JM

Johnson Matthey
Inspiring science, enhancing life

Reinvigorating Johnson Matthey to drive value creation

Strategic update and results for year ended 31st March 2022

26th May 2022

Cautionary statement

This presentation contains forward-looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which Johnson Matthey operates. By their nature, forward-looking statements involve uncertainty because they depend on future circumstances, and relate to events, not all of which are within Johnson Matthey's control or can be predicted by Johnson Matthey. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated and you should therefore not place reliance on any forward-looking statements made. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Johnson Matthey or any other entity, and must not be relied upon in any way in connection with any investment decision. Johnson Matthey undertakes no obligation to update forward-looking statements contained in this document or any other forward-looking statement it may make.

Today’s agenda

01 Financial results

02 Our reinvigorated strategy

03 Capital allocation framework

04 Next steps

05 Q&A

JM

Today's agenda

01 Financial results

JM

Strong financial foundations

Robust underlying performance[1]

- Sales up 5%
- Operating profit up 21%
- Earnings per share of 213.2p, up 26% from 168.9p

Reported results adversely impacted by one-offs

Efficiency programme targeting £100m[2] savings by 2023/24 largely complete

Strong balance sheet

- Free cashflow of £221m
- Net debt of £856m
- Net debt to EBITDA:1.2x

Full year dividend of 77.0p per share, **up 10%**

Changes to **reporting structure**

1. 2020/21 is restated to reflect the group's updated reporting segments and removal of inter-segment copper zeolite sales in Efficient Natural Resources as well as the classification of Health as a discontinued operation. 2. Annualised benefits by 2023/24 exclude £10m relating to Health.

Note: Sales, operating profit and earnings per share are underlying measures - before profit or loss on disposal of businesses, gains and losses on significant legal proceedings together with associated legal costs, amortisation of acquired intangibles, major impairment and restructuring charges and, where relevant, related tax effects. Comparator period is 2020/21.

Group sales driven by Clean Air and Efficient Natural Resources

Underlying sales for full year ended 31st March	2022 £m	2021[1] £m	% change, constant FX rates
Clean Air	2,457	2,412	+5
Efficient Natural Resources	1,041	974	+9
Other Markets	379	412	-4
Eliminations	(99)	(113)	
Continuing operations	**3,778**	**3,685**	**+5**
Health (discontinued operations)	162	237	-29
Total sales	**3,940**	**3,922**	**+3**

1. 2020/21 is restated to reflect the group's updated reporting segments and removal of inter-segment copper zeolite sales in Efficient Natural Resources as well as the classification of Health as a discontinued operation. Advanced Glass Technologies and Battery Materials treated as continuing operations.
Note: Sales in Health (2021/22: £163m), Advanced Glass Technologies (2021/22: £62m), Battery Materials (2021/22: £12m).

Improved performance in Clean Air and Efficient Natural Resources

Underlying operating profit for full year ended 31st March	2022 £m	2021[1] £m	% change, constant FX rates
Clean Air	302	269	+17
Efficient Natural Resources	358	276	+33
Other Markets	(21)	1	n/a
Corporate	(86)	(73)	
Continuing operations	**553**	**473**	**+21**
Health (discontinued operations)	3	31	-90
Total operating profit	**556**	**504**	**+14**

1. 2020/21 is restated to reflect the group's updated reporting segments and removal of inter-segment copper zeolite sales in Efficient Natural Resources as well as the classification of Health as a discontinued operation. Advanced Glass Technologies and Battery Materials treated as continuing operations. Underlying operating profit / (loss) from Health (2021/22: £3m), Advanced Glass Technologies (2021/22: £16m), Battery Materials (2021/22: -£22m).

Clean Air:
partial recovery in demand

Underlying results for full year ended 31st March	2022 £m	2021 £m	% change, constant FX rates
Light duty diesel	1,005	1,017	+2
Light duty gasoline	574	624	-7
Heavy duty diesel	878	772	+17
Total sales	**2,457**	**2,412**	**+5**
Operating profit	**302**	**269**	**+17**
Margin	**12.3%**	**11.2%**	

Sales increased 5%

- Partial recovery in end market demand
- Supply chain disruption, principally semi-conductor chips
- Strong growth in US Class 8 HDD
- China VI HDD legislative benefits
- LDG weaker due to previous platform losses

Operating profit increased 17%

- Operational leverage and efficiencies
- Margin increased to 12.3%

Strong cash generation of around £800m[1]

1. Targeting 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. In 2021/22, delivered around £800 million of cash at actual precious metal prices, which equates to just over £600 million at constant prices (March 2021).

JM

Efficient Natural Resources: strong performance

Underlying results for full year ended 31st March	2022 £m	2021[1] £m	% change, constant FX rates
PGM Services	587	531	+13
Catalyst Technologies	454	443	+5
Total sales	**1,041**	**974**	**+9**
PGM Services	308	244	+28
Catalyst Technologies	50	32	+67
Operating profit	**358**	**276**	**+33**
Margin	**34.4%**	**28.3%**	

Sales increased 9%

PGM Services – primarily higher average PGM prices

Catalyst Technologies:

- Primarily higher refills
- Licensing and first fills lower; pipeline remains strong

Operating profit increased 33%

PGM Services

- Higher average PGM prices (c.+£45m)
- Reduced trading activity

Catalyst Technologies

- Recovery in refills
- Impairments in prior year
- Russia impact

JM

1. 2020/21 figures restated following change to reporting segments and removal of inter-segment copper zeolite sales. Life Science Technologies (formerly part of New Markets) now included within PGM Services.

Other Markets: investing in our new growth businesses

Underlying results for full year ended 31st March	2022 £m	2021[1] £m	% change, constant FX rates
New Markets	37	55	-33
Value Businesses	342	357	+1
Total sales	**379**	**412**	**-4**
New Markets	**(55)**	**(22)**	**n/a**
– Hydrogen Technologies	(33)	1	n/a
– Battery Materials	(22)	(23)	-4
Value Businesses	**34**	**23**	**+55**
Operating loss	**(21)**	**1**	**n/a**

Note: Value Businesses includes Battery Systems, Medical Device Components, Diagnostic Services, Advanced Glass Technologies. 1. 2020/21 figures restated following change to reporting segments.
2. Advanced Glass Technologies sale completed on 31st January 2022 for a total consideration of £178m, resulting in a profit on sale in excess of £100m.

New Markets

Hydrogen Technologies
(Fuel Cells and Green Hydrogen)

Sales of £25m, down on prior year:

- Manufacturing constraints as scale up business and use capacity for customer qualification
- First Green Hydrogen sales (April 22)

Increased investment to support growth

Value Businesses – non core

Sales broadly flat despite disposal of Advanced Glass Technologies (AGT)

- AGT sold for £178m[2]

Underlying performance

Underlying results for year ended 31st March[1]	2022 £m	2021 £m	% change	% change, constant FX rates
Sales excluding precious metals (sales)	3,778	3,685	+3	+5
Operating profit	553	473	+17	+21
Finance charges	(60)	(85)		
Profit before tax	**493**	**388**	**+27**	**+32**
Taxation	(86)	(62)		
Profit after tax	**407**	**326**	**+25**	**+33**
Underlying earnings per share	**213.2p**	**168.9p**	**+26**	
Ordinary dividend per share	**77.0p**	**70.0p**	**+10**	

1. All figures are before profit or loss on disposal of businesses, gains and losses on significant legal proceedings, together with associated legal costs, amortisation of acquired intangibles, major impairment and restructuring charges and, where relevant, related tax effects.

Reported results adversely impacted by one-offs

Year ended 31st March	2022 £m	2021 £m
Underlying operating profit	**553**	**473**
Major impairment and restructuring charges[1]	(440)	(154)
Gains and losses on significant legal proceedings[2]	42	-
Disposal of Advanced Glass Technologies	106	-
Amortisation of acquired intangibles	(6)	(10)
Reported operating profit	**255**	**309**
(Loss) / profit after tax from discontinued operations	**(217)**	**11**
Reported earnings per share from continuing operations	**60.9p**	**100.9p**
Reported (loss) / earnings per share	**(52.6p)**	**106.5p**

1. Includes £363m impairment and restructuring costs following our exit from Battery Materials, £32m relating to the discontinuation of our Clean Air and Catalyst Technologies activities in Russia, and a £45m impairment of goodwill in Diagnostic Services. (2020/21: £154m major impairment and restructuring charges incurred in relation to organisational efficiency initiatives).
2. Includes £44m awarded to JM in relation to damages and interest from a company found to have unlawfully copied one of JM's technology designs and a £6m gain relating to Battery Materials, partly offset by an £8m charge for environmental and other costs.

Free cash flow and net debt

Free cash flow from continuing operations (£m)

Year ended 31st March	2022	2021
Underlying operating profit from continuing operations	553	473
Depreciation and amortisation[1]	173	164
Impairments	3	31
– Precious metal working capital inflow	23	-
– Non precious metal working capital (outflow) / inflow	(133)	212
Net working capital (outflow) / inflow	(110)	212
Net interest paid	(76)	(90)
Tax paid	(105)	(69)
Capex spend	(422)	(347)
Net proceeds from disposal of businesses	160	-
Other[2]	45	(79)
Free cash flow from continuing operations	**221**	**295**
Net debt at the end of the period	**(856)**	**(770)**
Net debt to EBITDA[3]	**1.2x**	**1.3x**

Note: Short-term metal leases amounted to £140m as at 31st March 2022 (31st March 2021: £437m).
1. Excluding amortisation of acquired intangibles, including loss on sale of non-current assets.
2. Includes restructuring cash costs, lease payments, disposal of businesses and movements in pensions and provisions.
3. Net debt including post tax pension deficits. Shown on a continuing basis.

