

Johnson Matthey: Who we are...

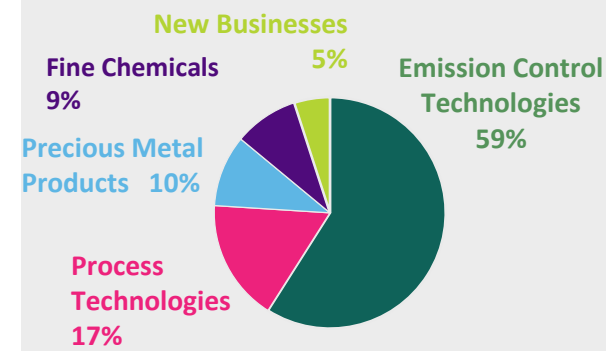
Sales (ex pm) - £3,177m

Underlying Operating Profit - £450.8m

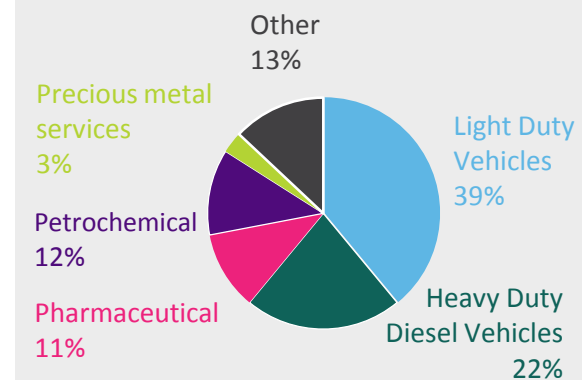
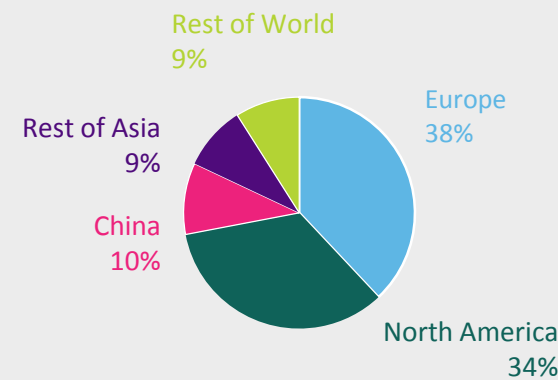
Truly global group with increasing emerging market exposure

Serving a range of markets

Summary - half year 2016/17



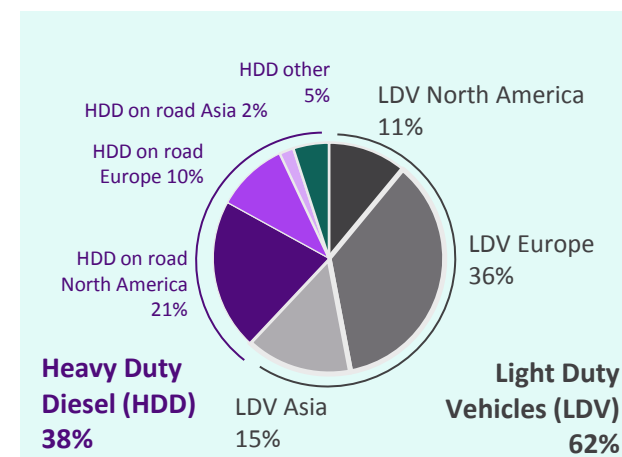
- **Emission Control Technologies:** £272.2m
- **Process Technologies:** £73.6m
- **Precious Metal Products:** £66.3m
- **Fine Chemicals:** £82.3m
- **New Businesses:** loss of £17.9m



- Sales up 5% to £1.7bn, underlying profit before tax up 5% and underlying EPS up 12%
- Continuing businesses at constant rates: sales down 1% and underlying profit before tax down 3%
- Strong trading in ECT in Europe and Asia, weaker in North America
- Tough conditions in PT, steady demand in PMP. Weak first half in Fine Chemicals, expect stronger H2
- Interim dividend up 5% to 20.5p

