Johnson Matthey

Inspiring science, enhancing life

Presentation of results for the half year ended 30th September 2024

27th November 2024

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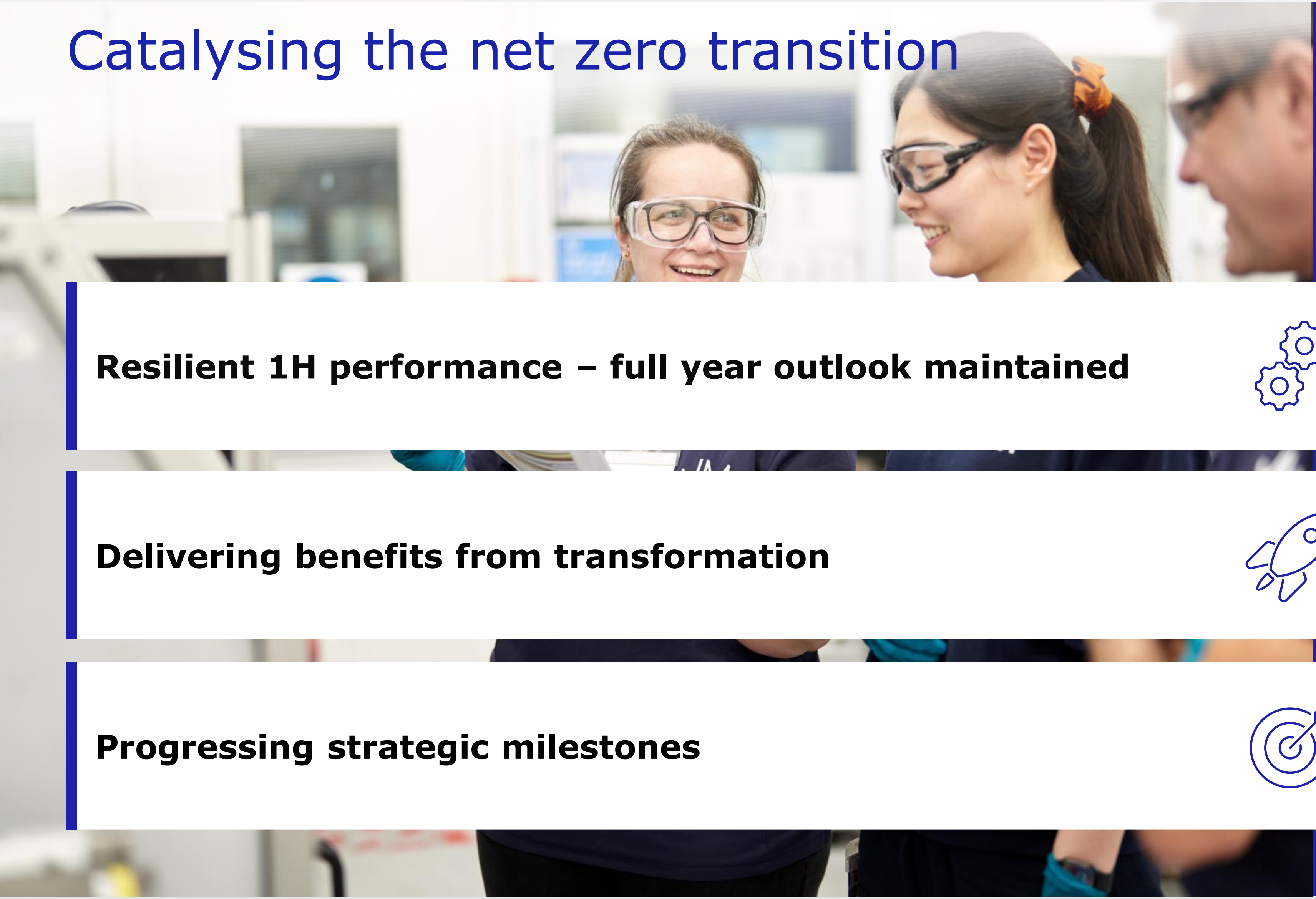
Catalysing the net zero transition



Resilient 1H performance – full year outlook maintained

Delivering benefits from transformation

Progressing strategic milestones

Delivering on commitments in a challenging market environment

JM

Focused on the areas we can control

Delivering in 1H… …with more to come

Clean Air

- Margin up 80bps
- High win rates for new platforms
- Accelerating transformation

Catalyst Technologies

- Margin up 250bps
- Manufacturing and operational excellence
- Sustainable technologies project wins

…and expect much more in 2H

PGM Services

- Higher refining volumes
- New, high value product applications
- Efficiency programme

Hydrogen Technologies

- Reducing cost base and investment
- Operational excellence

Underpinned by our disciplined capital allocation

Divested Value Businesses	£250m share buyback	Reducing capex

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Resilient performance

Sales -3%[1]

Operating profit -4%[1]

Earnings per share
57.4p, -3%

Free cash flow **£347m**

Net debt
£783m (1.4 times[2])

Interim dividend maintained:
22.0p per share

£250m share buyback ongoing

Expect stronger 2H – transformation benefits and stronger PGM Services

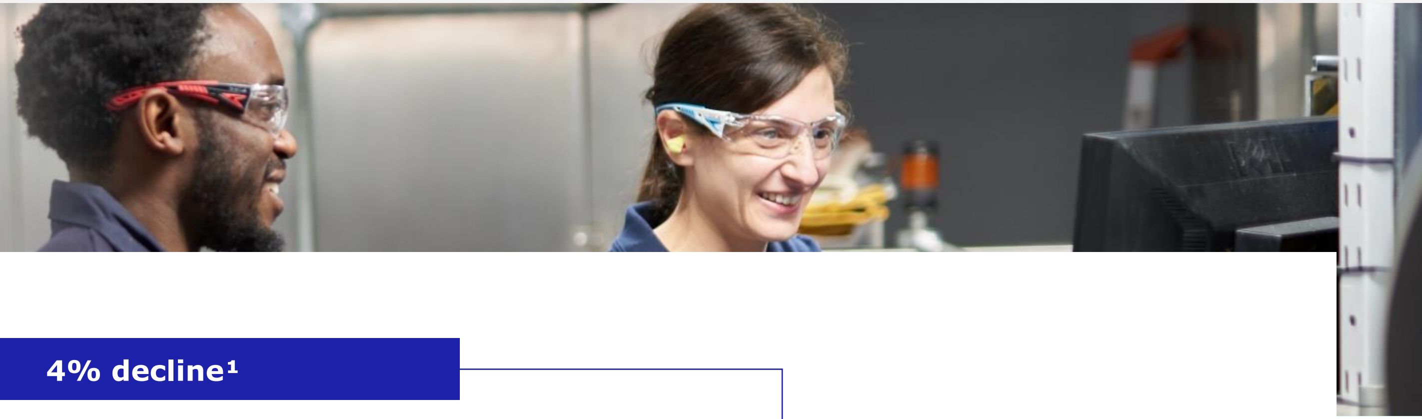
Note: Unless otherwise stated, sales and operating profit commentary refers to performance at constant exchange rates. Sales, operating profit and earnings per share are underlying measures – before profit or loss on disposal of businesses, amortisation of acquired intangibles, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges and, where relevant, related tax effects. Comparator period is 1H 2023/24.
1. Excluding Value Businesses which have now been disposed.
2. Net debt (including post tax pension deficits) to underlying EBITDA.