Outlook for year ending 31st March 2023

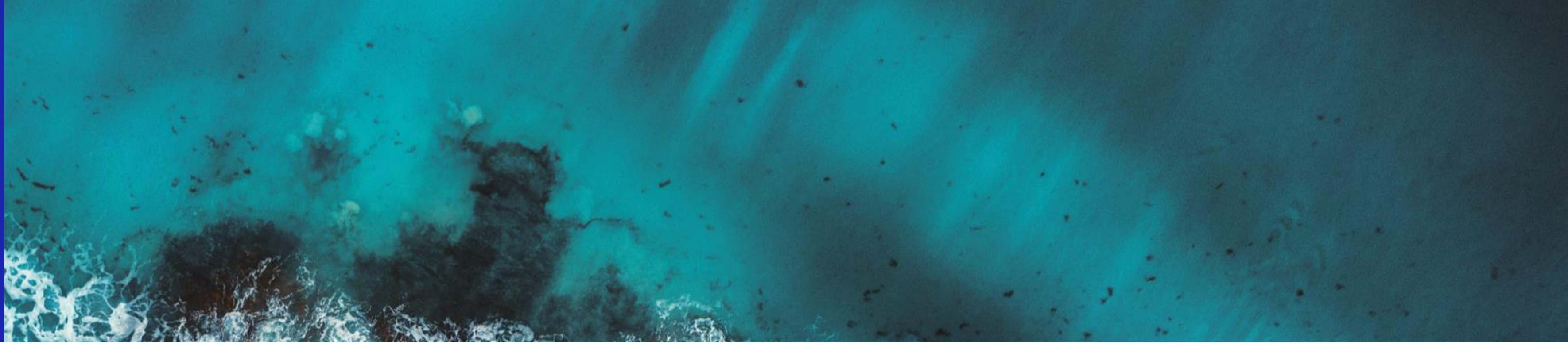
Group	• Greater political and economic uncertainty • Performance will correlate closely to levels of auto production and PGM prices • Clean Air – demand robust although supply chain disruption constraining volumes • PGM Services – high and volatile PGM prices • c.£25m[1] adverse impact if PGM prices remain at current levels[2] for rest of year • Performance weighted towards 2H
FX	c.£25m benefit to underlying operating profit at current FX rates[3]
Outlook	Currently expect operating performance to be in the lower half of consensus range[4]

1. A $100 change in the average annual platinum, palladium and rhodium metal prices each have an impact of c.£1m, £1.5m and £1m respectively on full year underlying operating profit.
2. Based on average precious metal prices in May 2022 (month to date). 3. Based on foreign exchange rates in May 2022 (month to date).
4. Vara consensus for full year group underlying operating profit in 2022/23 was £562 million (range: £491 million to £641 million) as at 25th May 2022. 2021/22 group underlying operating profit on an adjusted basis was £559 million (adjusted for disposals of Health, Battery Materials and Advanced Glass Technologies).

JM

Today's agenda

02 Our reinvigorated strategy



The future of JM is bright
and sustainable …
with really exciting
future opportunities

The future of JM is bright
and sustainable …
with really exciting
future opportunities

but significant change is needed

Purpose-driven

Talented and innovative people

Strong technology portfolio

Synergies across the group

JM

Purpose-driven

Talented and innovative people

Strong technology portfolio

Synergies across the group

Lack of strategic clarity

Complex and siloed organisation

Execution challenges

Our reinvigorated strategy needs to drive growth through

~~Lack of strategic clarity~~ → **Focus** – understanding where we have a right to win and then playing to win

~~Complex and siloed organisation~~ → **Simplify** – driving leaner processes, less bureaucracy and a more efficient way of working to reduce cost and drive growth

~~Execution challenges~~ → **Execute** – strengthening core capabilities such as capital execution and commercialisation and building a high-performance culture

My new leadership team

Stephen Oxley
Chief Financial Officer

Alastair Judge
Chief Executive, PGM Services

Anish Taneja
Chief Executive, Clean Air

Jane Toogood
Chief Executive, Catalyst Technologies

Mark Wilson
Chief Executive, Hydrogen Technologies

Mark Su
President, China

Annette Kelleher
Chief HR Officer

Maurits van Tol
Chief Technology Officer

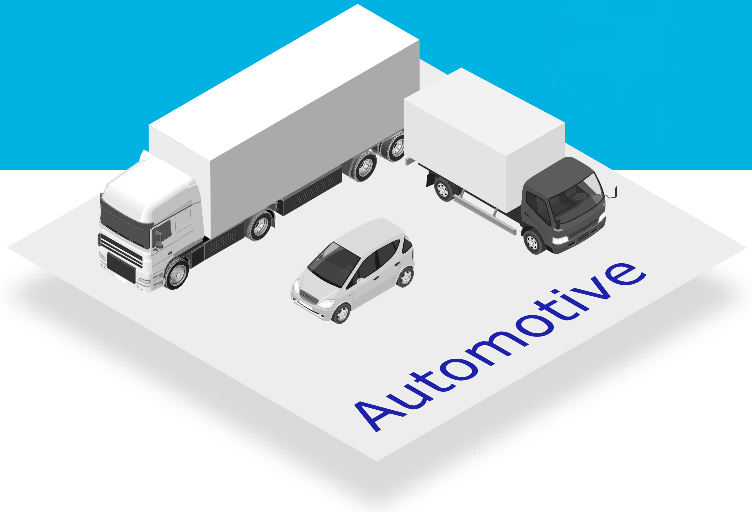
Ron Gerrard
Chief EHS and Operations Officer

Christian Günther
Chief Strategy and Transformation Officer

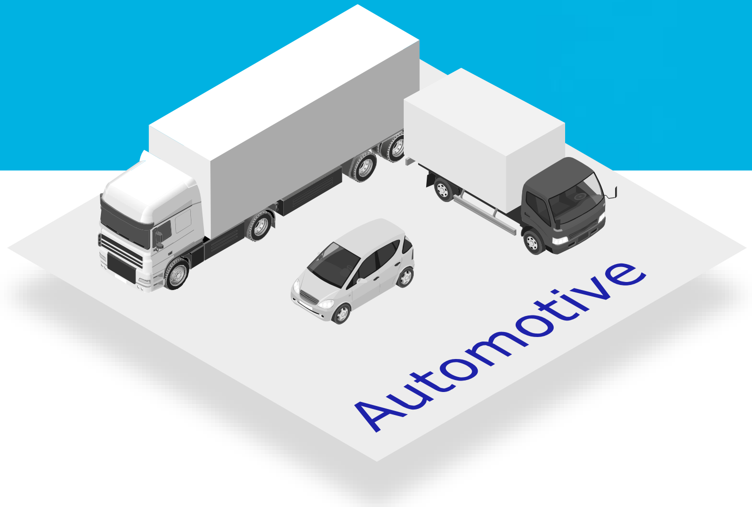
Anne Chassagnette
Chief Sustainability Officer

Nick Cooper
General Counsel and Company Secretary

Catalysing the net zero transition for our customers



Catalysing the net zero transition for our customers



1.8-3.0m

new sales of fuel cell heavy duty and light duty vehicles in 2030

c.30%

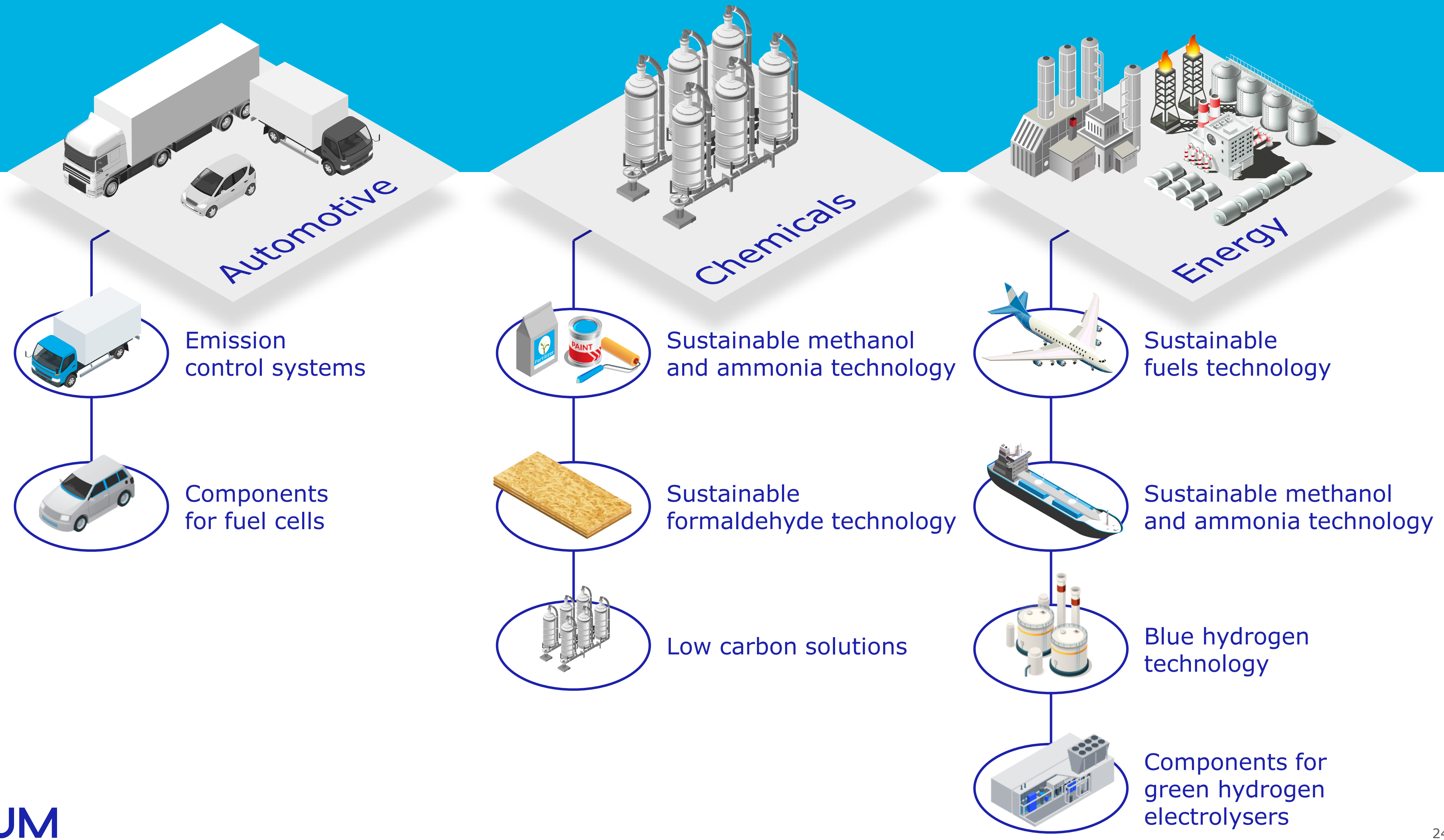
decrease in emission intensity by 2030 required to reach net zero trajectory in chemicals production

