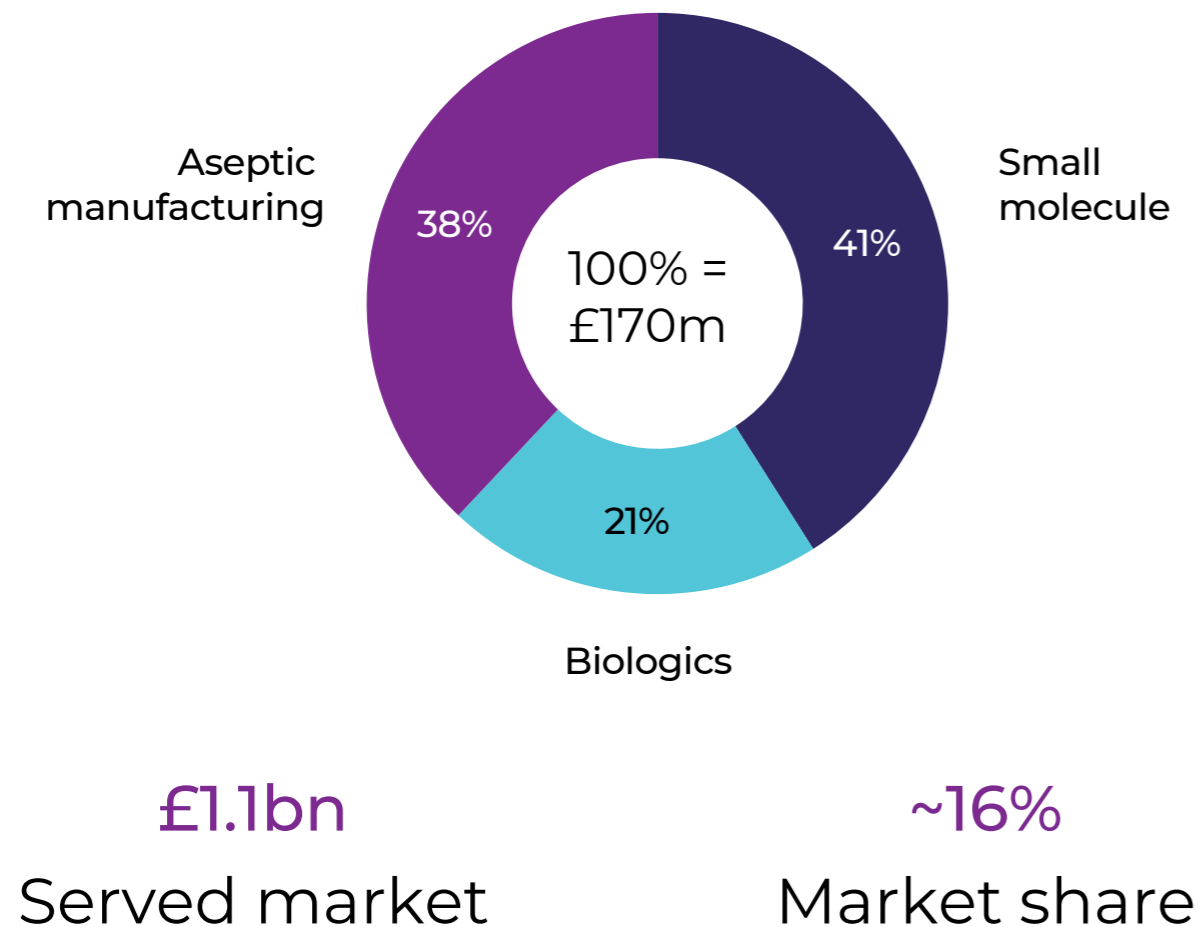
Expertise

Our Purpose in action – Healthier

Tanneke Reinders
Paul Kippax



2021 revenues by segment



Small molecule

- Market growth rate ~5%
- Market leader with strength in stability, affinity and structure analysis