Five Global Divisions

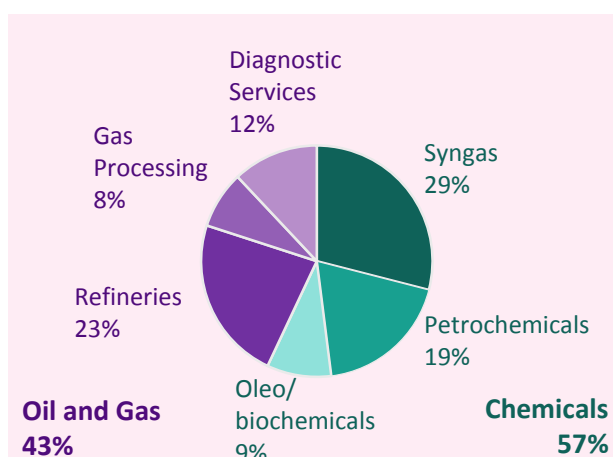
Emission Control Technologies



- **Light Duty Vehicles** - a world leading manufacturer of catalysts for cars and other light duty vehicles powered by all fuel types
- **Heavy Duty Diesel (on road)** - catalyst systems for diesel powered trucks and buses
- **Heavy Duty Diesel (non road)** - catalyst systems for stationary equipment and non-road machinery

- Return on sales: 14.2%
- Return on invested capital: 28.3%
- Employees: 4,963

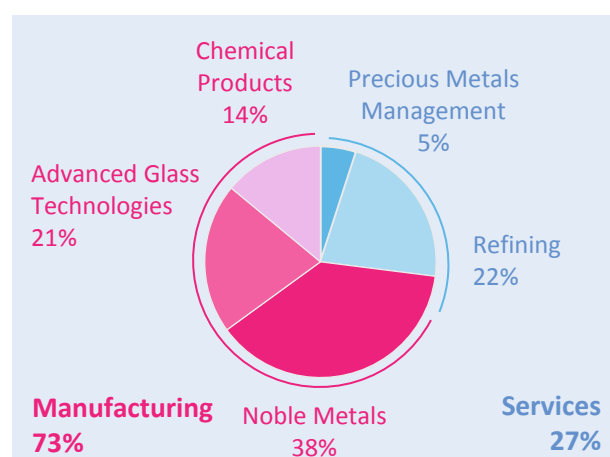
Process Technologies



- **Chemicals** - manufactures speciality catalysts, licenses process technology and delivers services to the chemical industry
- **Oil and Gas** - manufactures catalysts, additives and absorbents and delivers services to the oil and gas industry

- Return on sales: 13.6%
- Return on invested capital: 9.6%
- Employees: 2,226

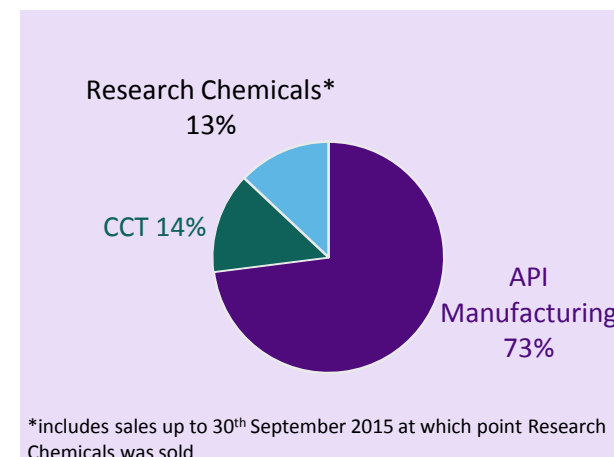
Precious Metal Products



- **Services** - marketing, distribution, refining and recycling of platinum group metals (pgms)
- **Manufacturing** - fabricates products using precious metals and related materials and manufactures pgm chemicals

- Return on sales: 19.4%
- Return on invested capital: 16.5%
- Employees: 2,180

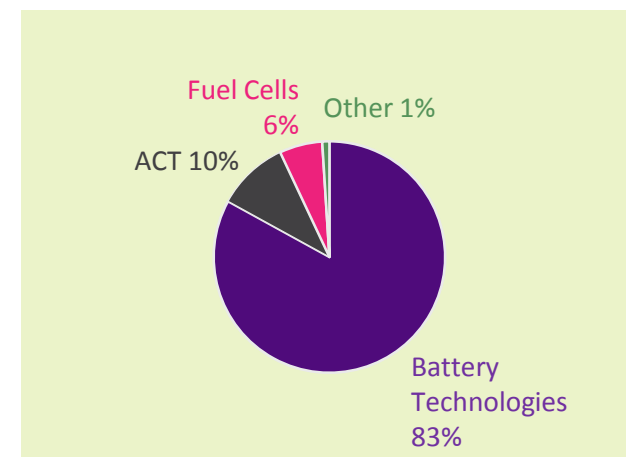
Fine Chemicals



- **API Manufacturing** - a global supplier of active pharmaceutical ingredients and intermediate products
- **CCT** - supplied a range of speciality chemical, chiral and biocatalytic technologies
- **Research Chemicals** - supplied speciality chemicals to industrial and academic research organisations