7 to 9x

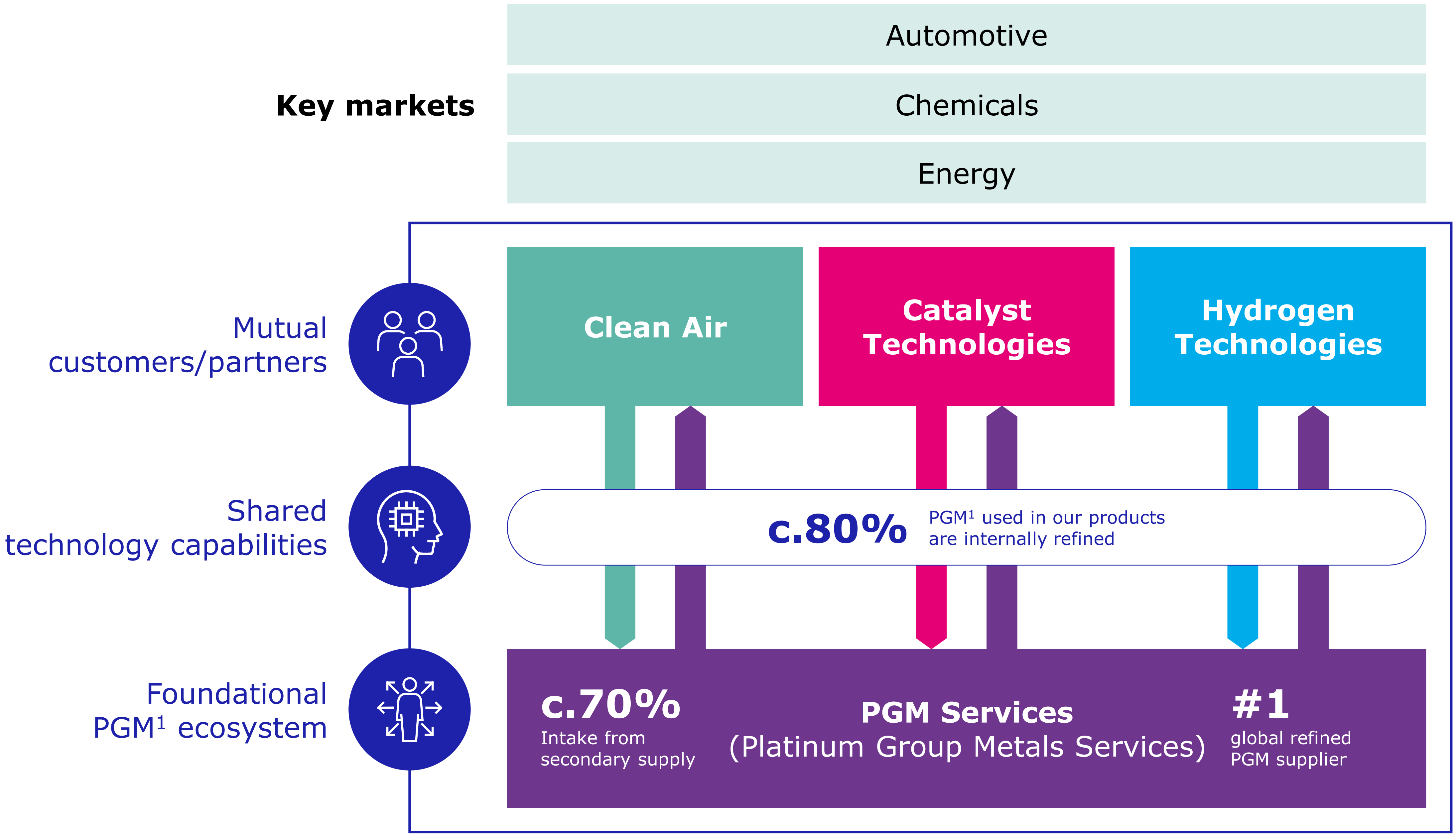
increase in sustainable fuels demand by 2040

JM

Source: IEA, Hydrogen Council, Morgan Stanley.


Automotive
Emission control systems
Components for fuel cells
Chemicals
Sustainable methanol and ammonia technology
Sustainable formaldehyde technology
Low carbon solutions
Energy
Sustainable fuels technology
Sustainable methanol and ammonia technology
Blue hydrogen technology
Components for green hydrogen electrolysers
PAINT
Fertilizer

JM



1. Iridium, Palladium, Platinum, Rhodium and Ruthenium.

Our vision
A world that is cleaner and healthier – today and for future generations

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

We reaffirm our ambition to be a sustainability leader…

Signed up to the UN Global Compact's Business Ambition for 1.5°C

Science-based targets independently verified by SBTi

- **Reduce our scope 1 and 2 GHG emissions** by 33% by 2030[1,3]

- **Reduce our Scope 3 GHG emissions** by 20% by 2030[2,3]

Catalysing the net zero transition for our customers, with **50m tonnes of GHG emissions** avoided by our customers utilising our technology by 2030

Note: GHG is greenhouse gas. SBTi – Science Based Targets initiative.
1. Scope 1 covers direct greenhouse emissions from facilities under our financial control. Scope 2 covers indirect emissions from purchased electricity, steam, heating and cooling.
2. Scope 3 target is purchased goods and services category only.
3. Baseline year is 2019/20 for both targets.

JM

…and are being recognised by leading industry organisations

PLATINUM Top 1% 2021 ecovadis Sustainability Rating

Platinum rated

FTSE4Good

4.1 out of 5

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

92nd top percentile

MSCI

AAA rated

A closer look at

PGM Services

We are the leading recycler and metal hub of precious metals, with c.£550m in sales

PGMs are high demand precious metals …

- Palladium
- Platinum
- Rhodium
- Iridium
- Ruthenium

JM

At the heart of the PGM market

… critical enablers for current and emerging applications

- Autocatalysts
- Industrial applications
- Fuel cells
- Green hydrogen technologies

Example partners

- Sibanye Stillwater
- TECHEMET
- multimetco
- MASTERMELT GROUP OF COMPANIES

#1	#1	c.2x
global refined PGM supplier	secondary recycler	capacity of nearest competitor

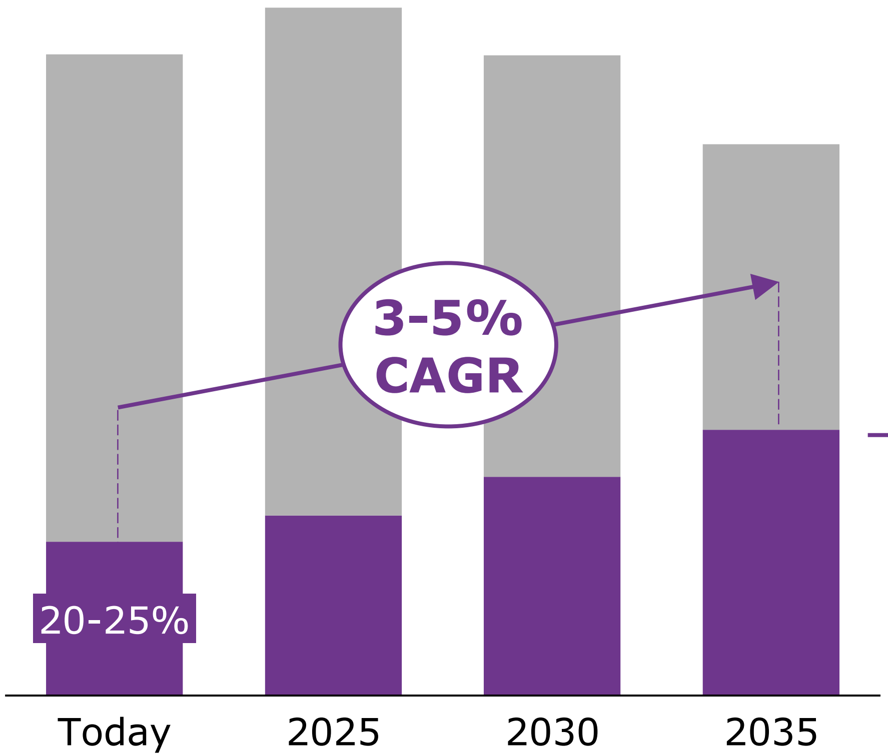
Market demand will be sustained over the long-term due to growing demand for recycled metals