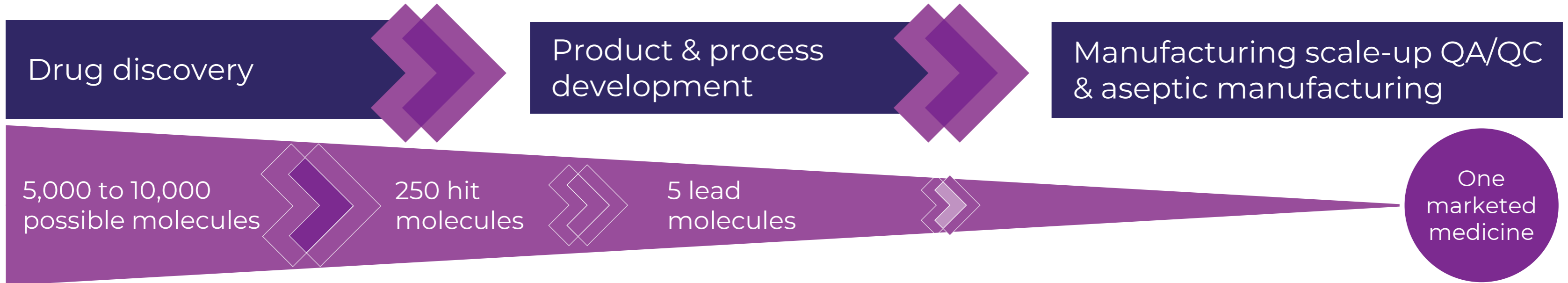
Biologics

- Market growth rate ~8%
- Strong position in affinity and stability analysis

Aseptic manufacturing

- Market growth rate ~5-7%
- Market leader in micro contamination

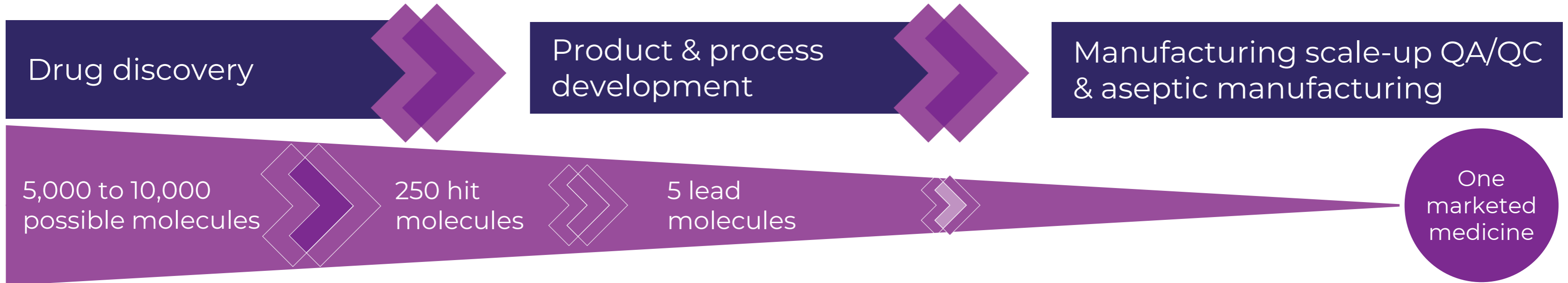
Pharmaceuticals: from molecule to medicine



Critical measurements to define stability, structure and affinity along the workflow delivering:

- Safety
- Efficacy
- Quality
- Reliability
- Manufacturability
- Speed
- Certainty
- Recyclability

Pharmaceuticals: from molecule to medicine – lipid nanoparticle example



Payload

Particle size

Cell transfection

Lipid nanoparticle structure

Can the drug substance be delivered to cells?

Structural stability

Concentration

Payload leakage

Formulation stability

Can an effective drug product formulation be developed?

Structure

Particulate contamination

Particle size

LNP / payload concentration

Is drug product manufacturing safe & reproducible?

Our Purpose in action – More Productive

Thomas Lippok



Driving productivity in automotive R&D

Automotive megatrends



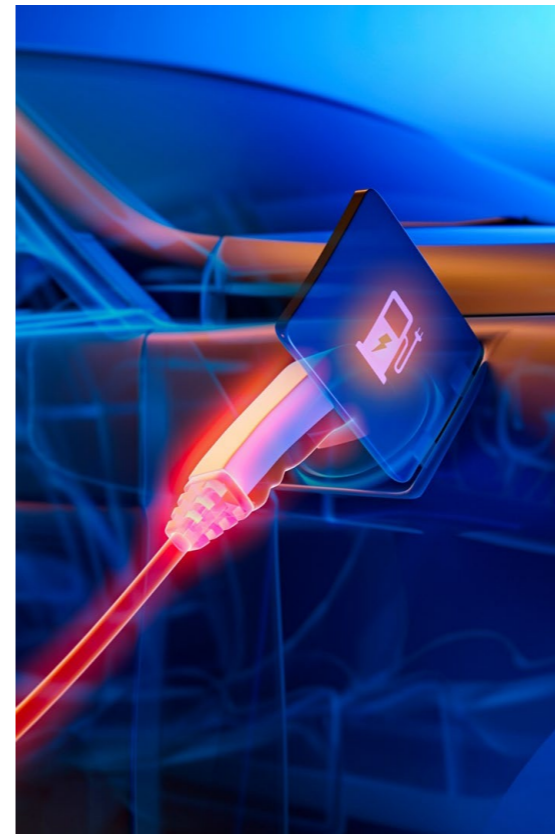
Connected



Autonomous



Shared



Electric

- Automotive industry is going through a major disruption
- OEMs have to be more productive in their research and development activities