- Return on sales: 27.8%
- Return on invested capital: 16.9%
- Employees: 1,238

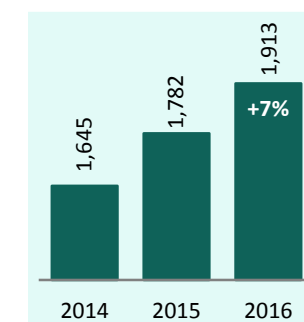
New Businesses



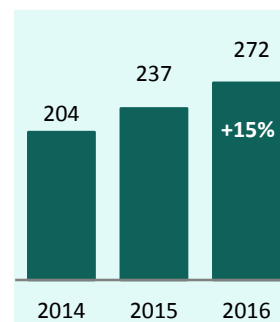
- **Battery Technologies** - focused on the research, development, design and manufacture of battery materials and integrated battery systems
- **Atmosphere Control Technologies (ACT)** - creates advanced technologies to extend the post harvest life of fresh produce
- **Fuel Cells** - develops and manufactures catalysed components for fuel cells

- Return on sales: n/a
- Return on invested capital: n/a
- Employees: 1,047

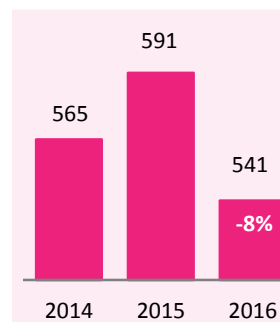
Sales (ex pm) £m



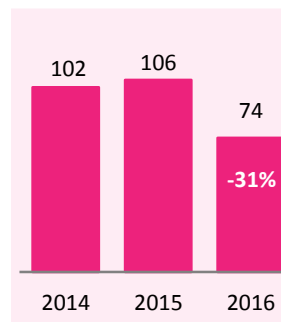
Operating profit £m



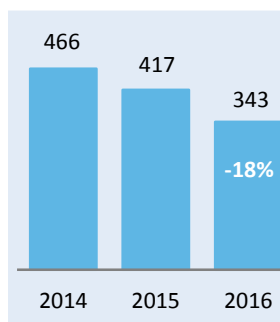
Sales (ex pm) £m



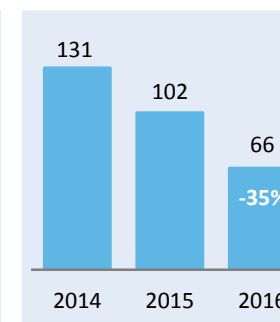
Operating profit £m



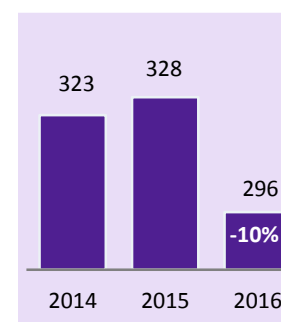
Sales (ex pm) £m



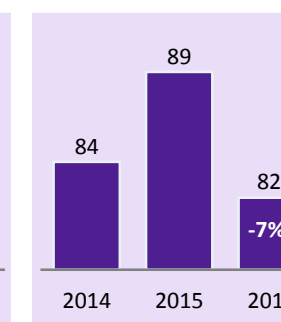
Operating profit £m



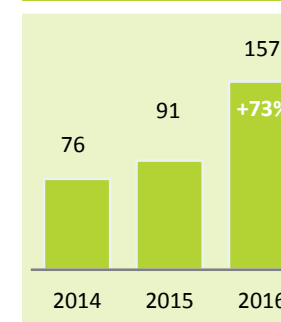
Sales (ex pm) £m



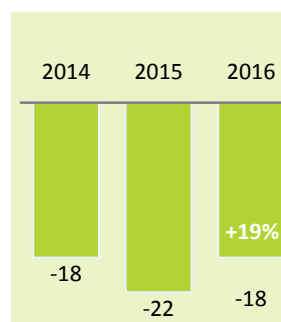
Operating profit £m



Sales (ex pm) £m



Operating profit/(loss) £m



A Global Leader in Sustainable Technologies

Four Fundamental Market Growth Drivers

- Population Growth**
 Urbanisation
 Increasing Wealth
 JM well positioned in emerging markets
 - China represents 10% of sales
- Natural Resource Constraints**
 Energy security
 Recycling of pgms – a strategic service
 Alternative energy – biorenewables
- Environmental Factors**
 Climate Change
 Regulation
 Continued tightening of emissions legislation
 - Vehicles
 - Industrial emissions
 - Fuel quality requirements
- Health & Nutrition**
 Ageing
 Population
 Ongoing pressure on healthcare costs
 - Increased use of generics
 - Enzymatic catalysis / more sustainable chemistry in pharma industry