Sales down 3% in a challenging market

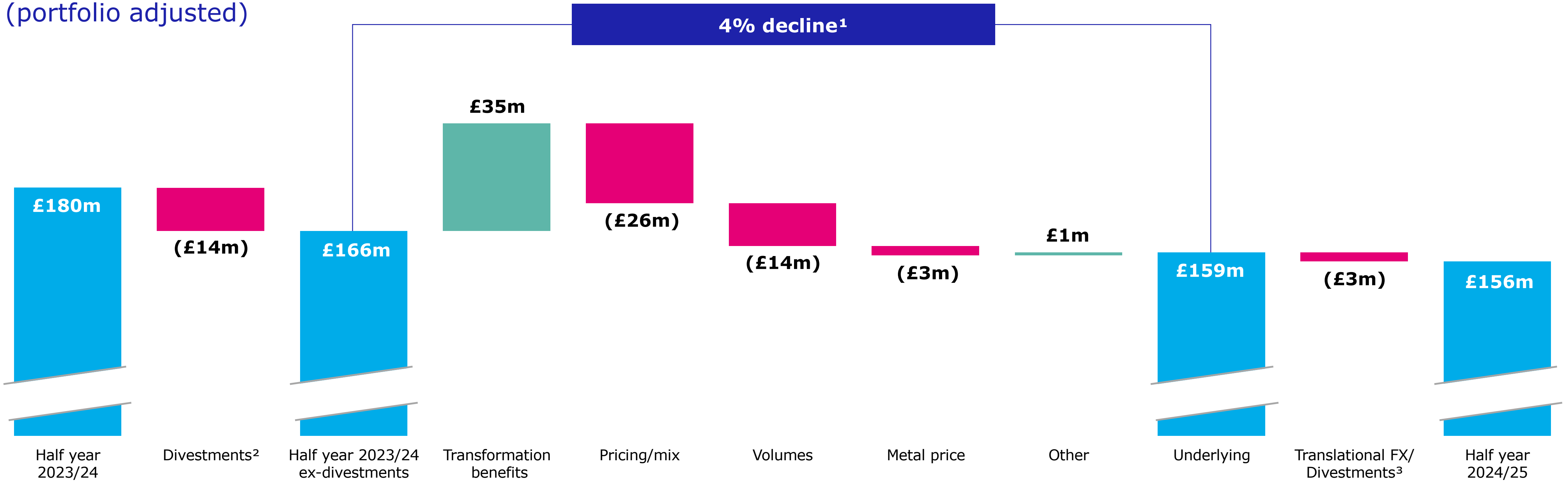
Sales for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Clean Air	1,165	1,286	-7
PGM Services	207	230	-9
Catalyst Technologies	336	282	+20
Hydrogen Technologies	20	37	-46
Eliminations	(42)	(58)	
Sales excluding Value Businesses	**1,686**	**1,777**	**-3**
Value Businesses[1]	36	190	-81
Total sales	**1,722**	**1,967**	**-11**

Note: Sales excluding precious metal.
1. Includes Battery Materials, Battery Systems, Diagnostic Services and Medical Device Components which are all now disposed.

Operating profit benefiting from transformation



Underlying operating profit
(portfolio adjusted)



1. 4% decline at constant FX and adjusting for the divestment of Value Businesses. 2% decline at constant FX and adjusting for the divestment of Value Businesses and £3m impact from precious metal prices.
2. Represents divestment of Value Businesses.
3. Includes (£5m) and £2m relating to translational FX and the divestment of Value Businesses, respectively.

Delivering transformation benefits

Cost savings (£m)	**1H 2024/25**	**Cumulative to date**	**By end of 2024/25**
Management spans and layers	10	60	80
Procurement	15	60	70
Real estate	-	15	20
IT and JM Global Solutions[1]	10	20	30
Total savings	**35**	**155**	**200**
Cash cost	**35**	**110**	**130**

On track to deliver £200m cost savings by end of 2024/25…

…annualising at more than £250m in 2025/26

1. JM Global Solutions is a simplified and more efficient model to deliver core business services.

Underlying results

Underlying results for half year ended 30th September[1]

	2024 £m	2023 £m	% change
Sales excluding precious metals	1,722	1,967	-12
Operating profit	156	180	-13
Finance charges	(23)	(41)	
Profit before tax	**133**	**139**	**-4**
Taxation	(29)	(31)	
Profit after tax	**104**	**108**	**-4**
Underlying earnings per share[2]	**57.4p**	**59.1p**	**-3**
Interim dividend per share	**22.0p**	**22.0p**	**-**

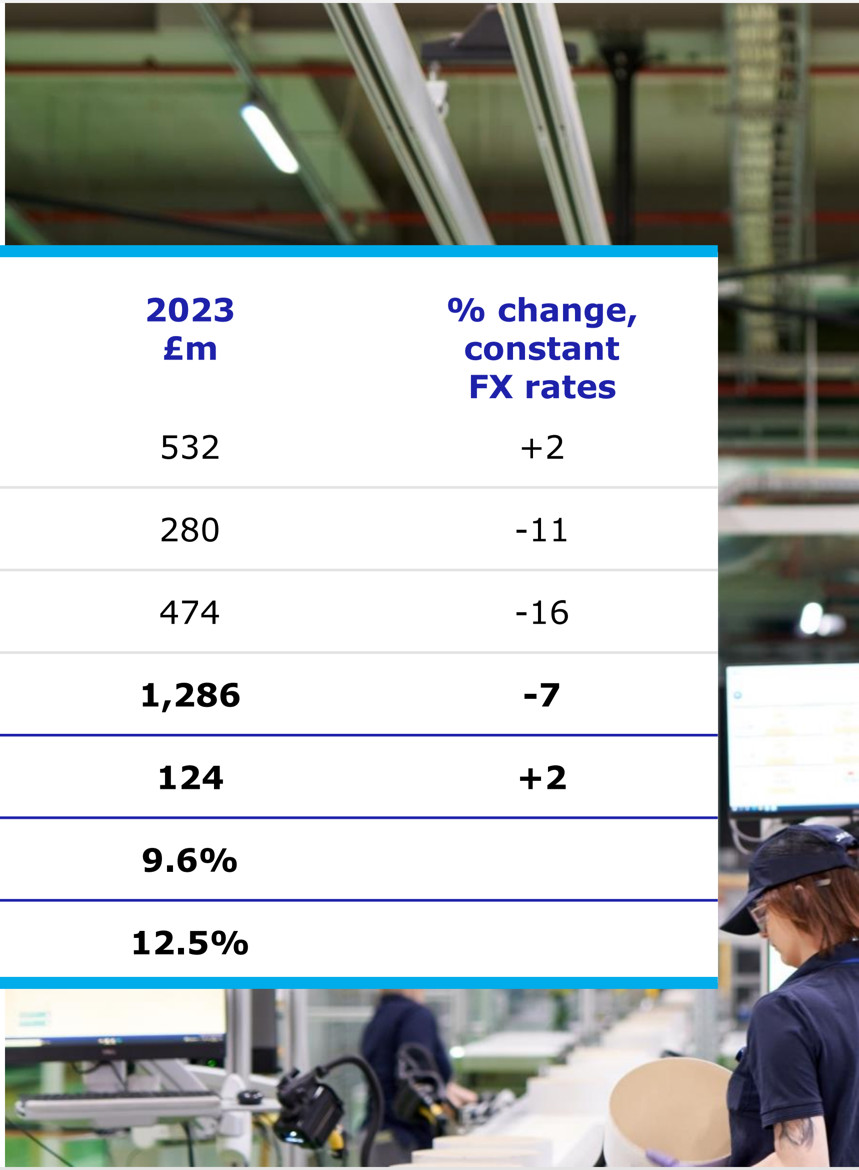
1. All figures are before profit or loss on disposal of businesses, amortisation of acquired intangibles, share of profits or losses from non-strategic equity investments, major impairment and restructuring charges and, where relevant, related tax effects.
2. Based on weighted average number of shares in issue of 181.7m in 1H 2024/25 (1H 2023/24: 183.2m). Reduction due to share buyback programme which commenced on 3rd July 2024.

