Johnson Matthey
Inspiring science, enhancing life

Presentation of results for the half year ended 30th September 2023

22nd November 2023

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01 Introduction

02 Financial results

03 Strategic progress

04 Q&A

Headwinds from PGM market prices – good underlying progress in the first half

Good underlying performance
(operating profit +10%[1])

Transforming JM at pace to drive growth

Delivering strategic milestones

Catalysing the net zero transition to drive value creation

Note: PGM – platinum group metal.
1. Underlying basis at constant FX and adjusting for c.£55m impact from precious metal prices.

Transformation progressing at pace

Commercial
- Stronger pricing
- Margin improvement (CA and CT)
- Winning new business

Capital projects
- Disciplined approach
- Improving operational efficiency
- Reduction in capex guidance

Costs
- Global business process outsourcing underway
- Procurement benefits
- Streamlining footprint and organisation

Delivering in excess of £150 million annualised cost savings by 2024/25

Note: CA – Clean Air. CT – Catalyst Technologies.

On track to deliver strategic milestones by end of 2023/24

		Status
Customers	**Hydrogen Technologies: two strategic partnerships – Plug Power and Hystar**	Achieved
	Clean Air: winning targeted Euro 7 business and deliver £4bn+ cash	On track
	Won 9 additional large scale projects in Catalyst Technologies to date (targeting >10)[1]	On track
Investments	**PGM Services refining** capability in China is **complete and ramping up**	Achieved
	Hydrogen Technologies: construction of new CCM plant in UK[2]	On track
	Targeted capacity expansions (fuel cells catalyst, formaldehyde catalyst)	On track
	Complete divestment of Value Businesses	On track
People	**Increase employee engagement score** from 6.9 in 2022/23 to 7.2 in 2024/25	In progress
Sustainability	**Achieve c.10% reduction** in Scope 1+2 CO_2e emissions	On track
	Help reduce customers' CO_2e emissions by >1mt p.a. through use of our products	On track

Achieved On track In progress

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1. Targeting >10 across Catalyst Technologies and Hydrogen Technologies by 2023/24.
2. To expand total capacity from 2GW to 5GW.

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Results impacted by lower precious metal prices

Expect second half to be sequentially stronger

Sales **-1%**

Operating profit **-15%**

Operating profit **+10%** adjusting for precious metal prices[1]

Earnings per share **59.1p**, -33%

Net debt of **£1.0bn (1.7 times[2])**

Interim dividend of **22.0p** per share, stable yoy

Note: Unless otherwise stated, sales and operating profit commentary refers to performance at constant exchange rates. Sales, operating profit and earnings per share are underlying measures – before profit or loss on disposal of businesses, gain or loss on significant legal proceedings together with associated legal costs, amortisation of acquired intangibles, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges and, where relevant, related tax effects. Comparator period is 1H 2022/23.
1. Underlying operating profit adjusting for c.£55m impact from precious metal prices. | 2. Net debt (including post tax pension deficits) to underlying EBITDA.

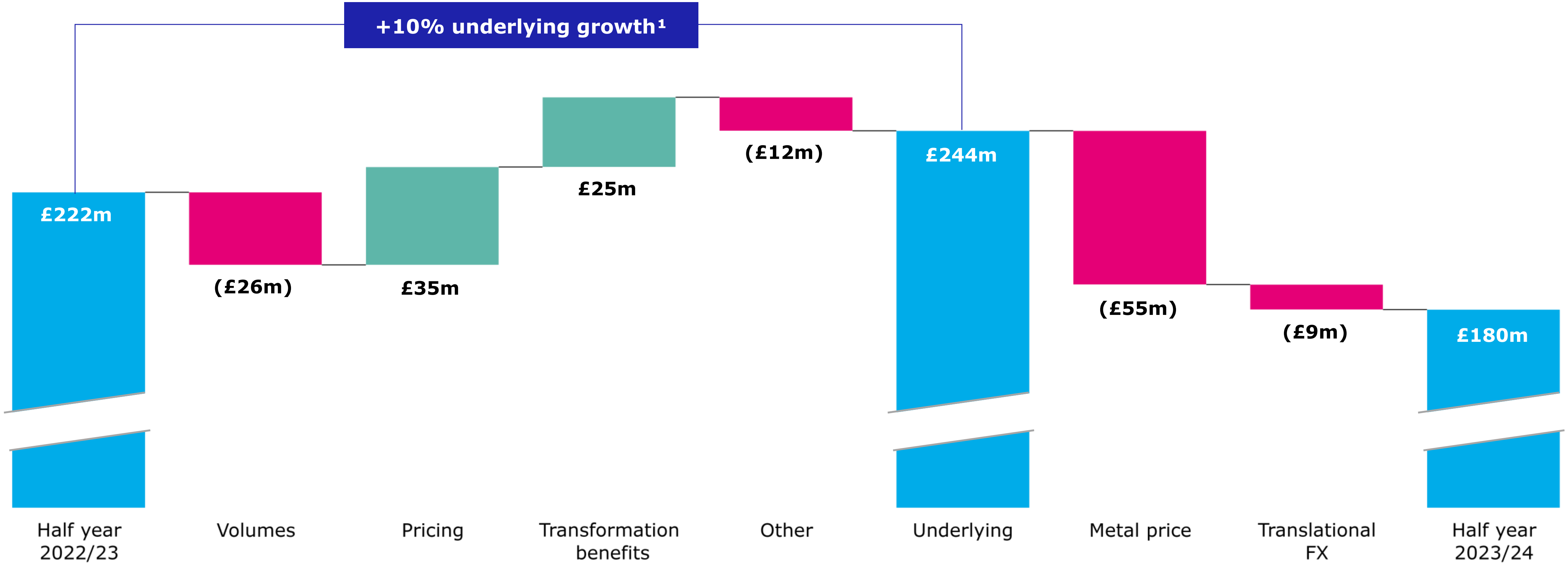
Good momentum in growth businesses

Sales for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Clean Air	1,286	1,278	+4
PGM Services	230	282	-16
Catalyst Technologies	282	275	+5
Hydrogen Technologies	37	23	+61
Value Businesses[1]	190	235	-21
Eliminations	(58)	(48)	
Sales (continuing operations)	**1,967**	**2,045**	**-1**

1. Includes Battery Systems, Medical Device Components, Diagnostic Services, Advanced Glass Technologies and Battery Materials.