Primary supply from PGM mining, extraction and refining

Secondary supply from recycling PGM from end-of-life products

Our main market

Market supply of PGM volumes[1] excluding closed loop supply



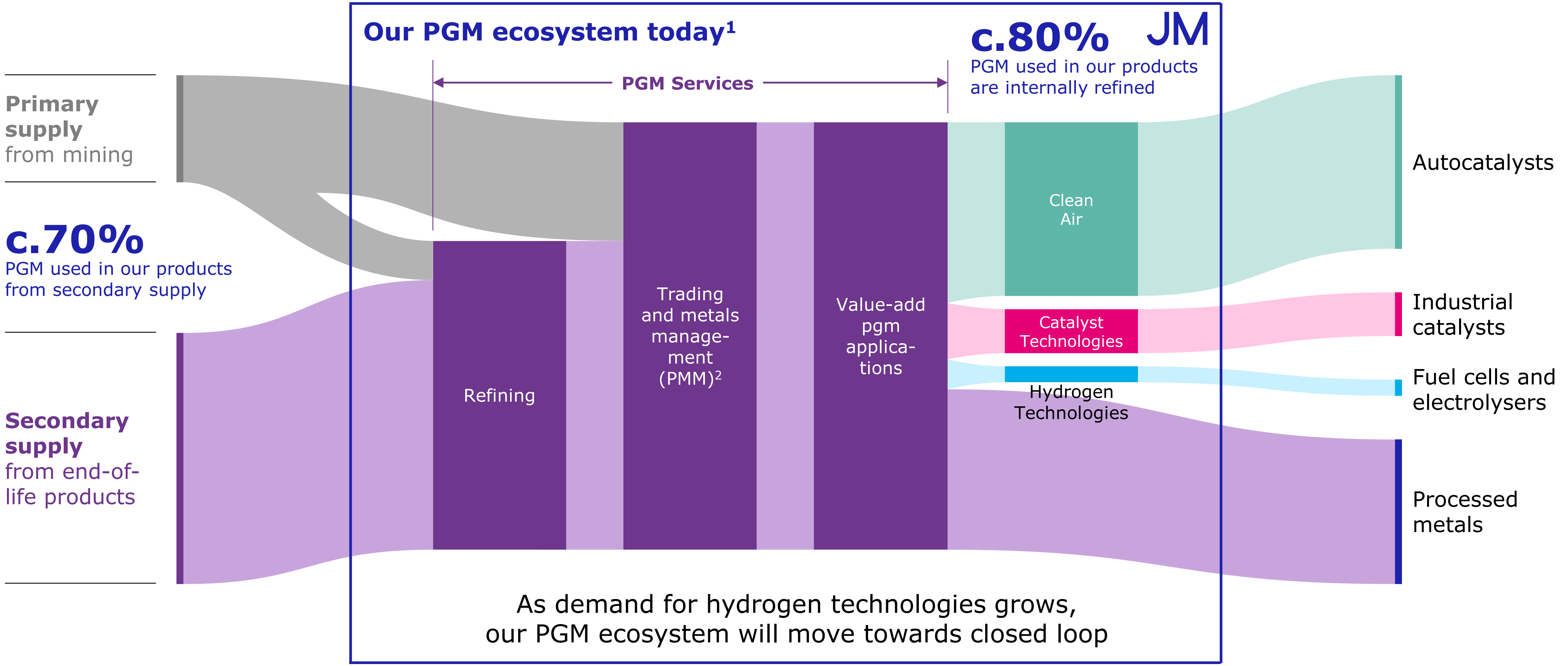
The world will continue to require PGMs with decarbonisation trends making our **recycling business model even more relevant in the future due to:**

- Cost advantage
- Lower carbon content
- Trend to circularity
- Supply security

1. Platinum and palladium (which account for >85% of total pgm supplies annually).

Source: Refinitiv GFMS, S&P Market Intelligence, Analyst Reports.

PGM ecosystem is a key source of synergies for the group

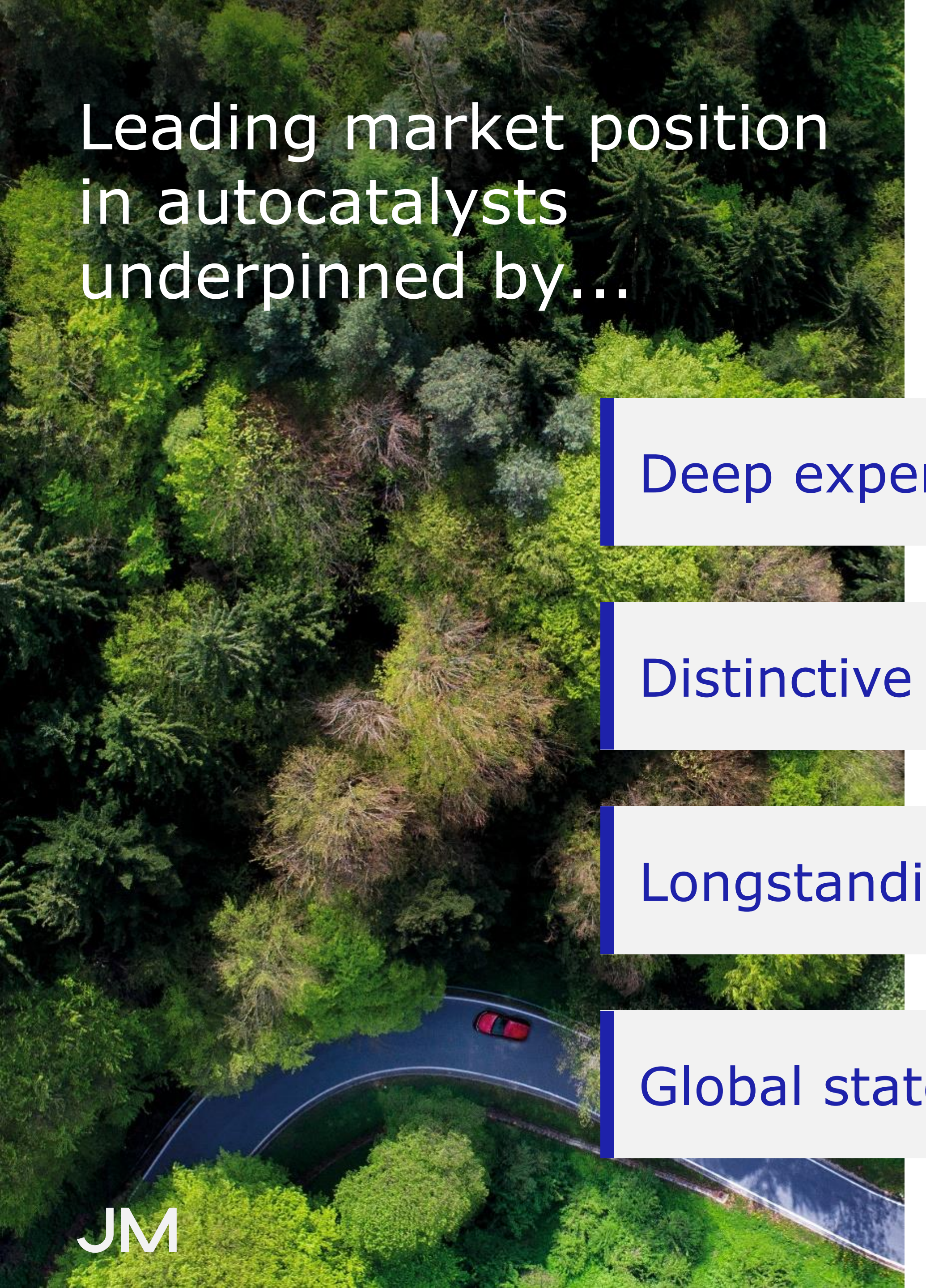


1. Not at scale.
2. Non-refining PGM inflows into PMM may be either purchased by PMM or delivered by customers directly into PMM vaults. PMM – Precious metals management.

A closer look at

Clean Air

JM



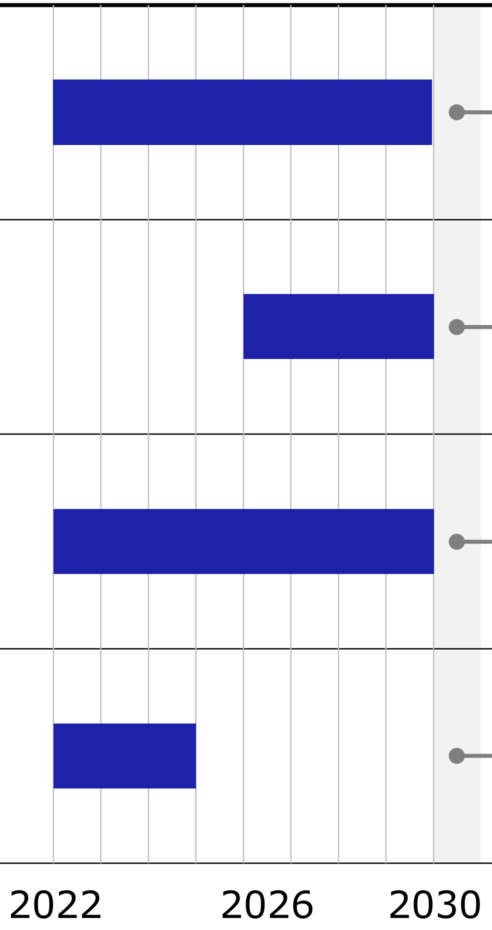
Leading market position in autocatalysts underpinned by...

