

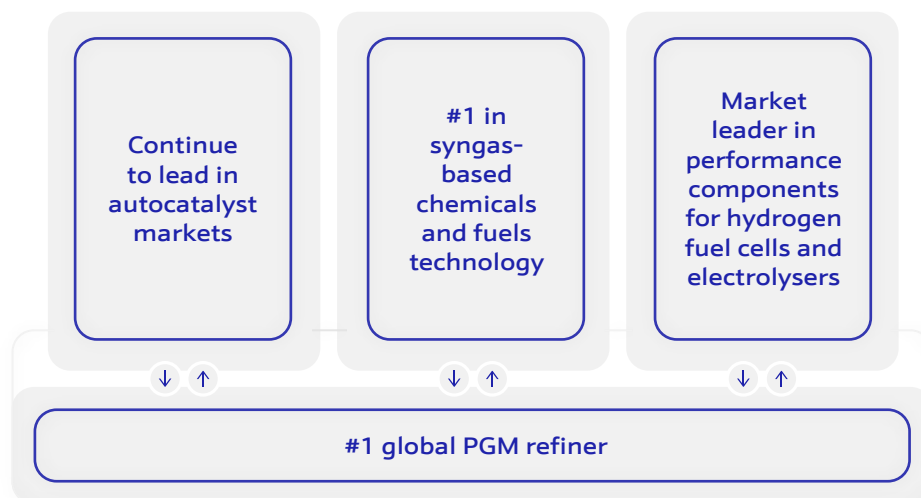
Our strategy

We are playing to win in exciting growth markets where our core competencies and technology portfolio can have maximum impact

Focus

Our expertise in PGM chemistry, catalysis and process technology is the beating heart of JM, and we are maximising synergies across our four business units to achieve a top three position in all our markets.

Our strategic priorities



We agreed the divestment of all our Value Businesses this year, in line with the strategic milestone set in 2022. We completed the sale of our Diagnostic Services business in September 2023, and confirmed the sale of our Medical Device Components and Battery Systems businesses in March 2024.

Over the three year period to 2026/27, we expect cumulative capital expenditure of up to £900 million. This will be focused on supporting the core competencies essential for driving our long-term growth and value creation. We are maintaining a strong balance sheet and investing for growth and attractive returns, ensuring a reliable dividend and returning excess cash to shareholders.

Simplify

Our transformation programme is enhancing simplification and execution across the entire business. We are becoming a simpler, more agile and more cost-effective organisation with leaner processes, less duplication and clear lines of accountability.

Across the year, we realised approximately £75 million of new savings, resulting in £120 million in transformation savings relative to the actual financial year 2021/22 cost base.

Some notable achievements include:

- Launch of Johnson Matthey Global Solutions (JMGS), delivering a new way of supporting core business services to support HR, Finance and Procurement teams through our new JM service hub in Lithuania and a dedicated centre in India. JMGS rolled out to the US in February 2024.
- Roll-out of the Johnson Matthey Production System (JMPS), delivering structured improvement in our manufacturing operations.
- Closure of four Clean Air manufacturing facilities as we continue to consolidate in fewer, more efficient and flexible sites.
- Resizing of our managerial structure to reflect the new size of the company, partly driven by divestments and closure of underused assets.
- Accelerated progress of our procurement transformation, with a new operating model and closer supplier relationships signified by our first global JM supplier convention; and margin improvement savings of £34.4 million in 2023/24.
- Strengthening of our Engineering and Capital Project (ECP) delivery, including a new ECP operating model that has streamlined the number of suppliers, allowing a clearer focus on value.

Our priority actions for the year ahead include:

- Continued roll-out of the JMGS programme, launching in the UK in May 2024.
- Redesign of the IT Operating Model to support the future growth of JM.
- Fully deploy the new global Procurement organisation, co-ordinated with the JMGS implementation, and supported by a new procurement digital platform.
- Right-sizing and upgrading of JM's real estate footprint for future business needs, including the expected sale of unused land in the US and the consolidation of existing London offices into our new London Hub.
- Consolidate to a single global payroll provider.
- Deploy a common ERP landscape for PGM Services, replacing 13 legacy systems.

Our strategy continued

Execute

Our strategy is underpinned by a rigorous performance culture. By combining science and purpose with a more commercial mindset, we are driving stronger execution, unlocking near-term cost opportunities and positioning ourselves for long-term growth.

Following the successful delivery of our previous strategic milestones (page 13), we have refreshed our targets for the next two years. Focusing on customers, capability and transformation, our new milestones build on the results we have achieved over the last two years to make sure JM remains well placed to deliver on our short and longer-term priorities.

Group Commercial Council

We continue to strengthen our commercial muscle through our Commercial Council. This year we further embedded the voice of customer in our business, improving our overall customer satisfaction (Net Promoter Score (NPS)) to 43, compared to 37 in 2022/23. All four businesses improved their NPS scores, with customers highlighting the strengths in our technical expertise, product performance, collaboration and supportive service. Our commercial teams are being upskilled, with the successful roll-out of sales incentive plans and skills training delivering strong wins across the businesses. We are further harnessing the power of a oneJM approach to our customers, maximising our current partnerships through targeted cross-selling and building new profitable business. Looking forward, we will increase our level of ambition around new business wins through our oneJM approach and enhanced customer-centricity across the company.

New strategic milestones

	End of 2024/25	End of 2025/26	Long term
Customers			
Deliver at least £4.5 billion of cash in the decade to 2030/31 ¹ from Clean Air			●
Win additional 20 large scale projects in Catalyst Technologies' sustainable technologies portfolio		●	
Secure 4 new Hydrogen Technologies partnerships with leading companies		●	
Capability			
Start commissioning of new world class PGM refinery		●	
Expand engineering capacity by 30% to serve licensing growth in Catalyst Technologies ²		●	
Transformation			
Achieve ICCA (International Council of Chemical Associations) process safety event severity rate (PSESR) of 0.80 ³	●		
Increase employee engagement score to at least 7.4 ⁴		●	
Deliver £200 million transformation cost savings	●		
Implement JM Global Solutions for cost effective business processes	●		
Deliver 32% reduction in scope 1 and 2 CO ₂ e emissions ⁵		●	

1. Cash target from 1st April 2021 to 31st March 2031, pre tax and post restructuring costs.

2. Baseline – 31st March 2024.

3. Baseline – 2023/24 – PSESR of 0.88.

4. Baseline – 2023/24 employee engagement score of 7.2.

5. Baseline – 2019/20.