Operating profit benefiting from pricing and transformation benefits

Underlying operating profit



1. At constant FX and adjusting for c.£55m impact from precious metal prices.

Benefits from our transformation programme

Initiative	**Cost savings to date (£m)**	**2024/25 annualised cost savings (£m)**
Management spans and layers	35	60
Procurement	25	40
Real estate	5	20
IT	5	15
Global Business Services	-	15
Total	**70**	**150**

Delivering in excess of £150 million annualised cost savings by 2024/25

Operating performance

Underlying results for half year ended 30th September[1]	2023 £m	2022 £m	% change	% change, constant FX rates
Sales excluding precious metals (sales)	1,967	2,045	-4	-1
Operating profit	180	222	-19	-15
Finance charges	(41)	(21)		
Profit before tax	**139**	**201**	**-31**	**-28**
Taxation	(31)	(40)		
Profit after tax	**108**	**161**	**-33**	**-30**
Underlying earnings per share	**59.1p**	**88.2p**	**-33**	
Interim dividend per share	**22.0p**	**22.0p**	**-**	

1. All figures are before profit or loss on disposal of businesses, gain or loss on significant legal proceedings, together with associated legal costs, amortisation of acquired intangibles, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges and, where relevant, related tax effects.

Reported results

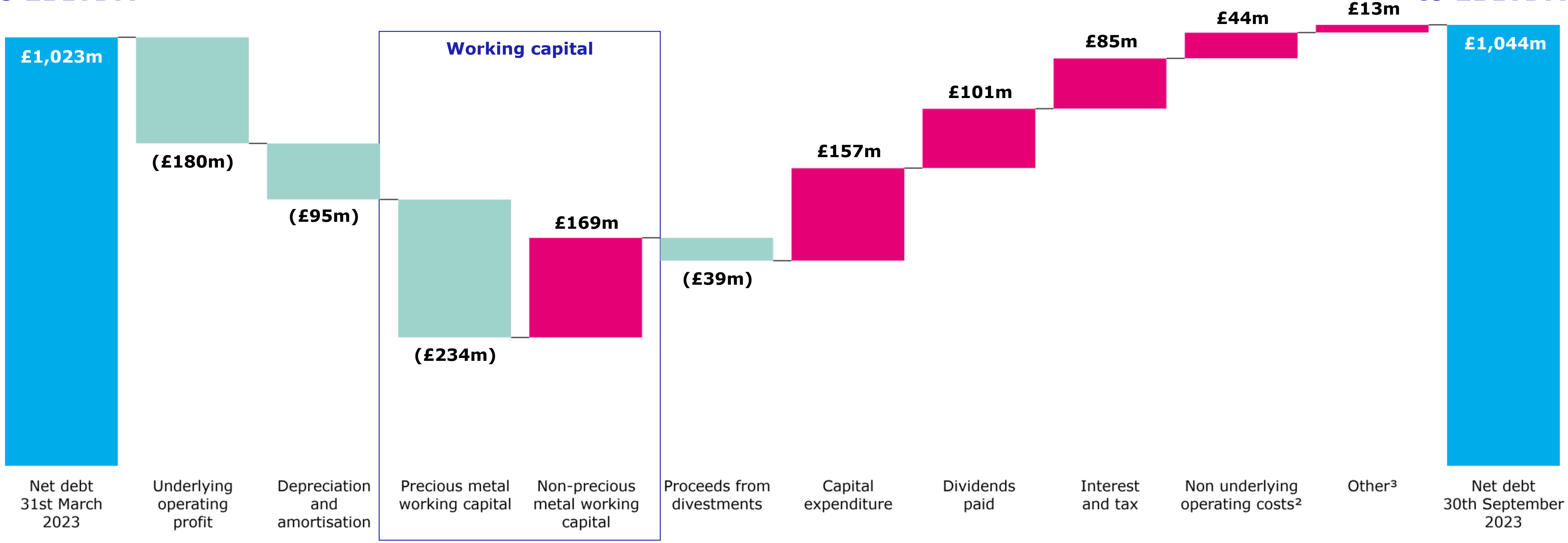
Half year ended 30th September	2023 £m	2022 £m
Underlying operating profit	**180**	**222**
Major impairment and restructuring charges[1]	(42)	(9)
Amortisation of acquired intangibles	(2)	(2)
Profit / (loss) on disposal of businesses	-	-
Reported operating profit	**136**	**211**
Reported basic earnings per share from continuing operations	**34.7p**	**82.0p**

1. 1H 2023/24 includes £30m in respect of restructuring charges relating to the group's transformation and efficiency initiatives and a £12m net impairment charge. 1H 2022/23 includes £5m in respect of transformation initiatives and a further £4m in relation to exit costs for Battery Materials.

Net debt

1.6 times net debt to EBITDA[1]

1.7 times net debt to EBITDA[1]



1. Net debt including post tax pension deficits. Shown on a continuing basis.
2. Non-underlying operating costs includes major impairment and restructuring charges as well as amortisation of acquired intangibles.
3. Other includes pension contributions in excess of income statement charge, movements in provisions, changes in fair value of financial instruments, and other non-cash adjustments such as lease movements and share based payments.