Our customers are looking to radically reduce time to market, cost and risk



Traditional approach is slow and expensive: 36 to 48 months



New technologies and capabilities require a more integrated approach

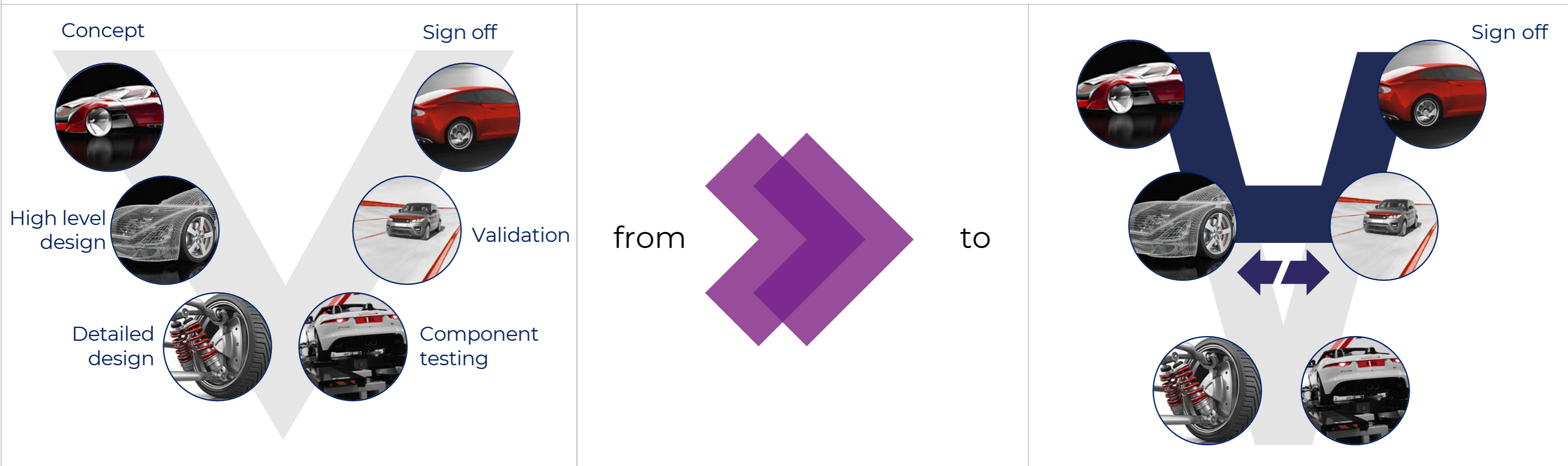


New mobility requires billion of driven miles to be proven safe



Late cycle changes are massively expensive

Helping our customers accelerate product development



Integrating the worlds of virtual and physical test

Simulation

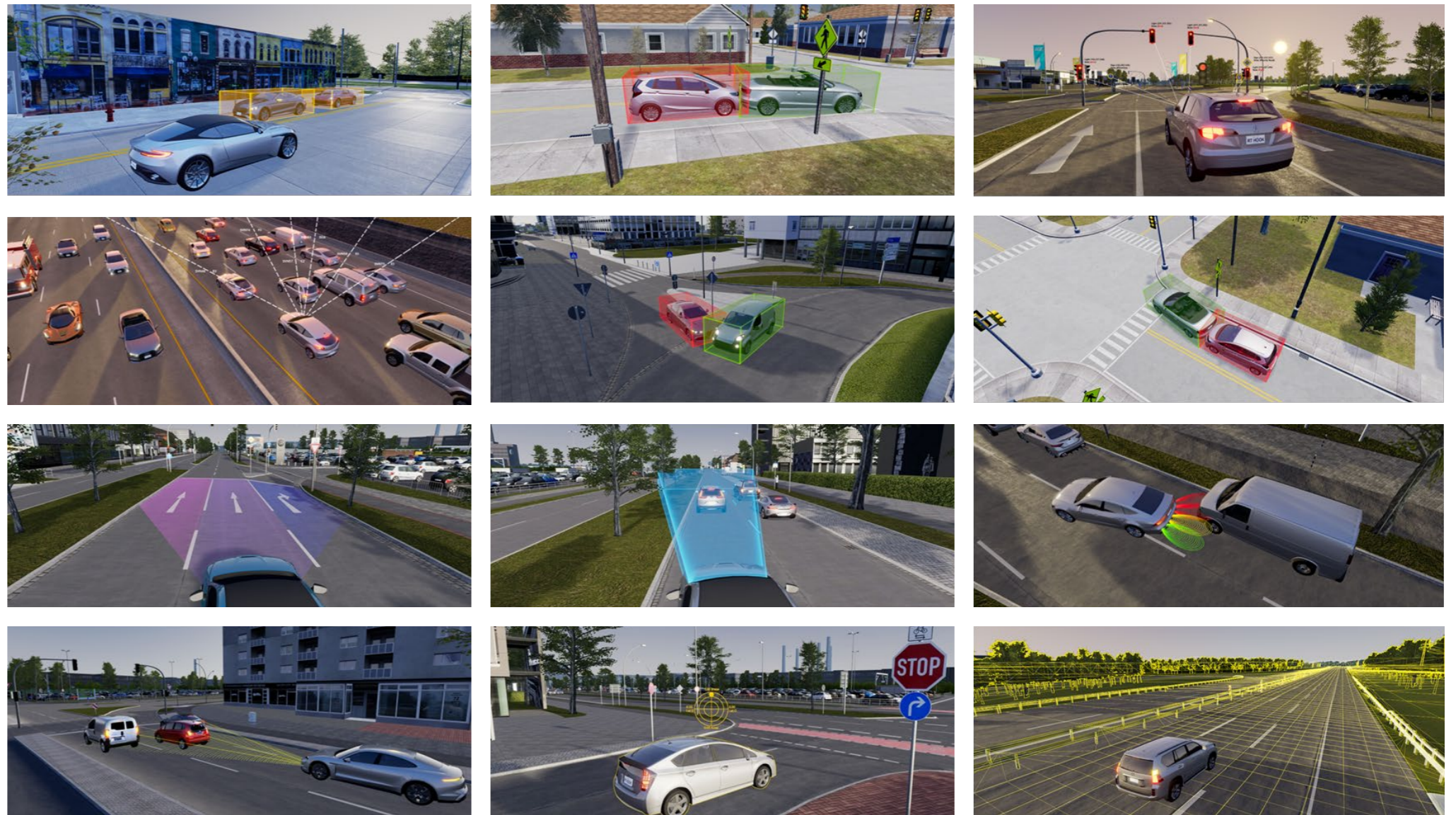
Driving simulators

Hardware-in-the-loop

Accelerating vehicle development through simulation

Real-time simulation accelerates the design process

- Millions of solutions can be tested automatically and in shorter time
- Discipline trade-offs can be verified easily
- Issues outside normal operating parameters (corner cases) can be identified and further investigated