Strategy for Superior Growth

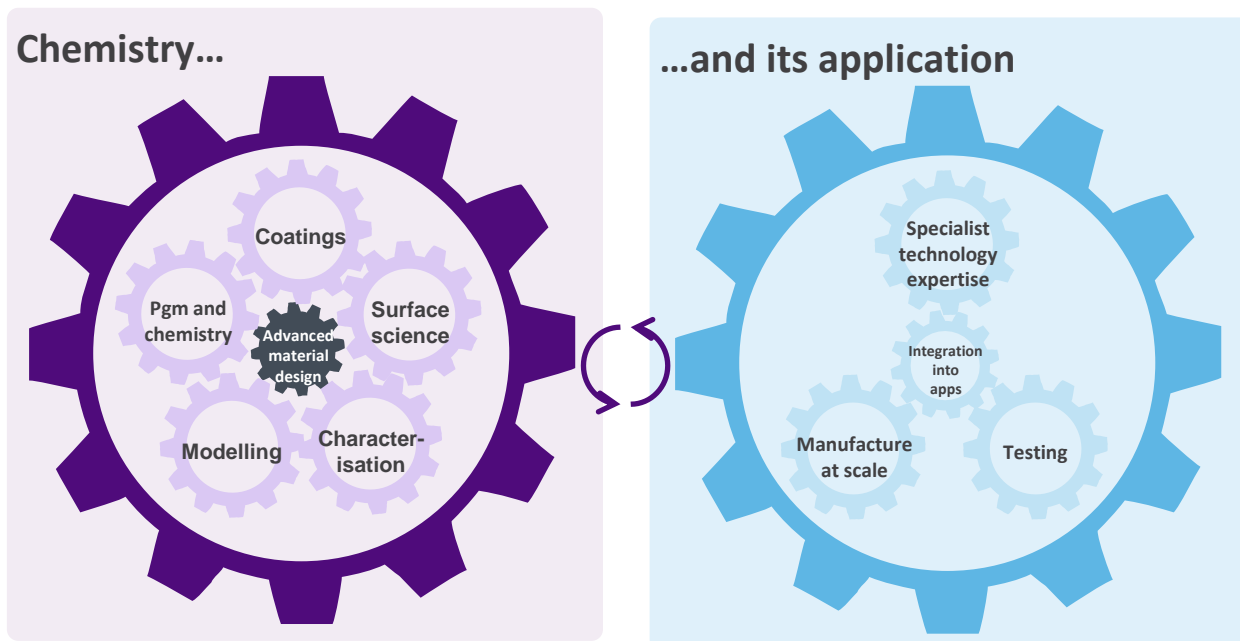


The Bottom Line

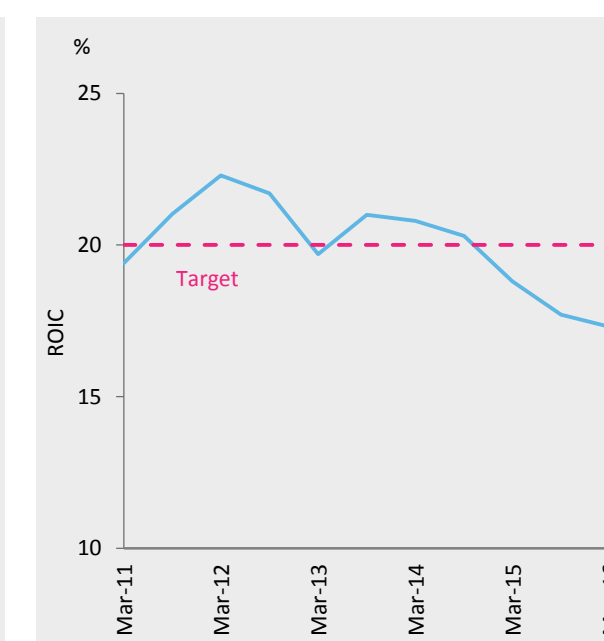
- Attractive business fundamentals**
 - Underpinned by innovation
 - Leading, defensible market positions
- Investing for the future**
 - In R&D, capex and new businesses
 - Disciplined capital efficiency
- Well placed for growth**
 - Strong global structural drivers
 - Opportunities to accelerate through targeted acquisitions
- Strategy to achieve superior growth over medium term**

Attractive business fundamentals

Strong culture of innovation



Return on capital well ahead of cost of capital



Strong bottom line rewards shareholders