Clean Air

Strong growth in operating profit

Sales up 4%

- Supported by increased pricing and slightly higher volumes in LDD and HDD

Operating profit up 22%

- Higher volumes, higher pricing and efficiencies
- Partly offset by weaker mix

Underlying results for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Light duty diesel	532	515	+7
Light duty gasoline	280	299	-1
Heavy duty diesel	474	464	+5
Total sales	**1,286**	**1,278**	**+4**
Operating profit	**124**	**108**	**+22**
Operating profit margin	**9.6%**	**8.5%**	
EBITDA margin	**12.5%**	**11.3%**	

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PGM Services

Lower PGM prices and refinery volumes

Sales declined 16%

- Lower average PGM prices
- Reduced refinery volumes due to lower auto scrap

Operating profit down 37%

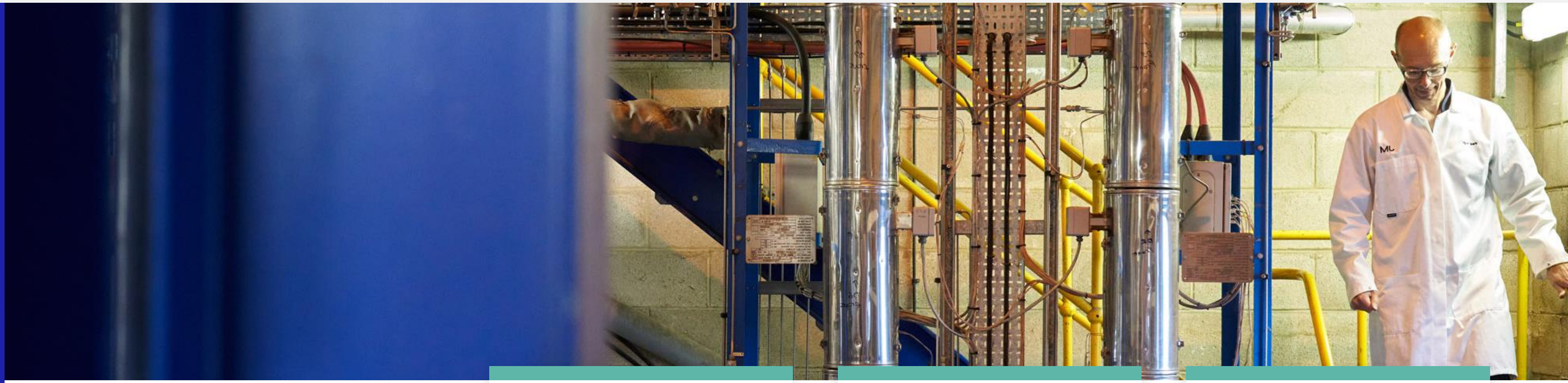
- Lower average PGM prices (c.£55m impact)
- Cost saving actions offset reduced refinery volumes

Underlying results for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Total sales	230	282	-16
Operating profit	78	125	-37
Operating profit margin	33.9%	44.3%	
EBITDA margin	40.0%	48.9%	

Note: PGM – platinum group metal.

Catalyst Technologies

Strong profit growth and margin progression



Sales increased 5%

- Growth in Catalysts and Licensing
- Higher average prices partly offset by lower catalyst refill volumes

Operating profit grew materially

- Actions taken to improve performance as part of value creation programme
- Higher pricing and efficiencies
- Margin up 480 basis points

Underlying results for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Catalysts	254	249	+5
Licensing	28	26	+6
Total sales	**282**	**275**	**+5**
Operating profit	**35**	**21**	**+84**
Operating profit margin	**12.4%**	**7.6%**	
EBITDA margin	**16.7%**	**12.4%**	

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Hydrogen Technologies

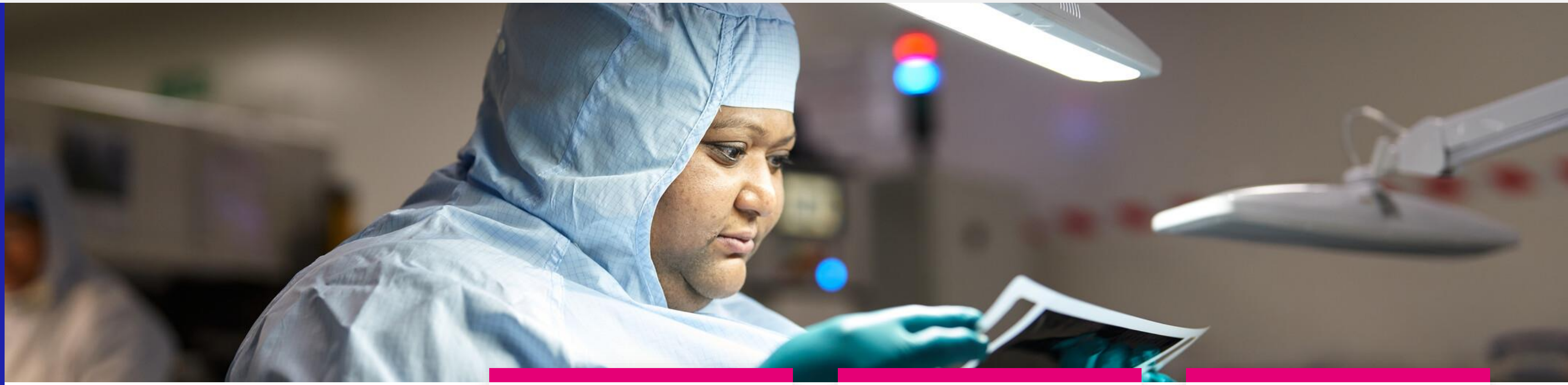
Significant sales growth and investing for scale up

Sales up materially

- Higher volumes for strategic customers in fuel cells and growth in electrolysers
- Enabled by improvements to operational performance

Operating loss of £26m

- Investing in building capability and product development as we scale the business
- Partly offset by higher contribution



Underlying results for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Total sales	37	23	+61
Operating loss	(26)	(24)	n/a

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Outlook for year ending 31st March 2024

Group

Now expect at least high single digit growth in operating performance at constant precious metal prices and constant currency. Underpinned by transformation benefits of c.£55m