Incorporating 'driving experience' to improve design

Subjective feedback is provided earlier in the design cycle

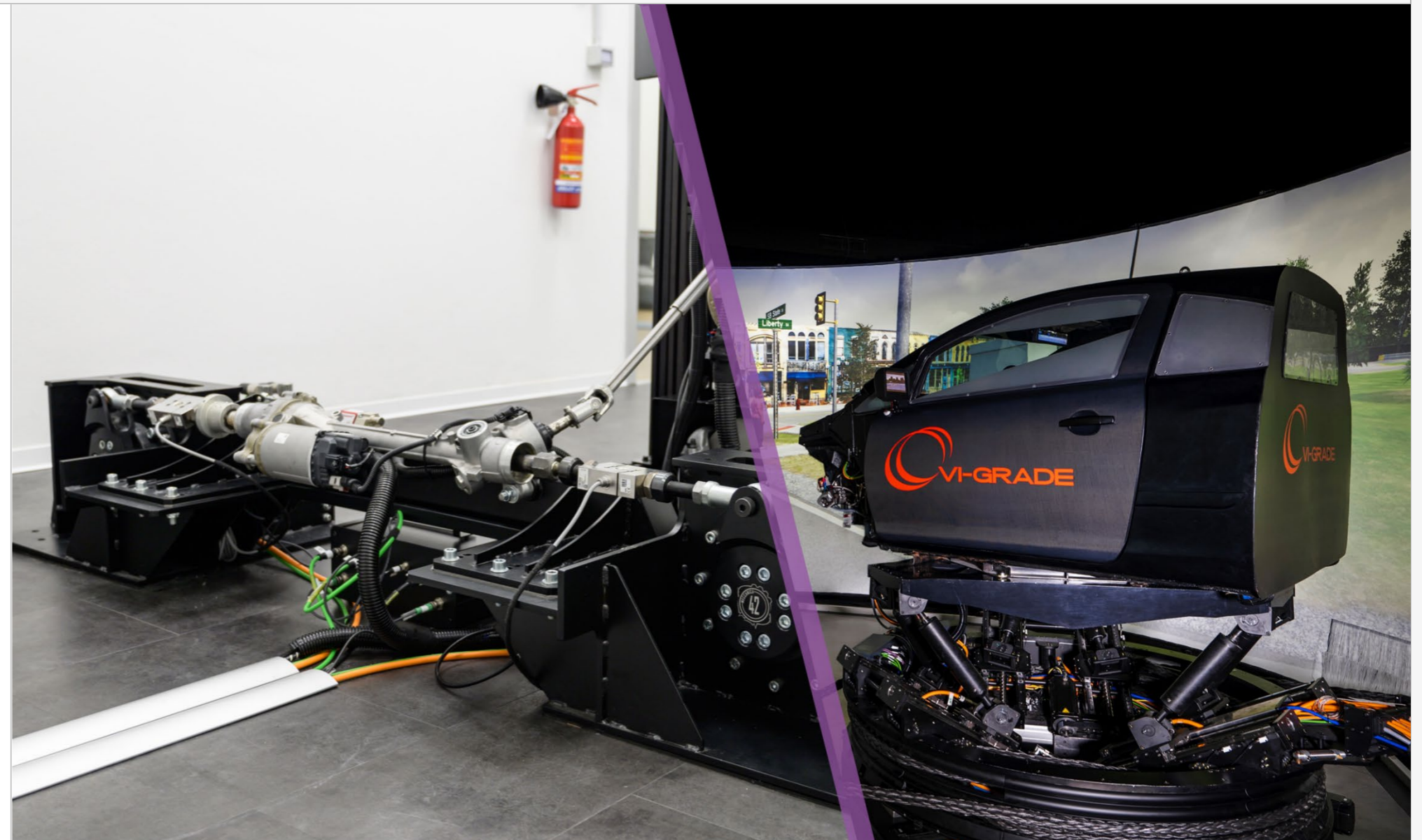
- Use of full range of simulators, from desktop to full scale, allows optimal usage of the right simulator at the right time
- Immersive and realistic environment allows greater understanding of driving experience
- Better design choices increases customer acceptance and improves quality