Reported results

Half year ended 30th September	2024 £m	2023 £m
Underlying operating profit	**156**	**180**
Profit on disposal of businesses[1]	484	-
Major impairment and restructuring charges[2]	(63)	(42)
Amortisation of acquired intangibles	(2)	(2)
Reported operating profit	**575**	**136**
Reported basic earnings per share	**266.8p**	**34.7p**

1. 1H 2024/25 – £484m profit on disposal of businesses largely relates to the disposal of Medical Device Components, which completed on 1st July 2024.
2. 1H 2024/25 includes cash restructuring charges of £40m relating to our group transformation programme and consolidation of our Clean Air manufacturing footprint and a £23m impairment charge. 1H 2023/24 includes restructuring charges of £30m relating to the group's transformation and efficiency initiatives and a £12m net impairment charge.

Clean Air: resilient performance despite challenging market



Sales down 7%

- Decline in global vehicle production
- Historic platform losses

Operating profit up 2%

- Operational excellence and transformation benefits
- Margin up 80 basis points

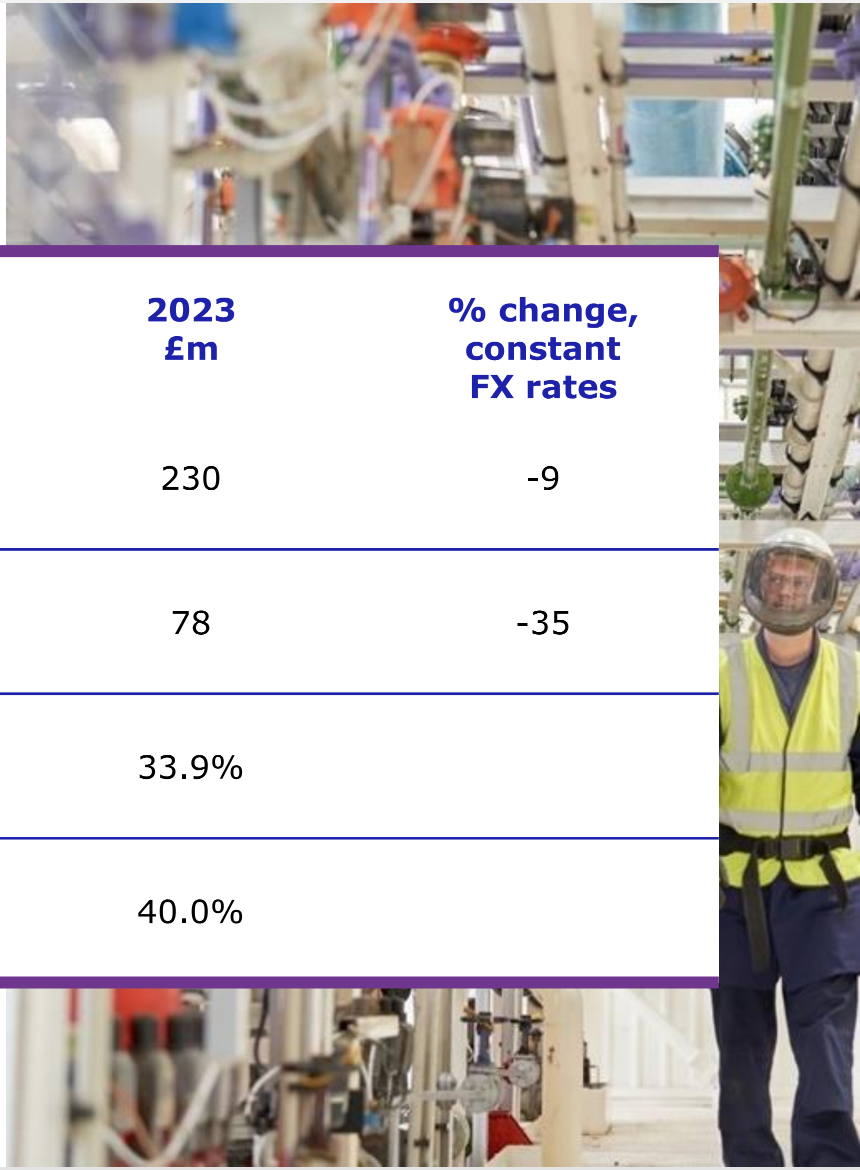
On track to deliver at least £4.5bn cash to 2030/31[1]

Sales for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Light duty diesel	530	532	+2
Light duty gasoline	244	280	-11
Heavy duty diesel	391	474	-16
Total sales	**1,165**	**1,286**	**-7**
Operating profit	**121**	**124**	**+2**
Operating profit margin	**10.4%**	**9.6%**	
EBITDA margin	**13.6%**	**12.5%**	

2H: expect sequential improvement in operating performance and margin

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

PGM Services: impacted by soft end markets



Sales down 9%

- Lower volumes across refining, including metal recoveries
- Market-driven softness in PGM trading