Clean Air – expect strong growth in operating performance and a sequentially stronger second half. Double digit operating margin for the full year, with further progress beyond

PGM Services – performance largely driven by PGM prices, with recycling volumes expected to remain subdued

Catalyst Technologies – very strong growth in operating performance, significant uplift in margins

Hydrogen Technologies – strong sales growth, operating loss at similar level to 2022/23

PGM prices:

c.£80m[1] adverse impact compared with the prior year if PGM prices remain at current levels[2] for the rest of this year

FX:

c.£15m adverse impact to underlying operating profit at current FX rates (translational)[3]

1. A US$100 per troy ounce change in the average annual platinum, palladium and rhodium metal prices each have an impact of approximately £1m, £1.5m and £0.75m respectively on full year underlying operating profit in PGM Services. This assumes no foreign exchange movement.
2. Based on average precious metal prices in November 2023 (month to date).
3. Based on foreign exchange rates in November 2023 (month to date).

Agenda

Catalysing the net zero transition

Our aspiration is to lead across our four businesses

Clean Air

Leading in autocatalyst markets

Catalyst Technologies

#1 in syngas-based chemicals and fuels technology

Hydrogen Technologies

Market leader in performance components for fuel cells and electrolysers

PGM Services
(Platinum Group Metals Services)

#1 recycler of PGMs[1]

1. Iridium, palladium, platinum, rhodium and ruthenium.

Portfolio transitioning and growing over time

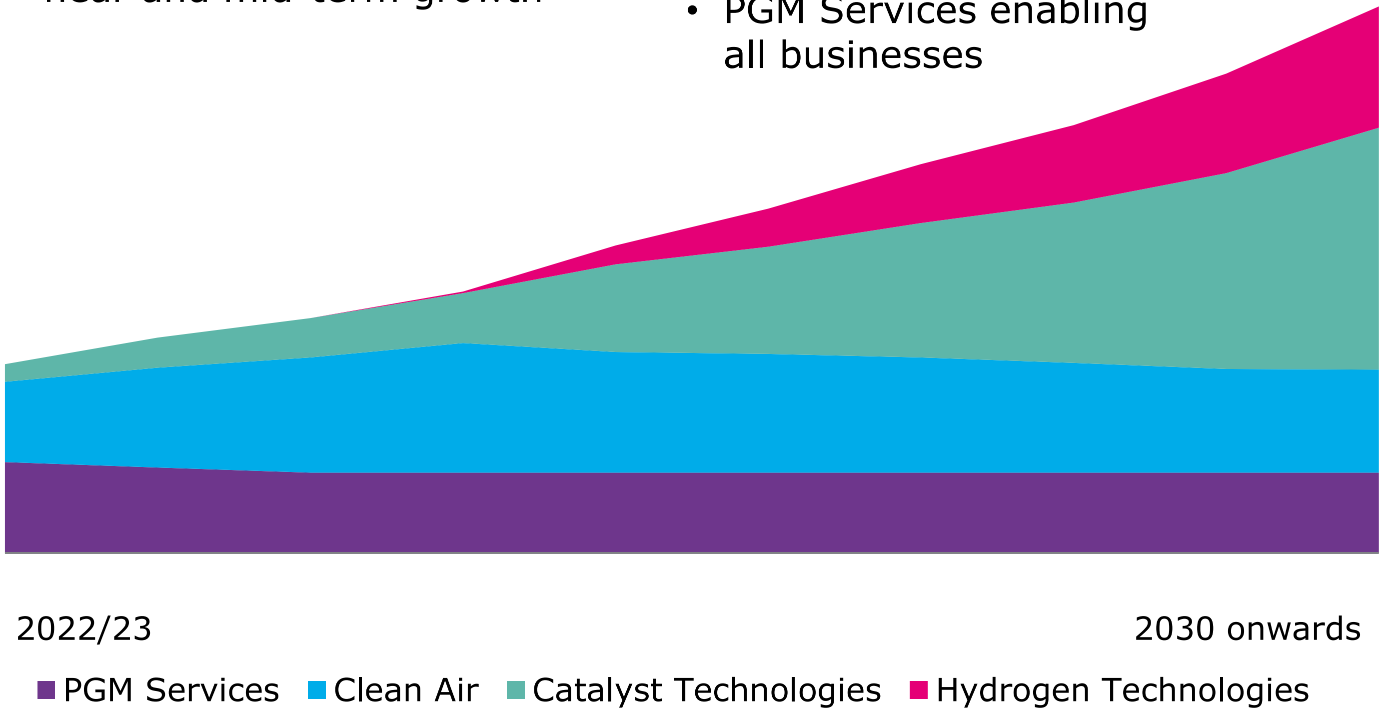
Accelerating to high single digit growth[1] over the medium term, and strong long-term growth

Beyond 2030, growth businesses expected to be **bigger than the size of JM today…**

Illustrative chart

Development of underlying operating profit

- Clean Air efficiencies and Catalyst Technologies driving near and mid-term growth
- Hydrogen Technologies contributing in the long-term
- PGM Services enabling all businesses



1. At constant precious metal prices and FX rates (2021/22 average).

Note: Illustration excludes Value Businesses and Corporate.