Testing hardware components in a faster and more efficient way

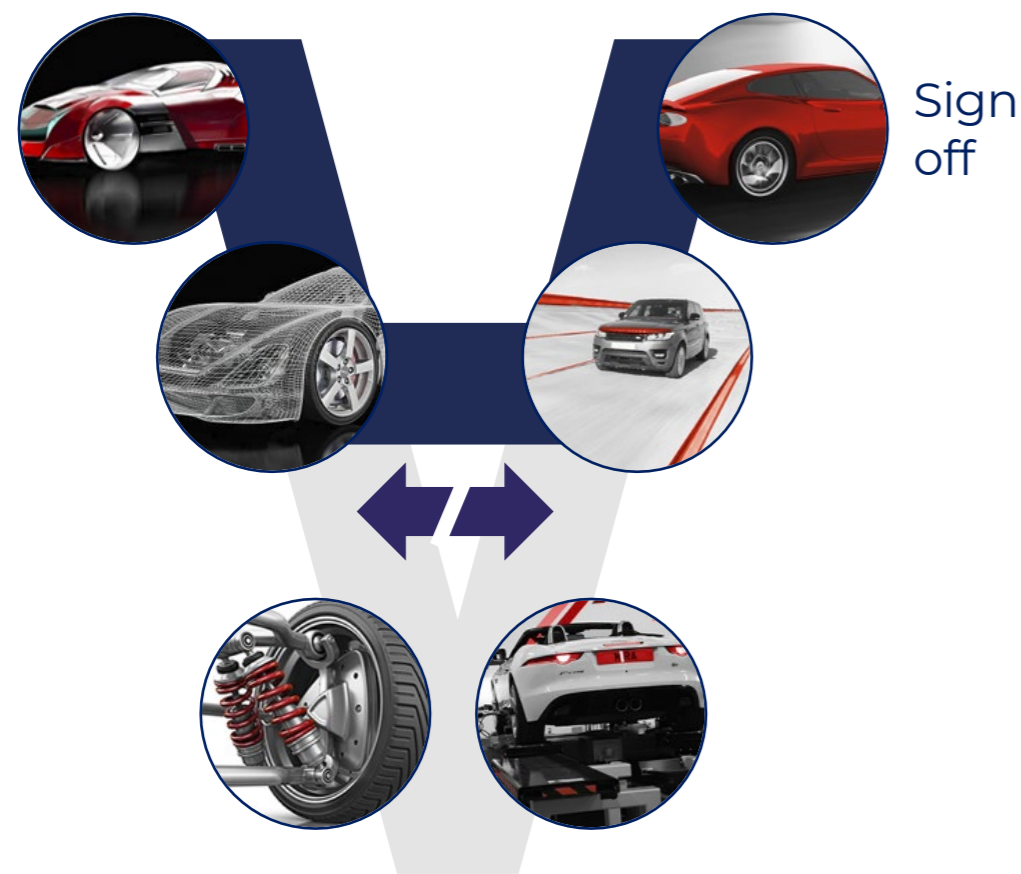
Real components and advanced technologies are tested as they become available

- Ensures late cycle integration issues are avoided
- Allows faster:
 - Evaluation and decisions about autonomous technology
 - Evaluation of supplier subsystems
 - Development and integration of control strategies



Bridging the gap between testing and simulation to accelerate product development

Spectris Dynamics Virtual Test Division helps automotive industry win the R&D challenge



Sign
off

New approach bridges the gap between simulation and testing – accelerating product development

- Reduces development time without need for physical prototypes
- Issues are discovered and resolved earlier in the development cycle
- Reduces environmental impact