Operating profit down 35%

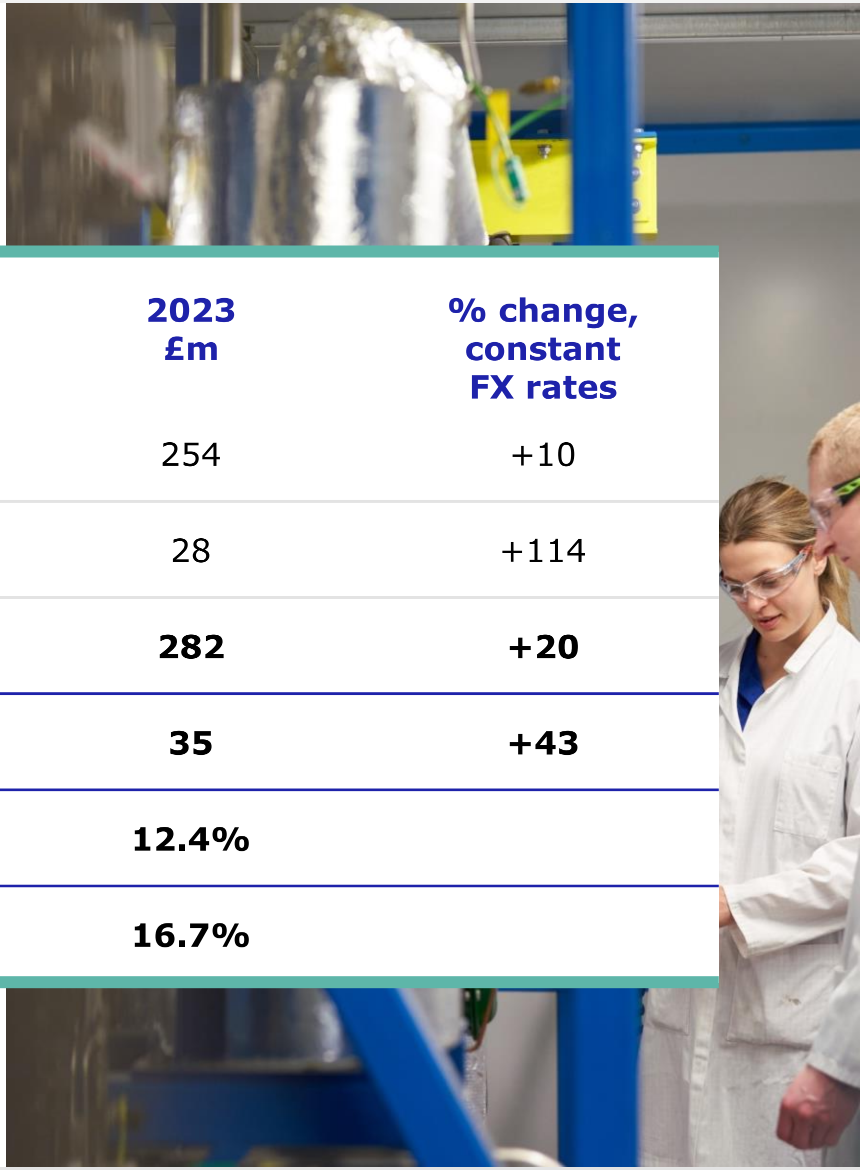
- Lower refining volumes, including metal recoveries
- Lower PGM trading profit
- Minimal PGM price impact[1]

Sales for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Total sales	207	230	-9
Operating profit	51	78	-35
Operating profit margin	24.6%	33.9%	
EBITDA margin	30.9%	40.0%	

2H: higher sales (increased refining volumes, metal recoveries and product sales) and cost efficiencies

Note: PGM – platinum group metal.
1. PGM price adverse impact of £3m in 1H 2024/25.

Catalyst Technologies: strong sales and profit growth



Sales up 20%

- Higher first fill volumes
- Strong growth in Licensing
- Continued momentum in sustainable technologies

Operating profit up 43%

- Higher Licensing contribution and Catalyst volumes
- Efficiency benefits
- Margin up 250 basis points

Sales for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Catalysts	276	254	+10
Licensing	60	28	+114
Total sales	**336**	**282**	**+20**
Operating profit	**50**	**35**	**+43**
Operating profit margin	**14.9%**	**12.4%**	
EBITDA margin	**19.0%**	**16.7%**	

2H: slightly below 1H given strong 1H in Licensing

Hydrogen Technologies: operating loss flat despite lower sales

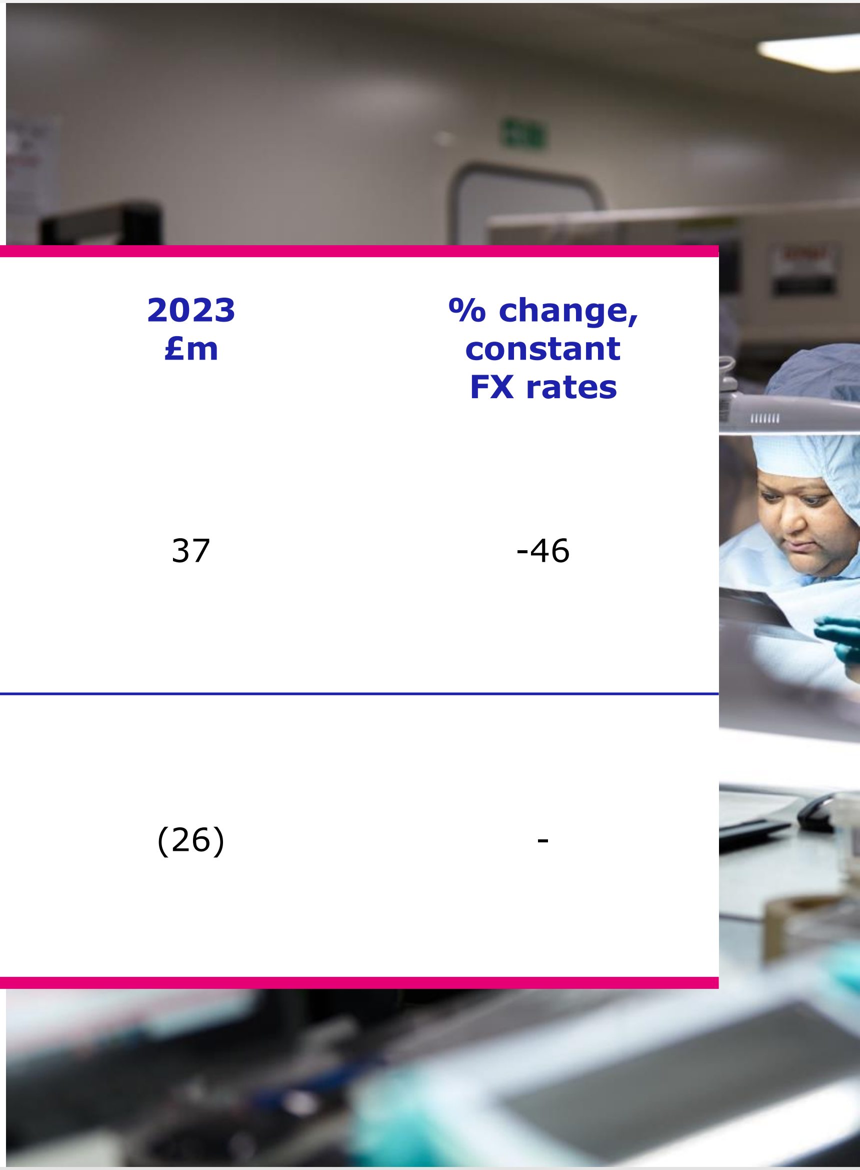
Sales down 46%

- Slowdown in market development
- Customer de-stocking

Operating loss flat

- Benefited from cost reduction actions and lower investment
- Offset by lower contribution

Sales for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Total sales	20	37	-46
Operating loss	(26)	(26)	-