Clean Air: driving efficiency and delivering cash

Strategic goals	First half progress	Key priorities
Deliver £4bn+ cash	• On track to deliver £4bn+ cash	• Continuing to drive cash generation
Drive efficiency	• Delivering margin improvement • Closed 3 of 4 announced sites	• Double digit margin in 2023/24, with further progress beyond • Further streamline footprint/R&D
Win business	• Winning targeted business • Euro 7 progressing	• Maximise wins profitably • Continued price negotiations

On track to deliver at least £4bn of cash by 2030/31[1]

1. Targeting at least £4bn of cash under our range of scenarios from 1st April 2021 to 31st March 2031.

Clean Air: focused on delivering margin improvement

Margin improvement initiatives

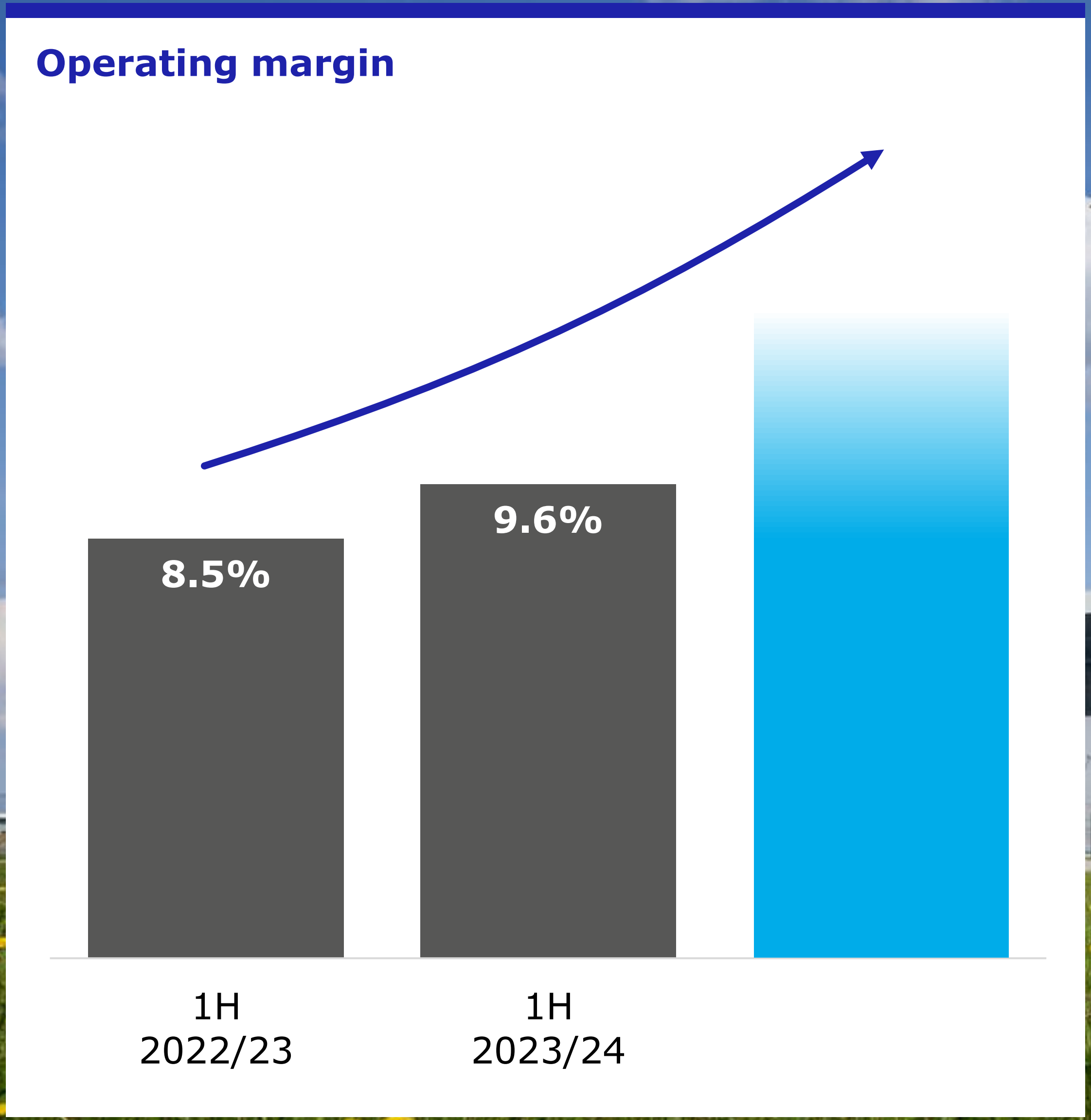
Pricing – strengthening commercial muscle

- Cost recovery across wide range of areas
- Better profitability data to drive pricing discussions

Cost – streamlining overheads

- Rationalising and standardising products
- Procurement, manufacturing, supply chain savings
- Continue to streamline footprint and R&D

Expect to achieve double digit operating margin for 2023/24, with further progress beyond