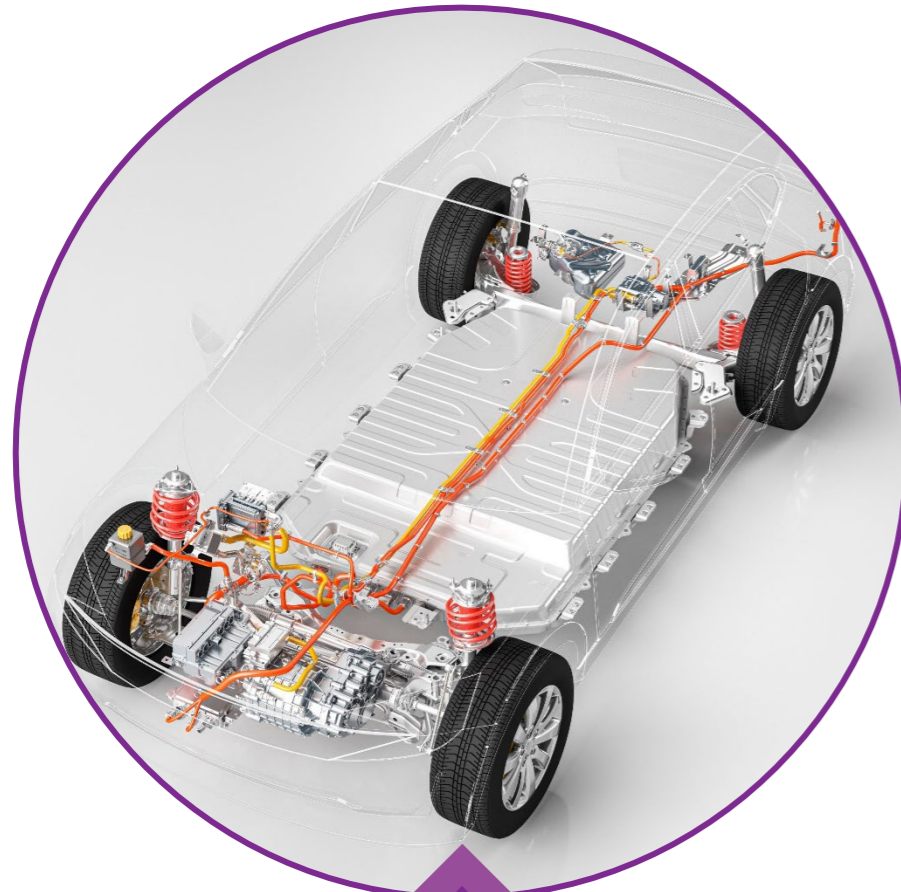
CAE Engineers & Test Drivers

Collaborative engineering

Shorter development time

Tests performed earlier

Spectris Dynamics Virtual Test helps automotive industry win the R&D challenge



Design it!
4x faster



Drive it!
3x less emissions



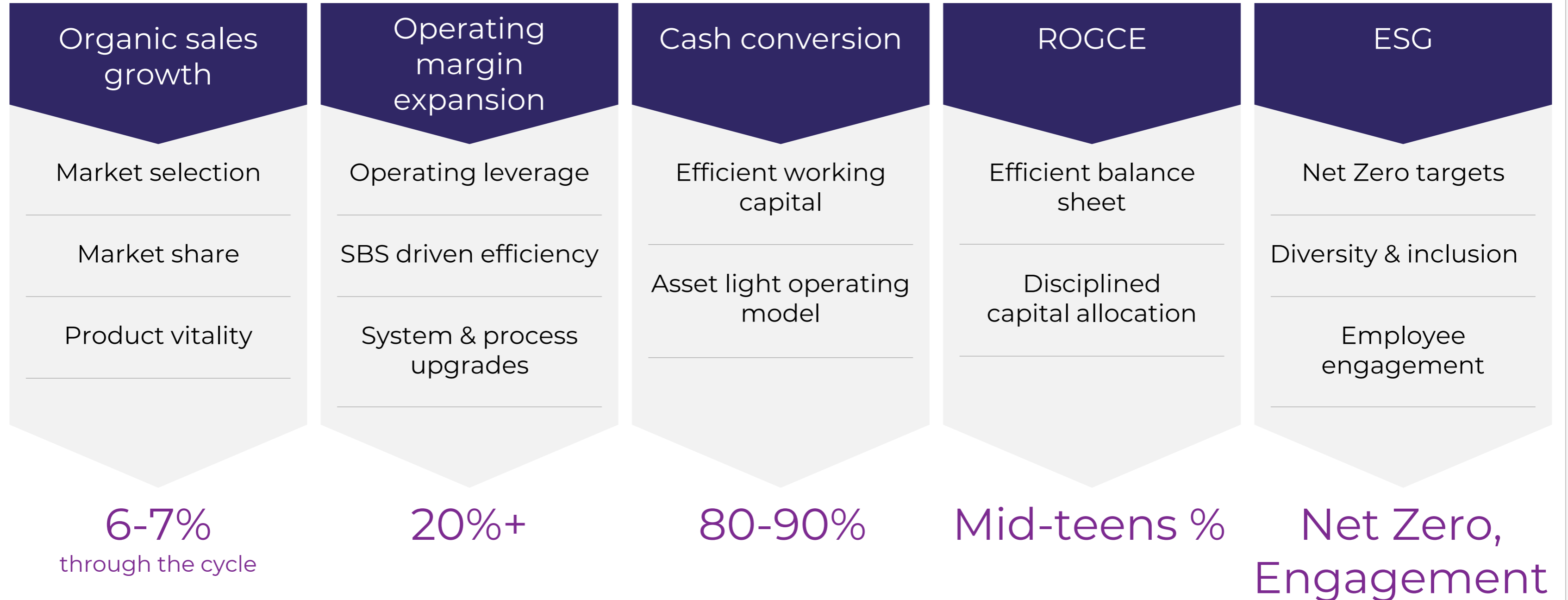
Build it!
50% less time

Financial profile, capital allocation

Derek Harding

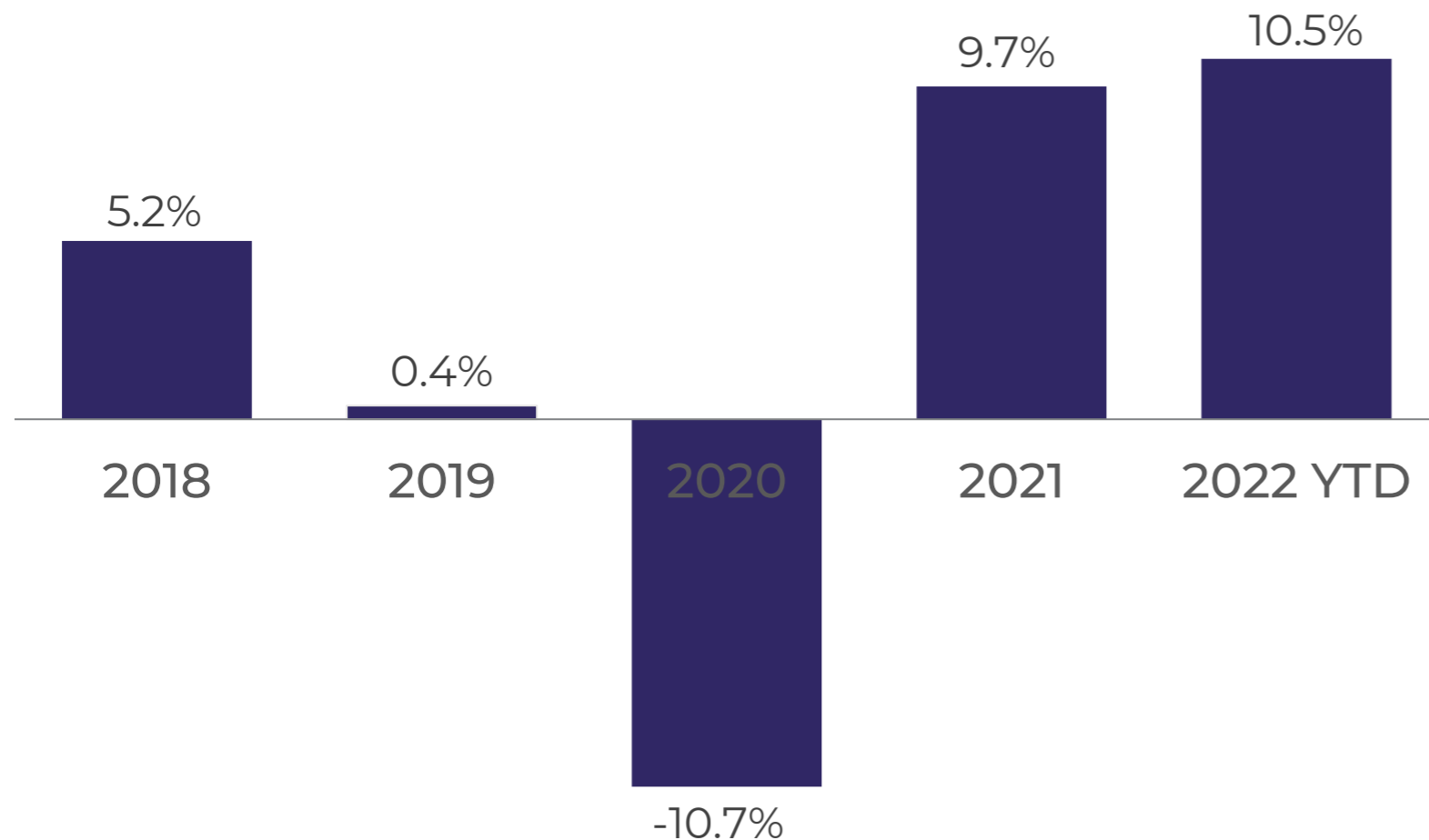


Strengthened business – new performance framework






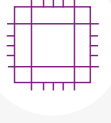


Group positioned to deliver more consistent growth

Like-for-like sales growth



- Target 6-7% compound growth through the cycle
- We have transformed Spectris from 4 years ago
- Portfolio now aligned to more structural market growth of 5-6%
- Better trained and equipped sales force driving growth
- Improved R&D effectiveness driving growth
- Book-to-bill above 1 for the past 25 months

Portfolio now aligned to more structural growth drivers

Industry	% sales 2021	Expected medium-term market growth
 Life sciences / pharmaceutical	23%	5-7%
 Technology-led industrials	14%	5-7%
 Automotive	13%	4-6%
 Electronics and semiconductor	11%	6-8%
 Metals, minerals, mining	10%	5-6%
 Academic research	9%	5-6%
Other	20%	3-5%

- Increased focus on core activities
- Attractive end markets
- Supported by sustainable growth trends
- Differentiated positions
- Strong market share opportunity

Improved vitality and investing for growth

NVI
43% of
spend
(2018)



NVI
59% of
spend
(2021)

£89m
incremental
revenues
(2022)

£237m
revenues
from
improved
products
(2022)

R&D
6% of sales
(2018)