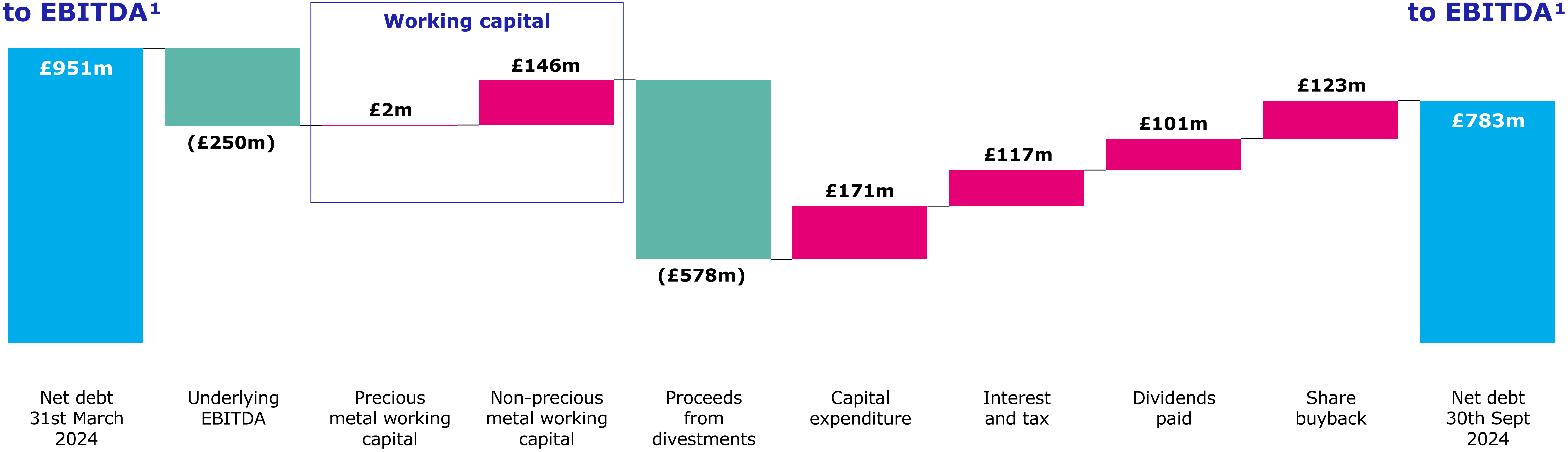


2H: significantly lower operating loss reflecting benefits from cost control actions

Net debt

1.6 times net debt to EBITDA[1]

1.4 times net debt to EBITDA[1]



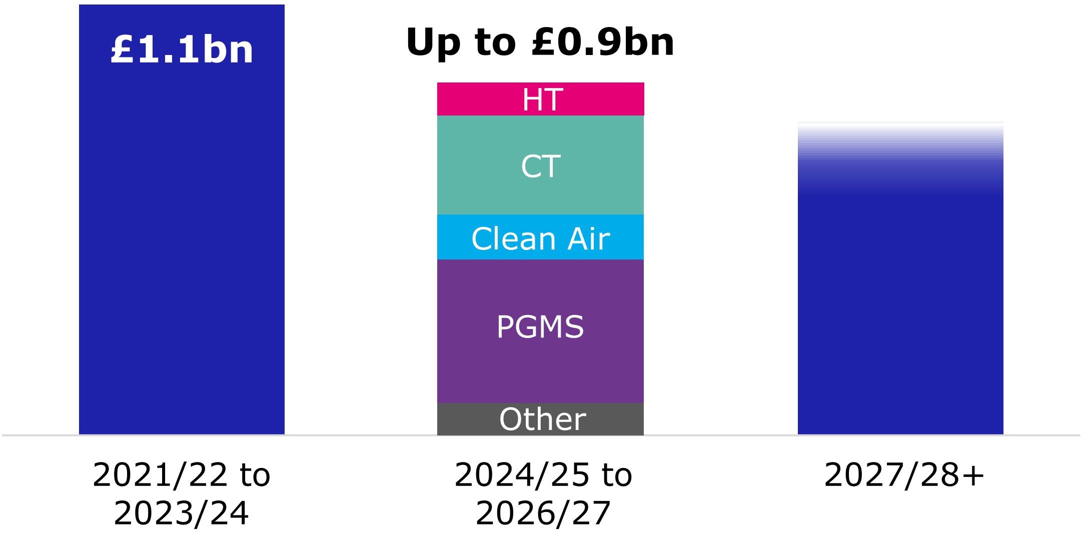
1. Net debt including post tax pension deficits.

Improving cash flow

Levers to drive cash flow

- **Transformation and efficiencies** supporting higher margins
- **Driving capex down**
- **New efficient PGM refinery** delivers working capital improvement
- **Metal price environment stabilised**

Cumulative capex



Note: PGM – platinum group metal. HT – Hydrogen Technologies. CT – Catalyst Technologies. PGMS – PGM Services.

Outlook for year ending 31st March 2025

Group guidance maintained: at least mid single digit growth in underlying operating performance[1]

	Clean Air	PGM Services	Catalyst Technologies	Hydrogen Technologies
FY guidance:	Modest growth in operating performance with continued margin expansion	Broadly stable operating performance with limited impact from PGM prices	Further strong growth in operating performance and mid-teens margin	Lower sales and a significantly lower operating loss
2H drivers:	› Further transformation benefits	› Higher sales › Cost efficiencies	› 2H slightly below 1H; strong 1H in Licensing	› Further action to reduce costs

PGM prices[2]: £3m adverse impact

FX[3]: c.£10m adverse impact

1. At constant precious metal prices and constant currency. Baseline is underlying operating profit excluding Value Businesses (£381 million in 2023/24).
2. If precious metal prices remain at their current level (average for November 2024 month to date) for the remainder of 2024/25 there would be an adverse impact of £3m on full year operating performance compared with the prior year. A US$100 per troy ounce change in the average annual platinum, palladium and rhodium metal prices each have an impact of approximately £0.5m, £1m and £0.5m respectively on full year 2024/25 underlying operating profit in PGM Services. This assumes no foreign exchange movement.
3. Based on average foreign exchange rates for November 2024 month to date, translational foreign exchange movements for the year ending 31st March 2025 are expected to adversely impact underlying operating profit by c.£10m.

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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.

Progressing our strategic milestones

		End of 2024/25	End of 2025/26	Long-term
Customers	On track to deliver **at least £4.5bn of cash in the decade to 2030/31[1]** from Clean Air			On track
	Won **3 additional large scale projects** in CT's sustainable technologies portfolio (2025/26 target: 20)		On track	
	Progressing **new Hydrogen Technologies partnerships** with leading companies (2025/26 target: 4)		In progress	
Capability	On track to start **commissioning of new world-class PGM refinery**		On track	
	Expanded engineering capacity by 22% in Catalyst Technologies[2] (2025/26 target: 30%)		On track	
Transformation	Targeting ICCA **process safety event severity rate of 0.80[3]**	On track		
	Targeting **employee engagement score of at least 7.4[4]**		On track	
	Delivered **£155m transformation cost savings to date** (2024/25 target: £200m)	On track		
	Implemented **JM Global Solutions** in the UK and US	On track		
	Targeting **32% reduction in scope 1 and 2 CO_2e emissions[5]**		On track	

On track | In progress

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Note: PGM – platinum group metal
1. Cash target from 1st April 2021 to 31st March 2031, pre-tax and post restructuring costs.
2. Baseline – 31st March 2024.
3. ICCA – International Council of Chemical Associations. Baseline – 2023/24: 0.88.
4. Baseline – 2023/24: 7.2.
5. CO_2e – carbon dioxide equivalent. Baseline – 2019/20.