PGM Services:
key enabler for our growth businesses

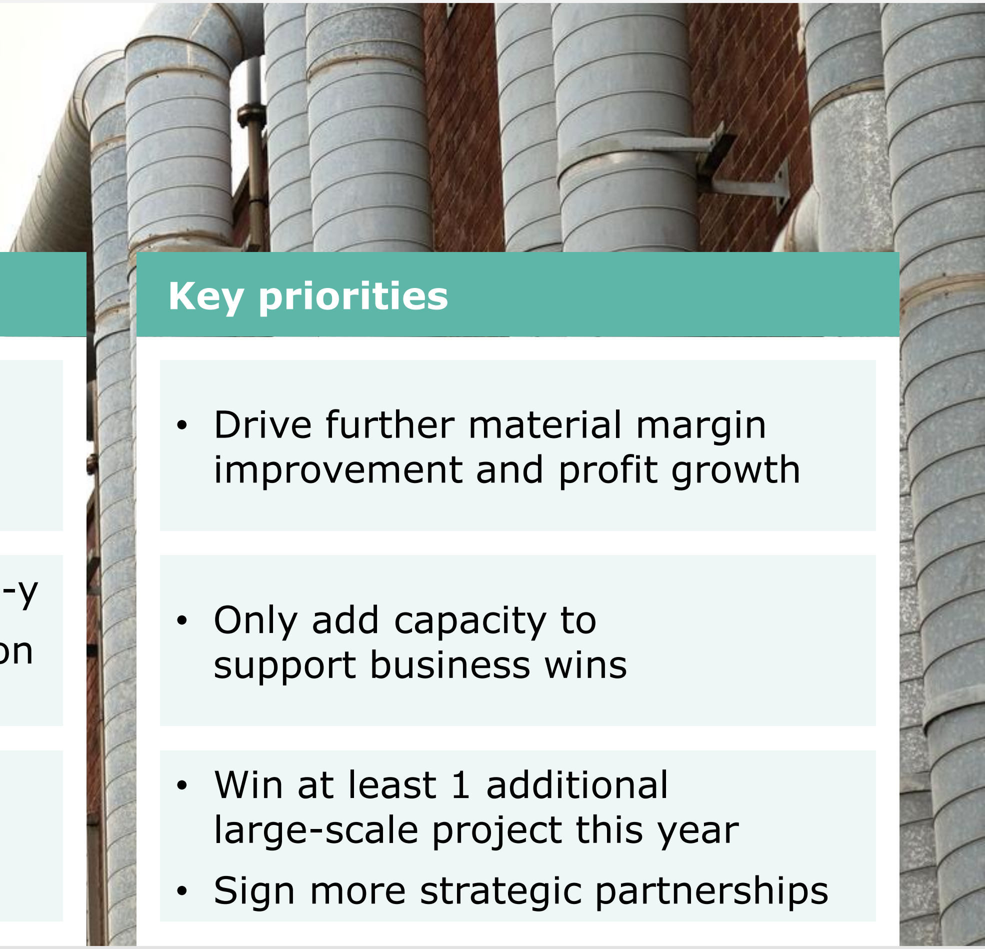
Strategic goals	First half progress	Key priorities
Asset renewal	• Increasing resilience, efficiency and long-term sustainability of refinery assets	• Progress refineries investment • Support HT growth
Expand China refining capability	• Completed commissioning of China refining capability	• Deliver value from enhanced capability in China
Drive business growth	• New technology for recycling of hydrogen technologies materials • Customer wins	• Adapt business model • Growth from value-add products

A strong position that is hard to replicate

Critical to development of new technologies needed to tackle climate change

Note: HT – Hydrogen Technologies.

Catalyst Technologies: breakout growth and margin improvement



Strategic goals	First half progress	Key priorities
Improve performance	• 84% profit growth • Margin up 480 basis points	• Drive further material margin improvement and profit growth
Build capability	• Engineering capacity up 1/3 y-o-y • Formaldehyde capacity expansion progressing	• Only add capacity to support business wins
Drive growth – win projects	• 4 sustainable solutions projects since May 2023 – 9 to date[1]	• Win at least 1 additional large-scale project this year • Sign more strategic partnerships

- Delivering high single digit sales growth in the short-term
- Accelerating to mid-teens sales growth over the medium to long-term
- Margin accretion driven by value creation programme and mix shift towards licensing

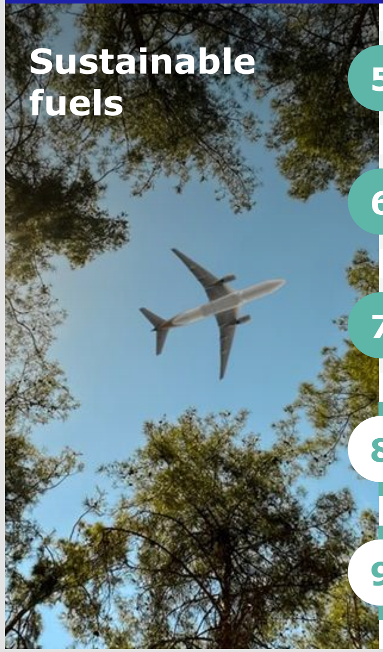
1. Project wins from 1st April 2022 to date, assuming project completion.

Catalyst Technologies: winning early projects and a large pipeline

Won 9 projects to date worth c.£185m sales[1]

Low carbon hydrogen

1. **Equinor and Linde – H2H Saltend**
2. A **large scale low carbon hydrogen** project in North America
3. **Kellas Midstream H2NorthEast** — SINCE MAY
4. **bp H2Teesside project** — SINCE MAY



Sustainable fuels

5. **Strategic Biofuels project** in North America
6. **Waste-to-fuels plant** in North America
7. **Waste-to-fuels plant** in Europe
8. **EDL HyKero plant in Germany** — SINCE MAY
9. **ABEL Energy green methanol plant in Australia** — SINCE MAY

Pipeline of more than 100 sustainable solution projects[2]

1. Revenue over 5 years relating to low carbon hydrogen and sustainable fuel project wins from 1st April 2022 to date, assuming project completion.
2. Sustainable solutions pipeline includes low carbon hydrogen, sustainable fuels and low carbon solutions projects.

Catalyst Technologies: delivering strong margin improvement

Driving margin improvement

Operating margin targets

- Mid teens by end of 2024/25
- High teens by end of 2027/28
- Continued accretion beyond