- Deep expertise in complex PGM chemistry and catalysis
- Distinctive technology
- Longstanding relationships
- Global state-of-the-art production footprint

Clean Air is serving a durable, global market

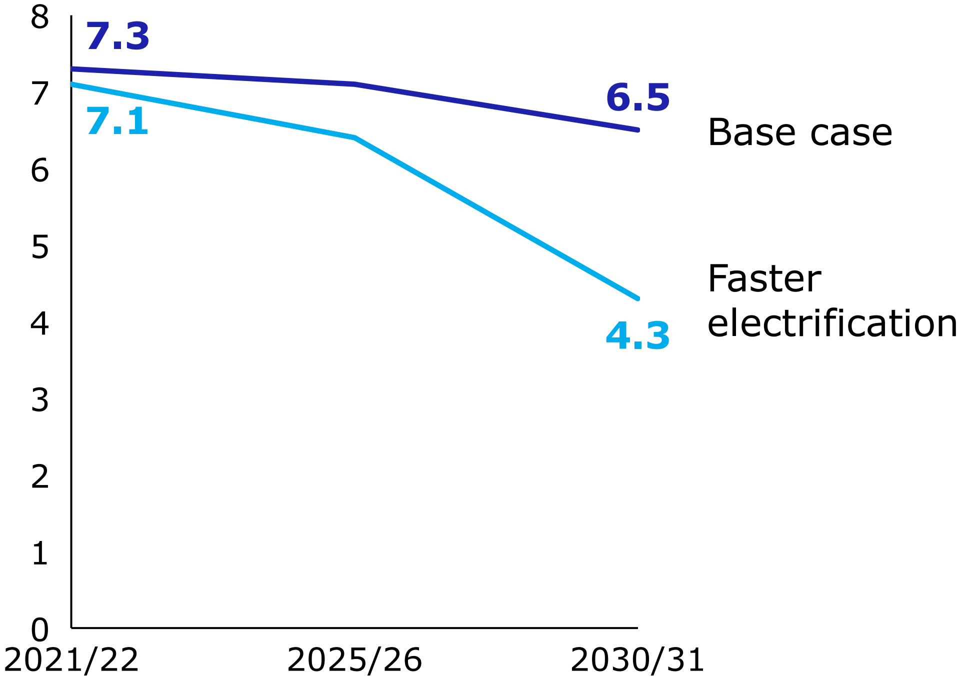
Macro trend	2030/31 market impact
Global LD vehicle market grows from c.75 million to c.100 million vehicles[1]	+
Legislation tightening in LD and HD, focused on NOx and particulate emissions	+
Powertrain LD electrification increases from c.6% to c.30%+ globally[1]	−
LD Diesel penetration in Europe decreases from c.30% to c.10%[1,3]	−

Timing



Global market

Sales excluding PGMs[2]
£bn



1. JM and IHS estimates. Production of 0-6 tonnes vehicles globally in 2030.
2. JM estimates based on various external sources.
3. LD Diesel penetration in Europe of ICE vehicles.

Note: LD – light duty, HD – heavy duty, NOx – nitrogen oxide.

JM

Long-lasting cash generation with continued autocatalyst leadership and operational excellence

Winning in a durable market

Leadership positions in LDD and HDD

Selectively targeting Euro 7 gasoline platforms

Efficiency levers

Fixed cost base is c.£550m p.a. today

Reducing fixed costs by c.£100-200m by 2030/31

Capital efficiency

Capex of c.£135m (average past three years)

Reducing to c.£50m by 2024/25 and c.£35m p.a. by 2030/31

Working capital reductions

Working capital unwind as business matures; c.£2bn at 1st April 2021

Releasing c.£1.2bn cash by 2030/31 in our base case

Delivering at least £4bn of cash by 2030/31[1]

Material business after 2030/31 with c.£2bn sales and low double-digit margins

Note: LDD – light duty diesel, HD – heavy duty diesel, NOx – nitrogen oxide.
1. 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.

We delivered on our commitments in 2021/22, with around £800m cash generated

Winning in a durable market

Win rates in 2022/23 on track to deliver on our targets

Significant success in diesel

Strong progress on gasoline

Efficiency levers

Good progress in plant efficiency and consolidation programme

Delivering £55m of savings in 2021/22

Capital efficiency

Capital expenditure down to £75m in 2021/22

Working capital reductions

Substantial reduction in working capital driven primarily by efficiency

Around £800m cash generated in 2021/22[1]

On track to deliver on our £4bn+ commitment

1. £800 million of cash at actual precious metal prices, which equates to just over £600 million at constant prices (March 2021).

A closer look at

Catalyst Technologies

JM

Catalyst Technologies has a well-established portfolio with c.£450m in sales

	Syngas processes				Refinery processes	
	Methanol	**Ammonia**	**Formaldehyde**	**Hydrogen**	**FCC additives**	**Natural gas purification**
Global segment position[1]	**#1**	**Top 3**	**#1**	**#1**	**Top 2**	**#1**
End applications	Paints, coatings, polymers	Fertilisers	Chemicals, wood products	Transportation fuels	Transportation fuels	Natural gas

Example customers and partners

- methanex (the power of agility): > 40 yrs
- CF: > 60 yrs
- Dow: > 50 yrs
- KBR: c.2 yrs
- thyssenkrupp: > 20 yrs

Competitors

TOPSOE, CLARIANT, ALBEMARLE, GRACE, Air Liquide

Syngas share of JM's CT revenues is expected to grow from c.50% today to c.70% in the next 10 years