Clean Air: accelerating the next phase of our transformation

- Optimising **manufacturing footprint** and increasing **utilisation**
- **Procurement, manufacturing** and **supply chain excellence**
- **Capex well below depreciation**
- **Reducing R&D spend**

Targeting mid-teens margins by 2025/26

Delivering at least £4.5bn cash to 2030/31[1]

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

Catalyst Technologies: winning with customers in sustainable technologies

13 project wins worth more than £350m sales over 5 years[1]

Low carbon hydrogen

- **bp** H2Teesside in UK
- **Equinor & Linde** H2H Saltend in UK
- **Kellas Midstream** H2NorthEast in UK
- Large scale project in NA
- Large scale project in Europe[2]

Sustainable fuels

- **EDL HyKero plant** in Germany
- **Waste-to-fuels plant** in Europe
- **Waste-to-fuels plant** in NA
- **Strategic Biofuels project** in USA
- **DG Fuels SAF plant** in USA
- **ABEL Energy green methanol plant** in Australia
- **HIF Global Paysandú e-methanol plant** in Uruguay[2]
- **Waste-to-methanol project** in Europe[2]

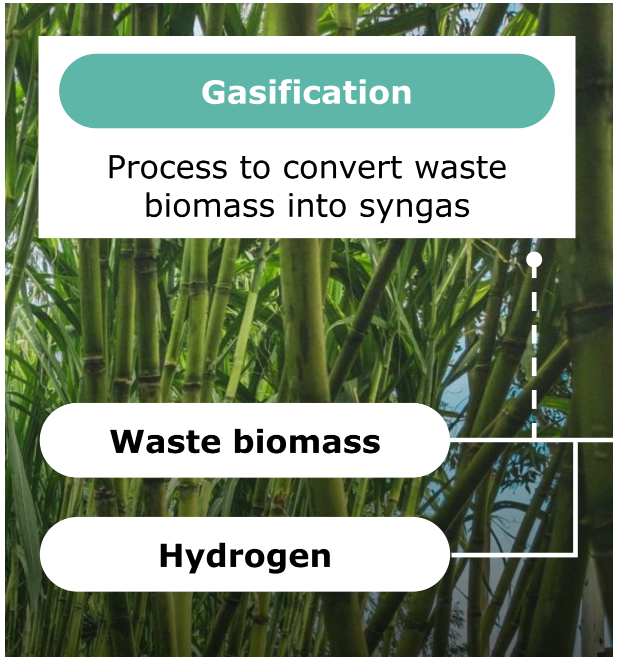
Scope now includes our HyCOgen™ technology

Pipeline of more than 140 sustainable solution projects[3]

NA – North America.
1. Revenue over 5 years relating to project wins from 1st April 2022 to date, subject to project completion.
2. Projects won since 1st April 2024, contributing to milestone to win 20 additional large scale projects by end of 2025/26.
3. Pipeline includes low carbon hydrogen and sustainable fuels (Fischer Tropsch and sustainable methanol) projects.

Case study: DG Fuels Louisiana SAF plant

The world's largest FT SAF plant – fuelling more than 30,000 transatlantic flights per year[1]



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HyCOgen™ technology

Efficiently converts carbon dioxide and hydrogen into syngas

Syngas

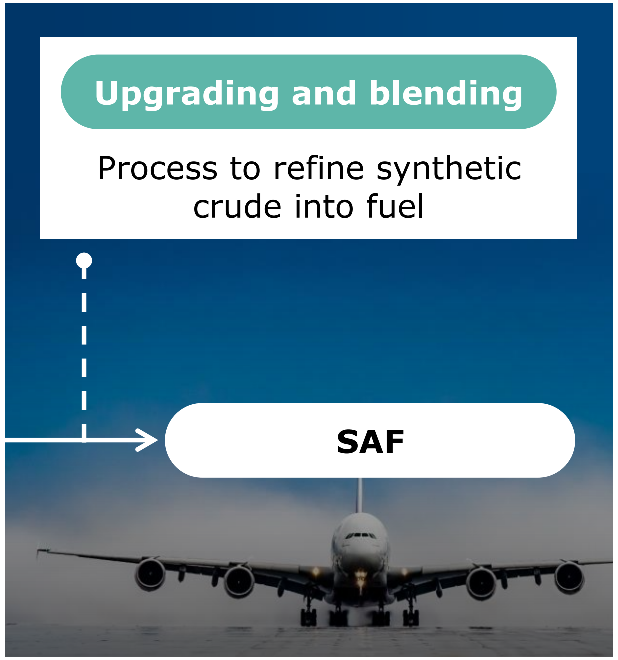
JM

FT CANS™ technology

Co-developed with bp, converts syngas into synthetic crude

Synthetic crude

Technology combination increases the yield



Offtake agreements with Air France KLM, Delta Air Lines and Airbus[2]

Note: SAF – sustainable aviation fuel. FT – Fischer Tropsch. Syngas is predominantly carbon monoxide (CO), carbon dioxide (CO_2) and hydrogen (H_2).
1. Relates to planned production capacity after blending to 50% with fossil kerosene. Based on a typical widebody aircraft fuel consumption rate travelling the distance from London to New York.
2. Strategic partnership between DG Fuels and Airbus.

Winning with partners to strengthen the offering

Natural gas	Sustainable feedstocks[1]	Sustainable feedstocks[1]	Natural gas
LCH™ technology[2]	**FT CANS™ technology[3]**	**Methanol technology**	**LCH™ technology**
Hydrogen	Synthetic wax/oil	Methanol	Hydrogen
uhde® ammonia process	**FT Unicracking™ technology** (upgrading)	**eFining™ technology** (methanol-to-jet)	**Carbon capture technology**
Ammonia	SAF	SAF	CO_2
Integrated **blue ammonia** solution	**SAF** offering already selected by DG Fuels[4]	End-to-end solution for **methanol-to-jet**	End-to-end solution for **low carbon hydrogen**

JM technology | thyssenkrupp Uhde technology | Honeywell UOP technology

Note: SAF – sustainable aviation fuel. FT – Fischer Tropsch.
1. Sustainable feedstocks include waste, biomass, green hydrogen and carbon dioxide.
2. Efficiently converts natural gas into hydrogen and carbon dioxide and enables high rates of carbon capture by third party technology.
3. Co-developed with bp.
4. Joint offering selected for DG Fuels' proposed FT SAF plant in Louisiana, US.

Building capability

Catalyst Technologies – **engineering capacity**

22% uplift in engineering capacity
in the half to support licensing growth[1]

Accessing new pools of talent through
new offices in Manchester and Mumbai

On track to **expand engineering capacity by 30% by end of 2025/26**[1]

PGM Services – **new world-class PGM refinery**

New refinery will deliver:

- **Working capital benefit (>£250m)**
- Better **safety**
- Increased **efficiency**
- Improved **sustainability**

On budget and on track to **start commissioning by end of 2025/26**

1. Baseline – 31st March 2024.

Transforming at pace

Cost savings	JM Global Solutions	Employee engagement
£155m cost savings delivered to date	Enabling **cost effective business processes**	**Continued uptick** in employee engagement
Accelerating next phase of **Clean Air's transformation**	Successfully launched **in the UK and the US**	Growing culture of **feedback and recognition**
£200m cost savings by end of 2024/25; annualising at >£250m in 2025/26	**Implement JM Global Solutions by end of 2024/25**	**Engagement score of at least 7.4 by end of 2025/26[1]**

1. Baseline – 2023/24: 7.2.

Sustainability is embedded in everything we do

Protecting the planet

- Launched our **Nature strategy**
- Completed our **double materiality assessment** as part of the EU CSRD

Targeting 32% reduction in scope 1 and 2 emissions by end of 2025/26[1]

Protecting our people

- Celebrated our third annual **Global Safety Day**

Targeting ICCA process safety event severity rate of 0.80 by end of 2024/25[2]

Recognised by leading ESG rankings[3]

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	**96th** percentile
CDP DRIVING SUSTAINABLE ECONOMIES	Rated **A-** on climate change
Ecovadis	**Gold** rated – 98th percentile
MSCI	**AAA** rated

Note: EU CSRD – EU Corporate Sustainability Reporting Directive. ICCA – International Council of Chemical Associations.
1. CO_2 equivalent emissions. Baseline – 2019/20.
2. Baseline – 2023/24: 0.88.
3. As at November 2024.