Pricing initiatives

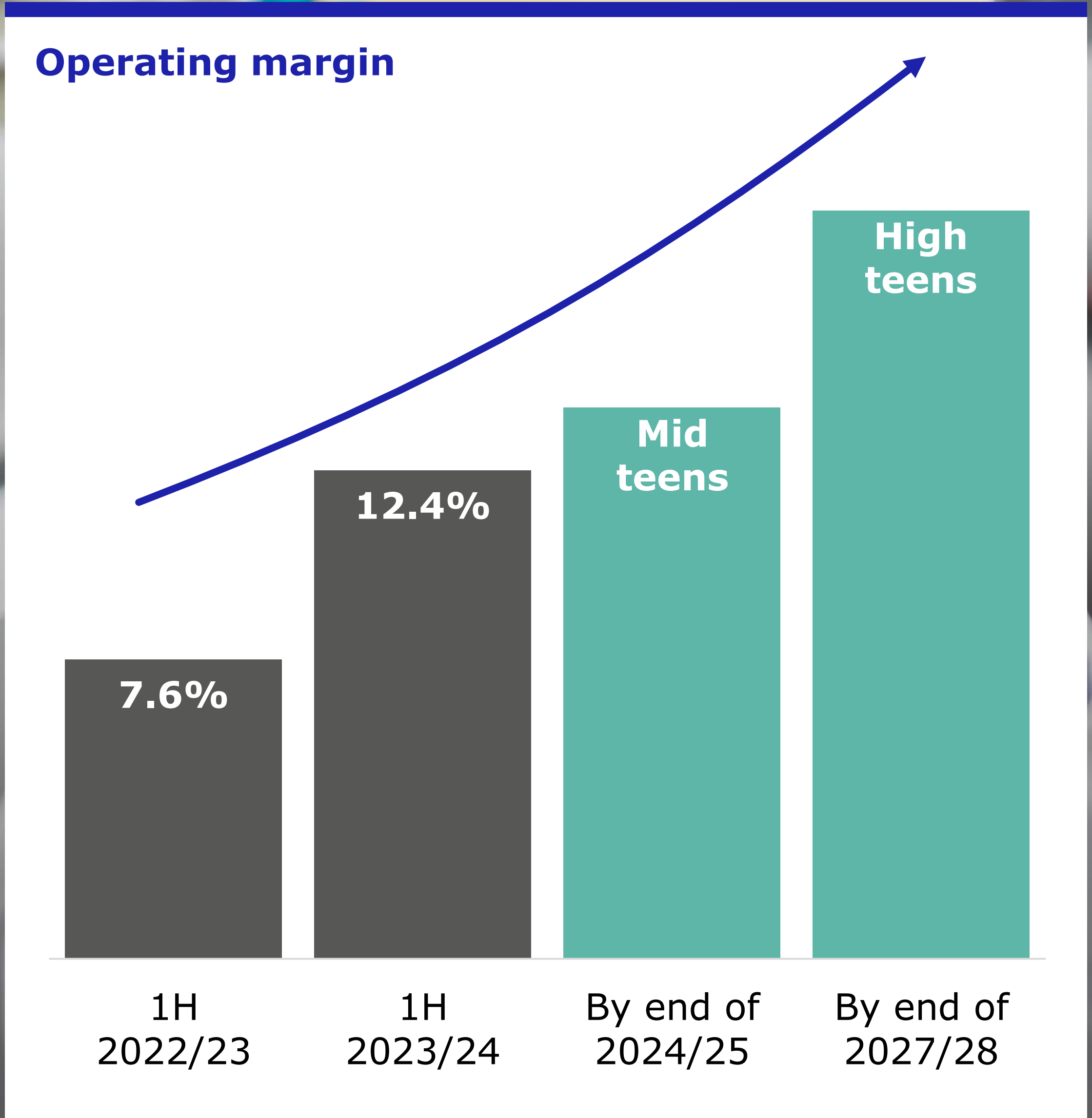
- Improved commercial rigour to recover cost inflation
- Driving value based pricing in key segments

Procurement

- Reducing number of suppliers by one third
- Reducing reliance on single source items

Manufacturing efficiency

- Manufacturing excellence initiatives
- Increasing capacity in key sites



Hydrogen Technologies: continued growth momentum

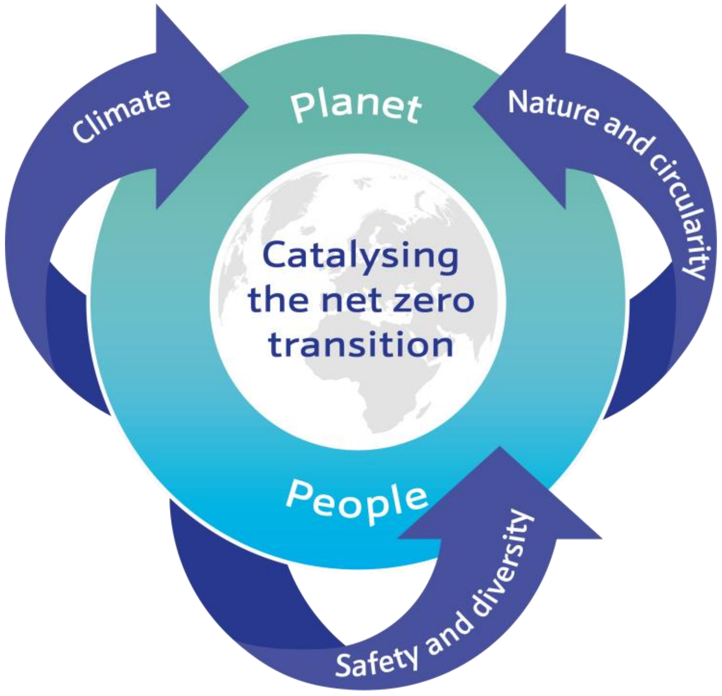
Strategic goals	First half progress	Key priorities
Strategic partnerships	• Delivered 61% sales growth	• Sign further partnerships • Diversify customer base
Build manufacturing capacity	• 3GW UK plant on track	• Deliver 3GW UK plant • Phase capex, lower capital intensity
Disciplined scale up	• Greater productivity in UK allows optimisation of US capacity • Discussing and agreeing incentives / subsidies	• Government incentives • Customer commitments • Co-investment

More than £200m in sales by the end of 2024/25

Business anticipated to be breakeven in 2025/26

Significant growth in sales and profitability thereafter

Sustainability is at the heart of everything we do



Strengthening our commitment to protect the Planet

- On track to meet our **GHG emission reduction targets**
- Helping customers **reduce GHG emissions** through use of our products
- **Embedding circularity** across our offerings

Protecting and developing our People

- **Strong safety track record** over the first six months – c.20% improvement on TRIIR[1]
- **Committed to diversity and inclusion** through local initiatives

Recognition by leading ESG rankings

FTSE4Good	Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	CDP DRIVING SUSTAINABLE ECONOMIES	PLATINUM Top 1% 2022 ecovadis Sustainability Rating	MSCI
94th top percentile	**96th** top percentile	Rated **B** on climate	**Platinum** rated	**AAA** rated