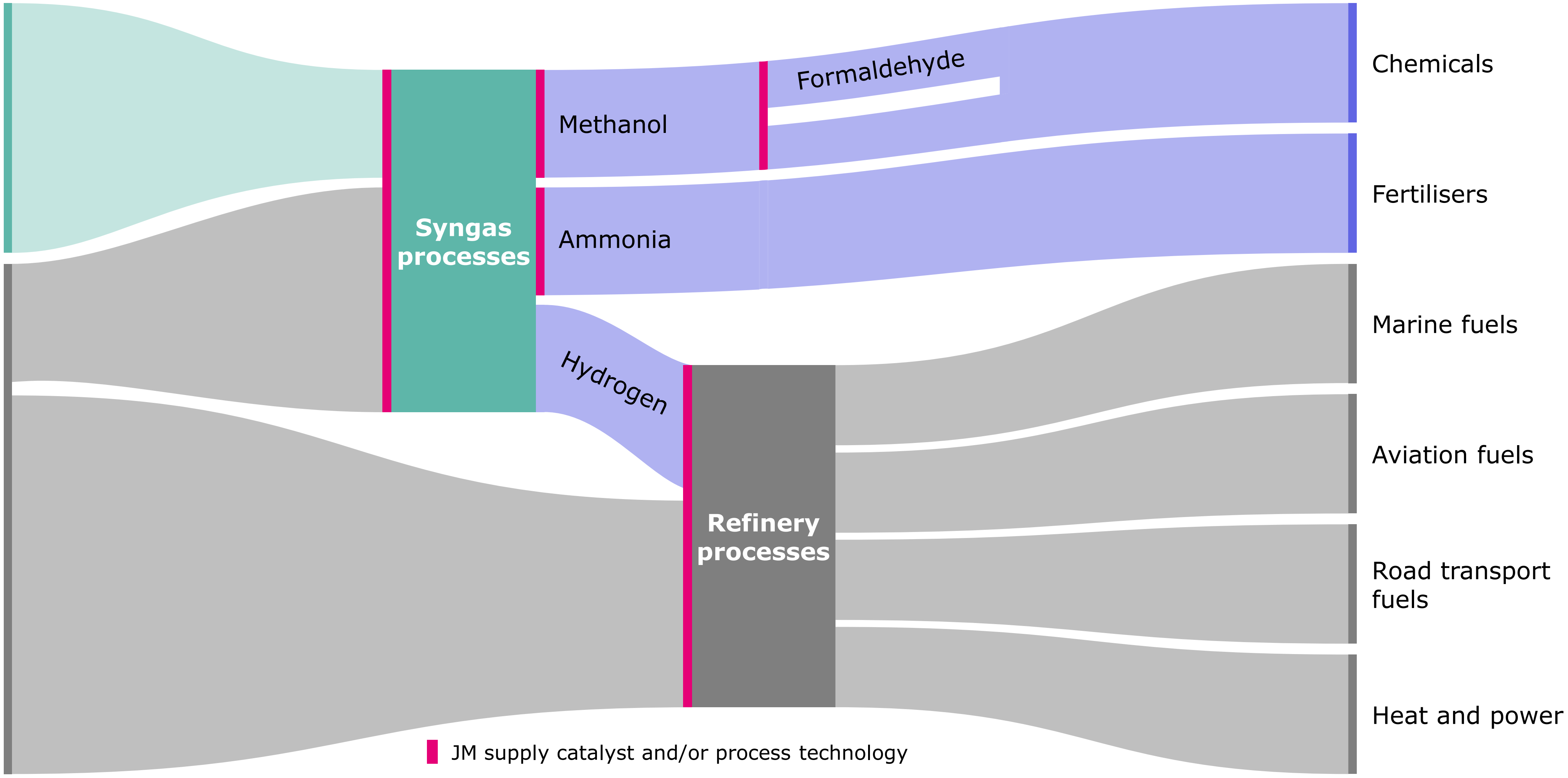
JM

1. Global segment position based on market share.

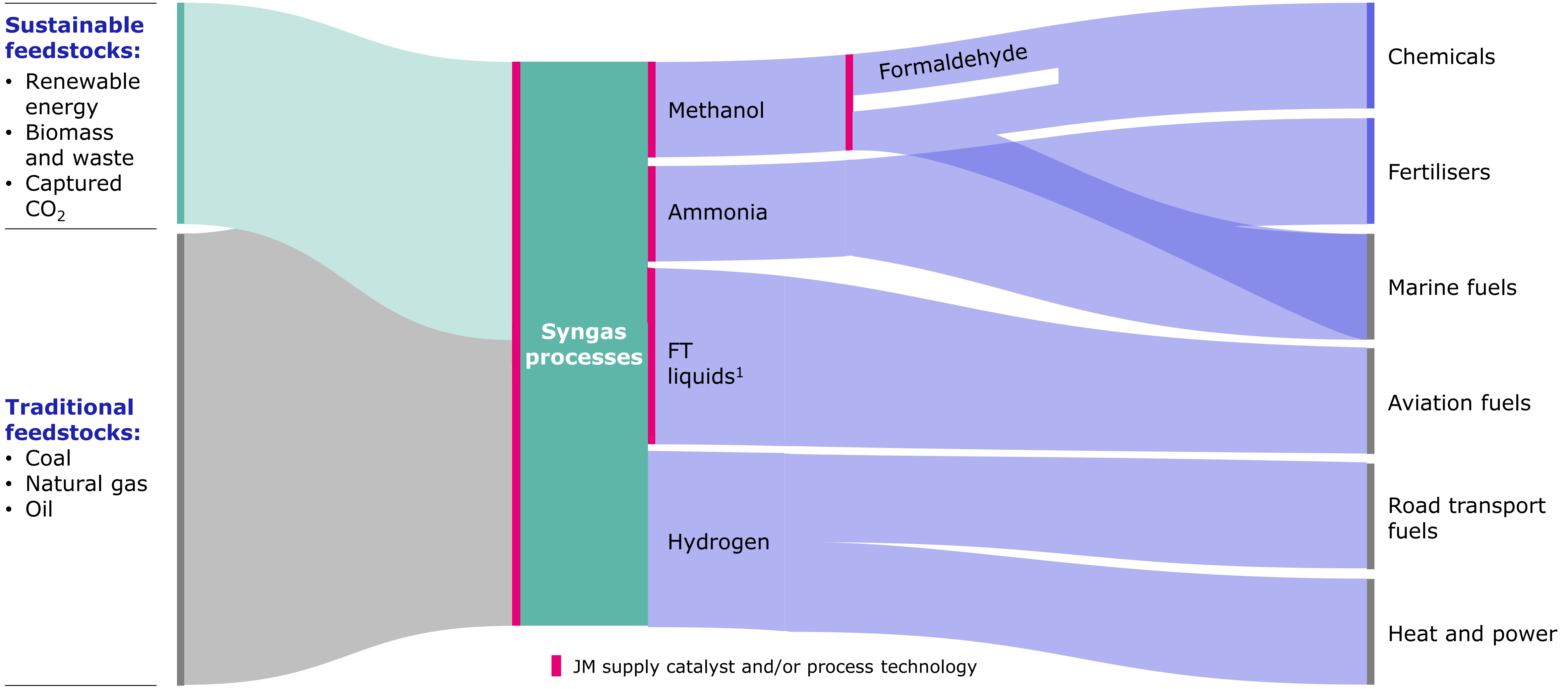
A fundamental shift in chemicals and fuels production is taking place with syngas at its centre as the gateway to a decarbonised world

Sustainable feedstocks:
- Renewable energy
- Biomass and waste
- Captured CO_2

Traditional feedstocks:
- Coal
- Natural gas
- Oil



A fundamental shift in chemicals and fuels production is taking place with syngas at its centre as the gateway to a decarbonised world

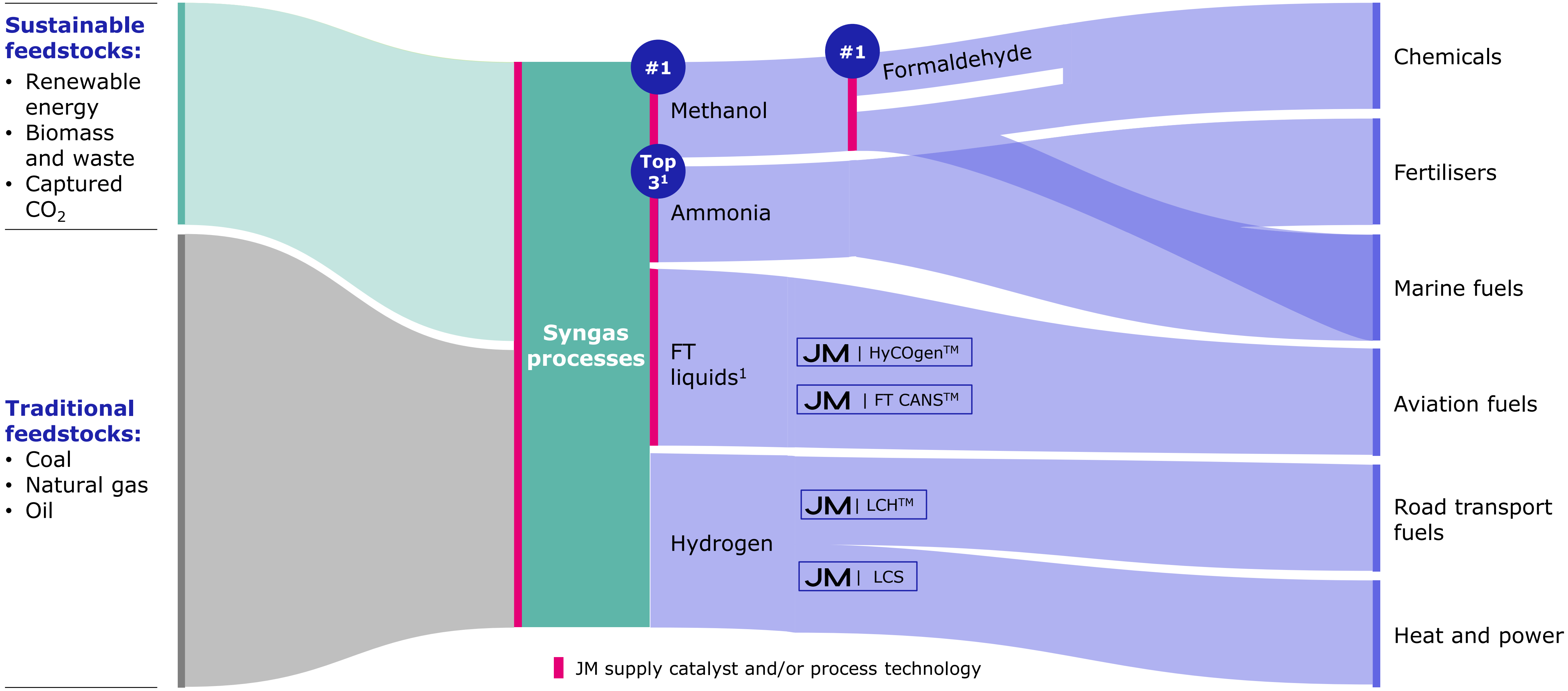


1. Main application of FT (Fischer Tropsch) liquids in the short-term will be aviation fuels but these could also be used for other sustainable fuels.

Syngas to become the key gateway in the net zero transition as it replaces refinery processes in production of fuels, heat and power

JM

Syngas is the key gateway in the net zero transition – we aspire to become the #1 player across the value chain



1. In catalyst only.

Note: Syngas consists of H_2 (hydrogen), CO (carbon monoxide) and CO_2 (carbon dioxide). LCH™ – Low carbon hydrogen; LCS – Low carbon solutions; FT – Fischer-Tropsch; FT CANS™ – Fischer-Tropsch CANS™ (in collaboration with bp).

Delivering high single digit growth over the medium term

Growth markets	**Capacity additions by 2033**[1] Mtons p.a.	**Number of projects by 2030**[2]	**JM revenue per project** £m	**Total addressable market until 2030** £bn	**Number of projects in current JM pipeline**
Blue hydrogen[3] 	11-69	70-430	15-20[4]	**1-8**	>35
Sustainable aviation fuels[5] 	4-8	30-60	20-35[4]	**1-2**	>25
Low carbon solutions 	n.a.[6]	150-200[7]	5-10	**1-2**	>10

1. Expected demand by 2033 determines projects by 2030.
2. Considers project size of c.160 kton per year for blue hydrogen and c.3k barrels per day for sustainable aviation fuels.
3. Only natural gas-based blue hydrogen.
4. Includes engineering, licensing and first catalyst fill – range depending on project scope.
5. Only FT-based routes for SAF (excludes alternative technology routes).
6. The opportunity in low carbon solutions is to capture over 100 mtons of CO2 per annum in grey hydrogen (Europe and North America only).
7. Includes grey hydrogen, methanol and ammonia plants suitable for retrofits.

Source: JM estimates based on blue hydrogen demand (IEA Sustainable Development Scenario and Net Zero Energy Scenario), sustainable aviation fuel demand (IATA) and low carbon solutions (JM).