Catalysing the net zero transition

Resilient 1H performance – full year outlook maintained

Delivering benefits from transformation

Progressing strategic milestones

Delivering on commitments in a challenging market environment

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Group operating profit

Underlying operating profit for half year ended 30th September	2024 £m	2023 £m	% change, constant FX rates
Clean Air	121	124	+2
PGM Services	51	78	-35
Catalyst Technologies	50	35	+43
Hydrogen Technologies	(26)	(26)	-
Corporate	(42)	(45)	
Underlying operating profit excluding Value Businesses	**154**	**166**	**-4**
Value Businesses[1]	2	14	-86
Total underlying operating profit	**156**	**180**	**-11**

1. Includes Battery Materials, Battery Systems, Diagnostic Services and Medical Device Components which are now disposed.

Free cash flow and net debt

Free cash flow for period ended 30th September

	2024 £m	2023 £m
Underlying operating profit	156	180
Depreciation and amortisation[1]	93	93
– *Precious metal working capital (outflow) / inflow*	*(2)*	*234*
– *Non precious metal working capital (outflow)*	*(146)*	*(169)*
Net working capital (outflow) / inflow	(148)	65
Net interest paid	(33)	(34)
Tax paid[2]	(84)	(51)
Capex spend	(171)	(157)
Net proceeds from disposal of businesses	578	39
Other[3]	(44)	(57)
Free cash flow	**347**	**78**
Net debt at the end of the period	**(783)**	**(1,044)**
Net debt to EBITDA[4]	**1.4**	**1.7**

Note: Short-term metal leases amounted to £197m as at 30th September 2024 (30th September 2023: £186m).
1. Excluding amortisation of acquired intangibles, including profit on sale of non-current assets.
2. Increased tax payments due to Medical Device Components disposal.
3. Includes restructuring cash costs, share based payments, lease payments, changes in fair value of financial instruments, and movements in pensions and provisions.
4. Net debt including post tax pension deficits.

Net debt to EBITDA 1.4 times[1]

	£m	£m
Net debt at the beginning of the year		**(951)**
Free cash flow	347	
Dividends	(101)	
Share buyback	(123)	
Movement in net debt		123
Lease adjustments[2]		(7)
Disposal of businesses		5
Net debt before FX and other movements		**(830)**
FX and other non-cash movements[3]		47
Net debt at the end of the period		**(783)**

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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 £43m FX and £4m other non-cash movements.