1. Total Recordable Injury and Illness Rate.

Catalysing the net zero transition

Good underlying performance
(operating profit +10%[1])

Transforming JM to drive growth

Delivering strategic milestones

Good progress in delivering on our commitments

1. Underlying basis at constant FX and adjusting for c.£55m impact from precious metal prices.

Agenda

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Q&A

Appendix

Group operating profit

Underlying operating profit for half year ended 30th September	2023 £m	2022 £m	% change, constant FX rates
Clean Air	124	108	+22
PGM Services	78	125	-37
Catalyst Technologies	35	21	+84
Hydrogen Technologies	(26)	(24)	n/a
Value Businesses[1]	14	21	-33
Corporate	(45)	(29)	
Underlying operating profit (continuing operations)	**180**	**222**	**-15**

1. Includes Battery Systems, Medical Device Components, Diagnostic Services and Battery Materials.

Free cash flow and net debt

Free cash flow from continuing operations for half year ended 30th September (£m)	2023	2022
Underlying operating profit from continuing operations	180	222
Depreciation and amortisation[1]	93	87
– *Precious metal working capital inflow*	*234*	*98*
– *Non precious metal working capital (outflow)*	*(169)*	*(200)*
Net working capital inflow / (outflow)	65	(102)
Net interest paid	(34)	(27)
Tax paid	(51)	(36)
Capex spend	(157)	(137)
Net proceeds from disposal of businesses	39	166
Other[2]	(57)	(40)
Free cash flow from continuing operations	**78**	**133**
Net debt at the end of the period	**(1,044)**	**(963)**
Net debt to EBITDA[3]	**1.7**	**1.5**

Note: Short-term metal leases amounted to £186m as at 30th September 2023 (30th September 2022: £129m).
1. Excluding amortisation of acquired intangibles, including loss on sale of non-current assets.
2. Includes restructuring cash costs, share based payments, lease payments, changes in fair value of financial instruments, and movements in pensions and provisions.
3. Net debt including post tax pension deficits.

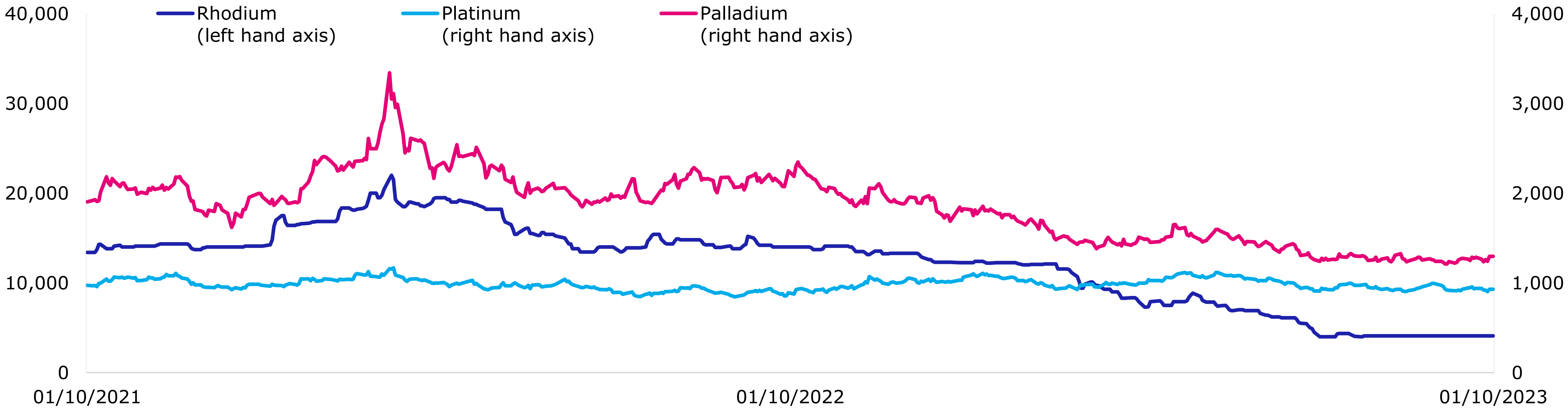
Net debt to EBITDA 1.7 times[1]

Continuing operations	£m	£m
Net debt at the beginning of the year		**(1,023)**
Free cash flow	78	
Dividends	(101)	
Movement in net debt		(23)
Lease adjustments[2]		6
Net debt before FX and other movements		**(1,040)**
FX and other non-cash movements[3]		(4)
Net debt at the end of the period		**(1,044)**

1. Net debt including post tax pension deficits.
2. New leases, remeasurements and modifications less lease disposals and principal element of lease payments.
3. Includes £2m FX and (£6m) other non-cash movements.

Average PGM prices

US$ per troy oz



Price (US$ per troy oz)	1H 2022/23 average	1H 2023/24 average	Current (17th November 2023)
Platinum	928	990	911
Palladium	2,100	1,363	1,056
Rhodium	15,264	5,493	4,500

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Financial guidance summary

Group underlying operating profit growth[1]:
- Accelerating to high single digit over the medium-term
- Strong long-term growth

At least £4bn of cash generation in Clean Air by 2030/31[2]

Catalyst Technologies: High single digit sales growth in the short term, accelerating to mid teens sales growth over the medium to long term. Margin accretion driven by value creation programme and mix shift towards licensing[3]

More than £200m in sales from Hydrogen Technologies by the end of 2024/25
Business anticipated to be breakeven in 2025/26

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c.£1bn cumulative capex over the three years to 2024/25

In excess of £150m annualised cost savings by 2024/25

1. At constant precious metal prices and FX rates (2021/22 average).
2. Driving at least £4bn of cash under our range of scenarios from 1st April 2021 to 31st March 2031.
Cash target pre-tax and post-restructuring costs.
3. Mid teens underlying operating margin by the end of 2024/25; high teens by end of 2027/28; continued accretion over long-term.

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