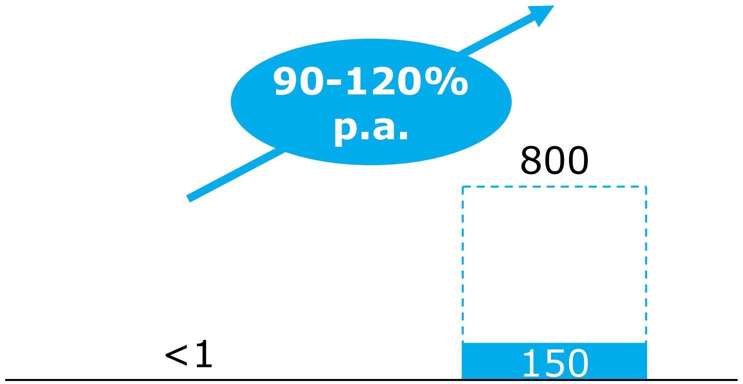
JM

A closer look at

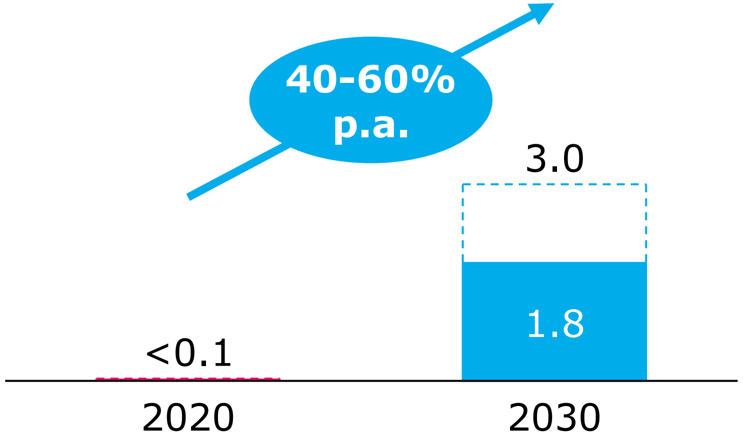
Hydrogen Technologies

We provide the key technologies that enable the hydrogen economy

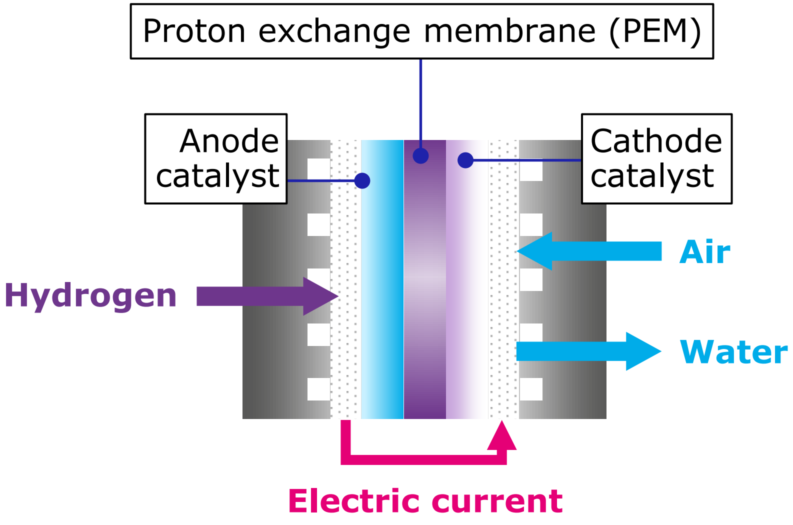
Electrolysis
GW installed green hydrogen capacity[1]



Fuel cell vehicle market
Annual number of vehicles sold[2], millions



Catalyst coated membranes (CCM) at the heart of electrolysis and fuel cells



Fuel cell

Determining:

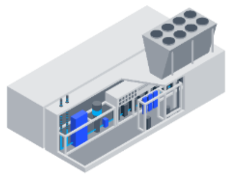
Durability	Efficiency
Cost	Performance

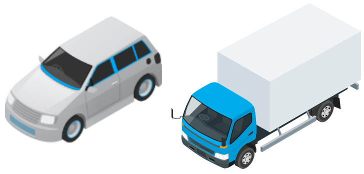
1. Upper bound is IEA Net Zero Emission scenario, lower bound is IEA Sustainable Development Scenario, grey/blue/green split in SDS is applied by JM and is not directly referenceable to IEA.
2. Upper bound is IEA Net Zero Emission scenario for light duty and Hydrogen Council for heavy duty; lower bound is Morgan Stanley for heavy duty and Hydrogen Council for light duty.

Source: IEA, Hydrogen Council, Morgan Stanley.

JM

Significant addressable markets

	Market size to 2030	CCM value[3]	Cumulative addressable market to 2030 (£bn)
CCM for electrolysis 	**150-800GW** Green hydrogen capacity by 2030[1], of which assumed PEM[4] share 40%	£30/kW	**2 - 10**

	Market size in 2030	CCM value[3]	Total addressable market in 2030 (£bn)
CCM for fuel cells 	**1.8-3.0m** Sales of HDVs[4] and LDVs[2,4]	£1,300/vehicle	**2 - 4**

1. Upper bound is IEA Net Zero Emission scenario, lower bound is IEA Sustainable Development Scenario, grey/blue/green split in SDS is applied by JM and is not directly referenceable to IEA.
2. Upper bound is IEA Net Zero Emission scenario for LD and Hydrogen Council for HD; lower bound is Morgan Stanley for HD and Hydrogen Council for LD.
3. Excluding metal. FC: Weighted average comprising c.£2,500 per HDV and c.£1,100 per LDV. EC: US DofE, target for 2025-2030
4. HDV – heavy duty vehicle, LDV – light-duty vehicle, PEM – proton exchange membrane

Source: IEA, Hydrogen Council, Morgan Stanley, Faurecia.

JM

Strong right to win in CCM…aiming for market leadership

Long-standing experience

>20 years'

experience in fuel cells

Existing capacity and JM customers

2 GW

existing CCM capacity

7 customers

with sales of >£1m each

Strong technology position

c.80%

win rate in fuel cell customer qualification

1.8W/cm^2

power density achieved in GAIA[1] project at 0.6V

>400

live patents and patent applications

Unique expertise in metal chemistry and management

>60 years'

experience in catalysis

#1

global refined PGM supplier and secondary recycler

1. Johnson Matthey is a part of leading European consortium GAIA. The GAIA project aims to develop and bring together advanced critical proton exchange membrane (PEM) fuel cell components, integrated into a fuel cell that is capable of delivering the most challenging performance, cost and durability targets required for large-scale automotive fuel cell commercialisation.

Scaling capacity:
Capacity expansion in line with growing customer demand

3 key elements for our capacity expansion plan

Building out capacity to meet increased demand

Expanding Chinese CCM manufacturing capability in partnership

Planning 3GW manufacturing facility on our existing Royston site in the UK

UK plant expansion (Royston)

… unlocks economies of scale
with 3GW Royston will enable a significant drop in cost in line with external benchmarks

… is fully customer backed
Scale-up delivers capacity for our strategic partners

… is delivered in close partnership
with an equipment provider

… provides flexibility to almost triple capacity
at a fraction of capex to respond to scaling market

Customer partnerships: building on a strong position today, targeting more than £200m sales by the end of 2024/25

Solid foundation

£25m
sales in 2021/22

7
existing customers in fuel cells with sales >£1m

Strong positions across segments, geographies and products

Green hydrogen

Enapter
plug™
hystar
HOELLER
THE STACK COMPANY

Fuel Cells

EKPO FUEL CELL TECHNOLOGIES
REFIRE
DOOSAN
Major German auto supplier
plug™

10+ GW
total customer pipeline

JM

Today’s agenda

03 Capital allocation framework

JM

Our clear capital allocation framework will be the basis for our growth trajectory

Sources of capital

Operating cash flows from Clean Air, PGM Services, and Catalyst Technologies

Targeted divestments to simplify and focus portfolio (>£300m)

Efficiency and cost savings programmes to enhance cash flows

Priority	Uses of capital
1	**Organic investments** into growth and maintenance
2	**At least maintain and aim to grow the dividend**, targeting a c.40% pay-out ratio over the medium term
3	**Inorganic investment** in bolt-on acquisitions to complement core growth businesses
4	**Return excess funds to shareholders**

Maintaining a strong balance sheet with target net debt/ EBITDA[1] of 1.5-2.0x to fund investments

1. Net debt including post tax pension deficits.

Capital allocation will set us up for long-term growth

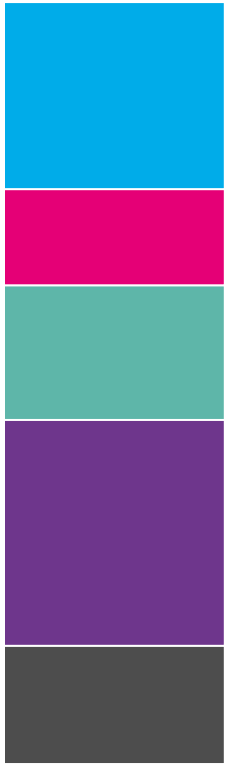
We will invest in growth areas with attractive returns

c.50%
of the next 3 years' group capex will be spent on growth, 30% on maintenance and 20% on replacement

Disciplined
IRR investment hurdle rate on a project basis

Modular
deployment of capital based on execution milestones – ensuring not over committing to investment

c.£1bn



Hydrogen Technologies	Growth capex with larger upfront scale up investments and lower capex from the middle of the decade
Catalyst Technologies	Capital light business with low near-term investment needs but larger growth investments in the medium term
Clean Air	Decreasing capex to c.£50m by 2024/25 – shift to maintaining a solid asset base
PGM Services	Substantial replacement capex in the near-term to secure leading position; shifting towards lighter maintenance beyond 2026/27
Other	Investment in IT and maintaining technology leadership

2022/23-2024/25 cumulative capex

JM

Transformation delivering material efficiency benefits

Sources	Corporate functions, procurement and operations including real estate
Timing	Benefits starting to be delivered in 2022/23, accelerating through to 2024/25
Costs	• c.£100m through to 2024/25 • All cash

£150m
annualised cost savings from new transformation by 2024/25

JM

Growth driven by Catalyst Technologies and Hydrogen Technologies

Development of underlying operating profit

	Medium-term	Long-term	
Underlying operating profit growth	**Accelerating to high single-digit[1]**	**Strong growth**	**c.40% of profit** from our growth businesses by 2031/32[4]
Drivers	Clean Air volume recovery and new legislation Catalyst Technologies existing business[2] Early sales from growth businesses (Catalyst Technologies and Hydrogen Technologies) Transformation benefits	Hydrogen Technologies Catalyst Technologies growth businesses[3]	

1. At constant precious metal prices and FX rates (2021/22 average).
2. Catalyst Technologies existing business refers to current business and not future growth areas.
3. Catalyst Technologies growth businesses: blue hydrogen, sustainable aviation fuels, and low carbon solutions.
4. Growth businesses: Hydrogen Technologies and Catalyst Technologies growth businesses (blue hydrogen, sustainable aviation fuels and low carbon solutions).