Capital allocation framework

Sources of capital

Operating cash flows from the businesses

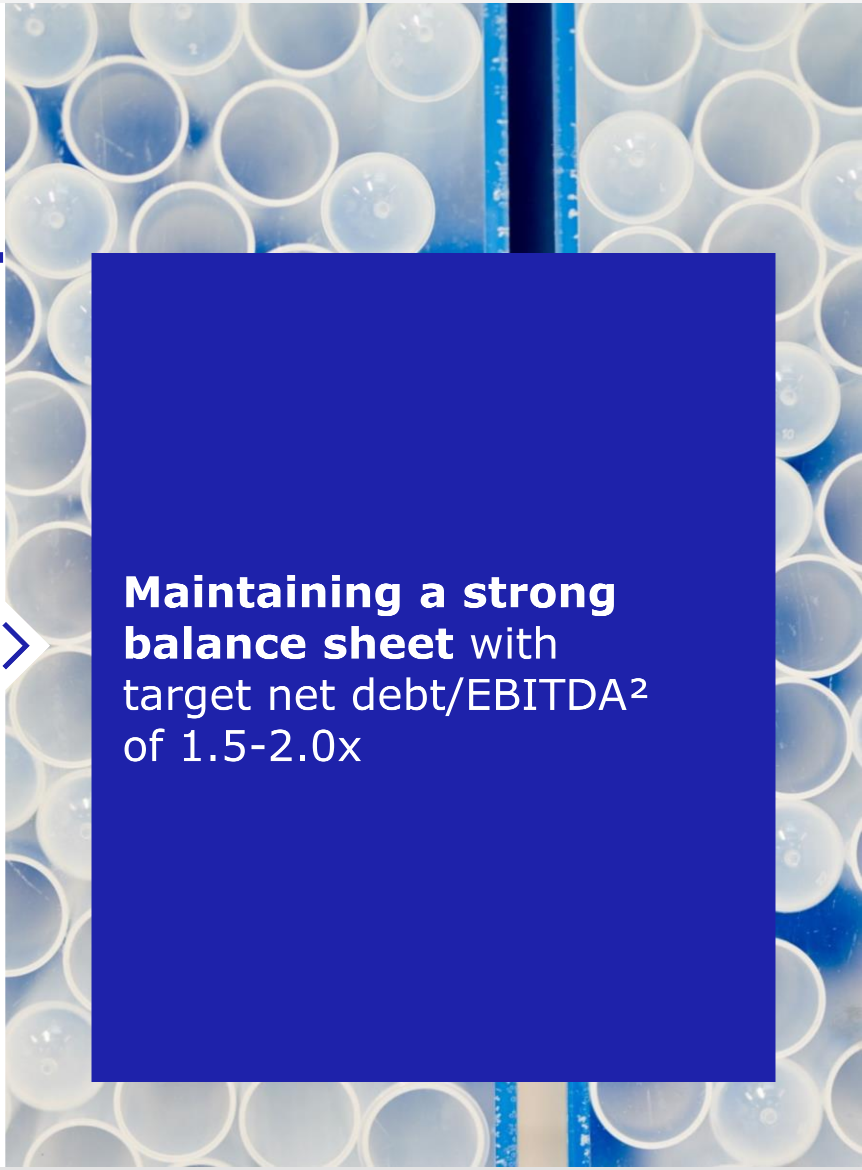
Efficiency and cost saving programmes

Working capital release from our new PGM refinery

Uses of capital

Priority

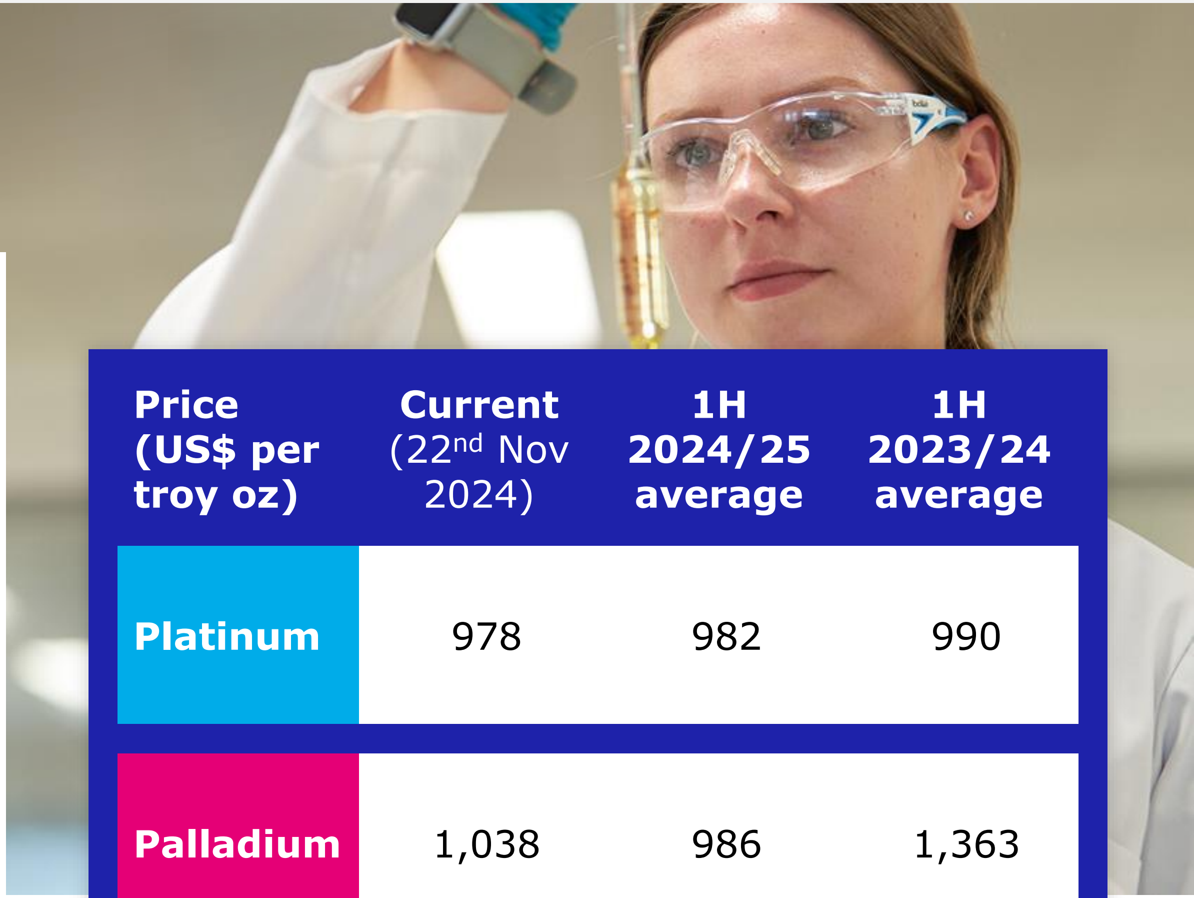
1. **Investment into business**
   Up to £900m cumulative capex over the three years to 2026/27
2. **Dividend**
   At least maintain and aim to grow the dividend, targeting a c.40% pay-out ratio over the medium term[1]
3. **Inorganic investment**
4. **Return excess funds to shareholders**



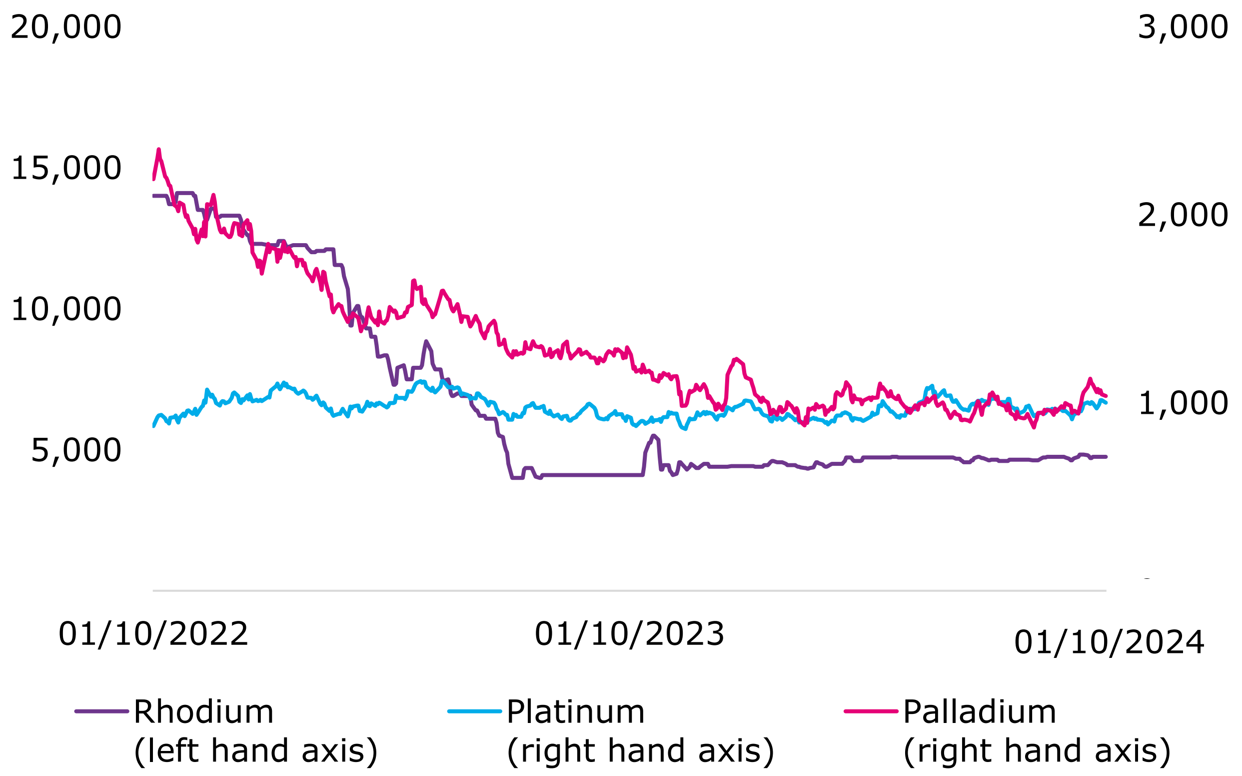
Maintaining a strong balance sheet with target net debt/EBITDA[2] of 1.5-2.0x

1. Minimum total ordinary dividend of 77.0 pence per share.
2. Net debt including post tax pension deficits.

PGM prices



US$ per troy oz



Price (US$ per troy oz)	Current (22nd Nov 2024)	1H 2024/25 average	1H 2023/24 average
Platinum	978	982	990
Palladium	1,038	986	1,363
Rhodium	4,600	4,699	5,493

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Financial guidance summary

Group underlying operating profit growth[1]:

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

Clean Air – At least £4.5 billion of cash in the decade to 2030/31[2]. Mid-teens operating margins by 2025/26

PGM Services – At least low single digit CAGR in operating profit over the medium to long-term

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

Hydrogen Technologies – Lower sales (previously modest sales growth) and a significantly lower operating loss in 2024/25. Expect to breakeven by the end of 2025/26

Up to £900m cumulative capex over the three years to 2026/27

£200m cost savings by 2024/25 which annualise at >£250m, resulting in further benefits of >£50m in 2025/26

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1. At constant precious metal prices and FX rates.
2. Cash target from 1st April 2021 to 31st March 2031, pre-tax and post restructuring costs.
3. Targeting mid-teens margin by the end of 2024/25, high-teens by the end of 2027/28 and continued accretion beyond.