R&D
>8% of sales

NVI vitality
~25%

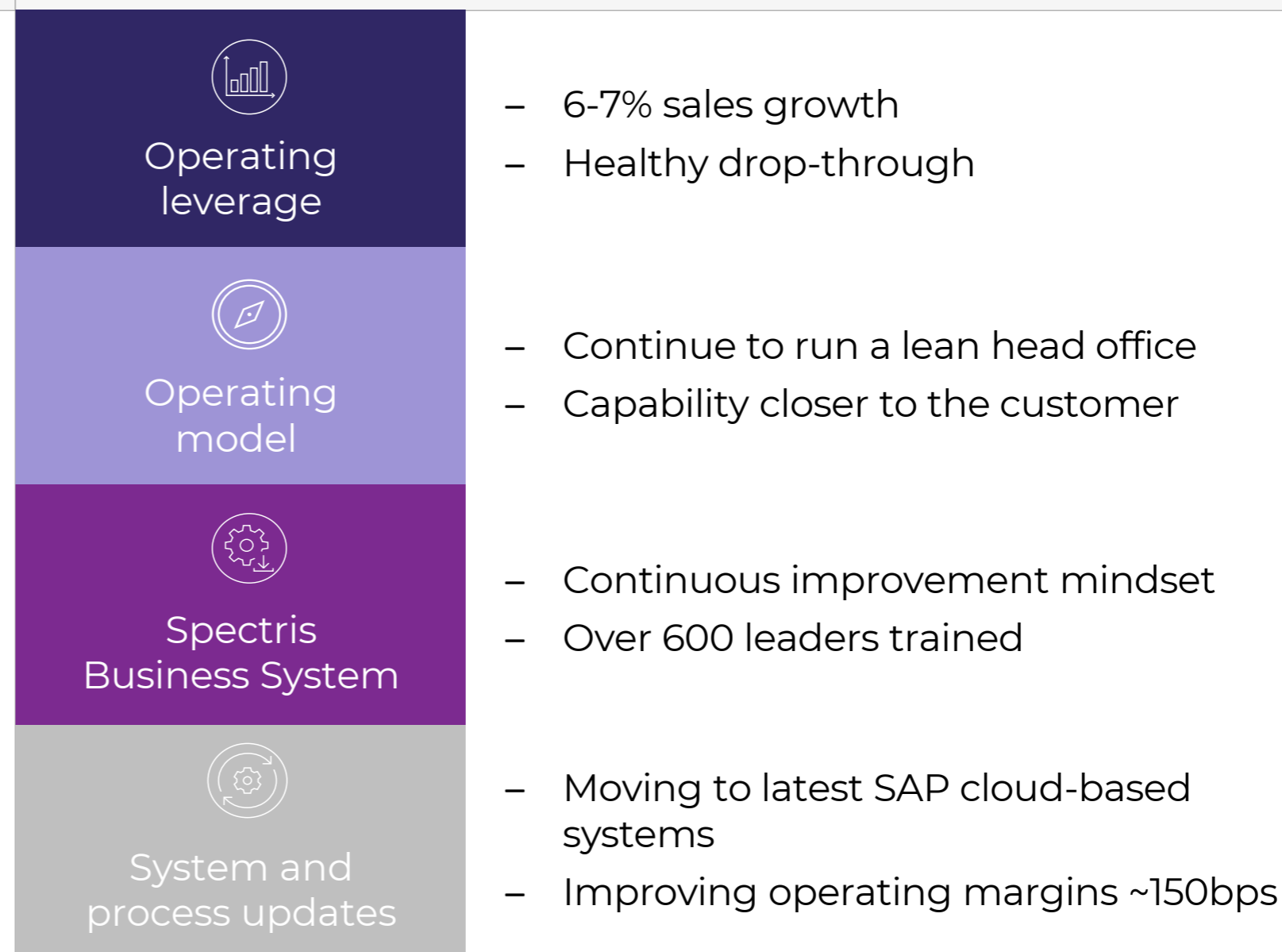
IRR
15%

Margin expansion – multiple levers to enhance margins

Adjusted operating margin



Margin progression/overheads reduction



Capital allocation policy for sustainable growth

Sustainable balance sheet

Sustainable leverage of 1-2x EBITDA
Potential to exceed for a short period for strategic M&A



Capital allocation priorities for sustainable growth

Organic growth

- Maintenance capex
- In line with depreciation
- R&D > 8% of sales improving vitality
- Growth capex projects

Progressive dividend

- Sustainable progressive dividend policy

M&A growth

- Deployment of capital to drive growth
- Technology
- End markets
- Customers

Additional shareholder returns

- Return excess capital, not used for profitable growth, via appropriate mechanisms

A disciplined approach to assessing M&A

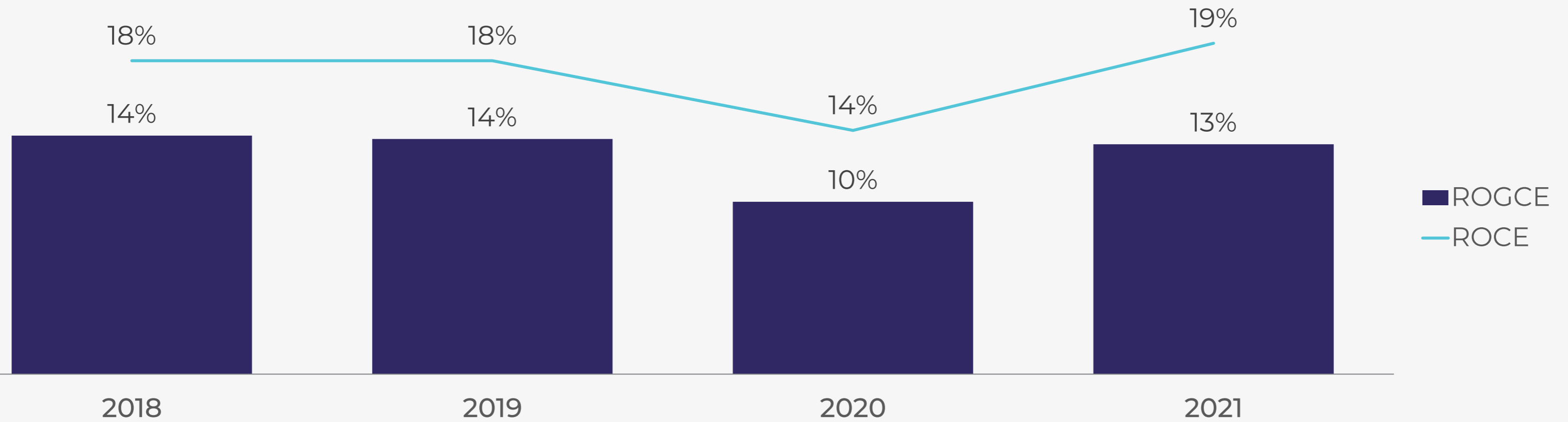
Strategic considerations

- Consistency with delivering growth strategy
 - High-tech instruments, synergistic software and services
 - Adjacent products / services / customer groups
- Will consider both bolt-on and larger strategic M&A
 - Combination creates strong opportunity for synergies
- No reputational risk (e.g. compliance, H&S, ethics)
- Key personnel retention and cultural fit
- Internal ability to deliver

Financial criteria

- Scalable, strong organic growth potential
- Consistent with attractive group margins and cash generation
- IRR / NPV / earnings accretion
- Acquisition returns above WACC by third full year of ownership
- Net debt / EBITDA < 2x, or paydown within a reasonable period

Improving return on capital



Summary of the new reporting construct



FY 2021	Spectris Scientific	Spectris Dynamics	Other (non-reporting segments)	Group costs	Spectris plc
Sales	531.2	425.5	206.3	–	1,163.0
Operating profit	112.2	70.3	26.2	(19.1)	189.6
Operating margin	21.1%	16.5%	12.7%		16.3%

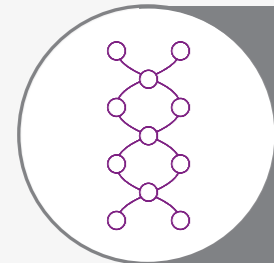
Strategy for Sustainable Growth – key messages



Spectris is a more focused and improved business compared to four years ago



We have the right strategy, the right culture and the right people



We are driving sales growth of 6-7% through the cycle and operating margin of 20%+. We expect to maintain our strong cash conversion and return on invested capital



We are energised and focused on delivering our Strategy for Sustainable Growth

Q&A



Strategy for Sustainable Growth



Leading sustainable business



Compounding growth

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