Today’s agenda

04 Next steps

We have clear milestones until end of 2023/24

		End of: 2022/23	End of: 2023/24
Customers	**Win at least 2 large scale strategic partnerships** in Hydrogen Technologies	●	
	Win targeted Euro 7 business and deliver on £4bn+ trajectory for Clean Air	●	●
	Win >10 additional large scale projects[1]		●
Investments	**Expand PGM Services refining** capacity in China	●	
	Complete construction of Hydrogen Technologies CCM plant in UK[2]		●
	Targeted capacity expansion (fuel cells catalyst, formaldehyde catalyst)		●
	Complete divestment of Value Businesses		●
People	**Increase employee engagement** score by 1ppt in 2022/23 and 3ppt by 2023/24[3]		●
Sustainability	**Achieve c.10% reduction** in scope 1+2 CO2e emissions		●
	Help customers **reduce CO_2e emissions by >1mt p.a.** through use of our products		●

1. Includes Catalyst Technologies and Hydrogen Technologies projects.
2. To expand total capacity from 2GW to 5GW.
3. Baseline – employee engagement score of 65% in 2020/21.

JM

Creating value by catalysing the net zero transition

01

Focus: on where we can win, and playing to win

02

Simplify: leaner, more efficient processes, structure and footprint

03

Execute: new leadership team committed to high performance

Committed to delivering high single digit growth in underlying operating profit over the medium-term[1], and strong long-term growth

JM

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

New team committed to creating value

Liam Condon
Chief Executive Officer

Stephen Oxley
Chief Financial Officer

Alastair Judge
Chief Executive, PGM Services

Anish Taneja
Chief Executive, Clean Air

Jane Toogood
Chief Executive, Catalyst Technologies

Mark Wilson
Chief Executive, Hydrogen Technologies

Mark Su
President, China

Annette Kelleher
Chief HR Officer

Maurits van Tol
Chief Technology Officer

Ron Gerrard
Chief EHS and Operations Officer

Christian Günther
Chief Strategy and Transformation Officer

Anne Chassagnette
Chief Sustainability Officer

Nick Cooper
General Counsel and Company Secretary

JM

Today’s agenda

05 Q&A

Q&A

Appendix

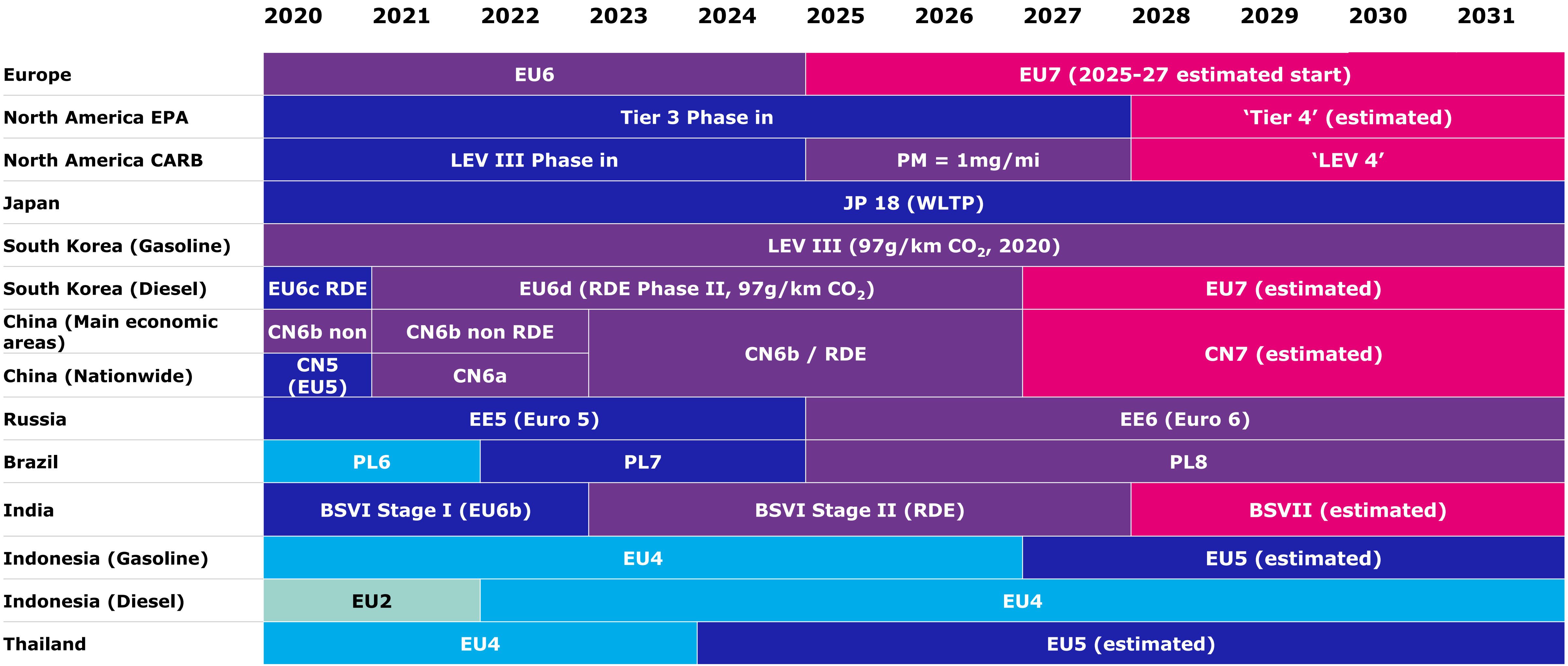
Net debt to EBITDA 1.2 times[1]

Continuing operations	£m	£m
Net debt at the beginning of the year		**(770)**
Free cash flow	221	
Dividends	(136)	
Purchase of treasury shares	(155)	
Movement in net debt		(70)
Lease adjustments[2]		6
Net debt before FX and other movements		**(834)**
FX and other non-cash movements[3]		(22)
Net debt at the end of the period		**(856)**

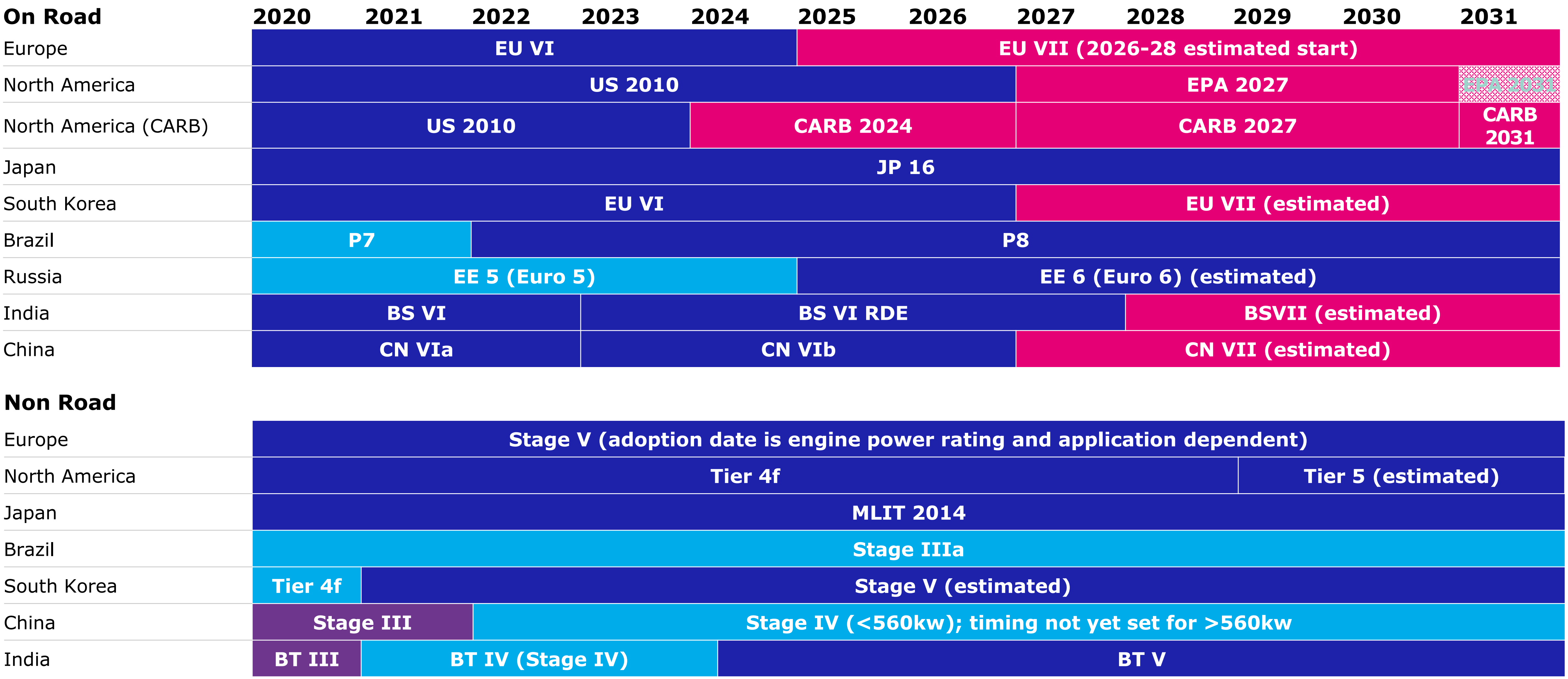
1. Net debt including post tax pension deficits.
2. New leases, remeasurements and modifications less lease disposals and principal element of lease payments.
3. (£24m) FX and £2m other non-cash movements.

JM

Light duty emissions control legislation roadmap

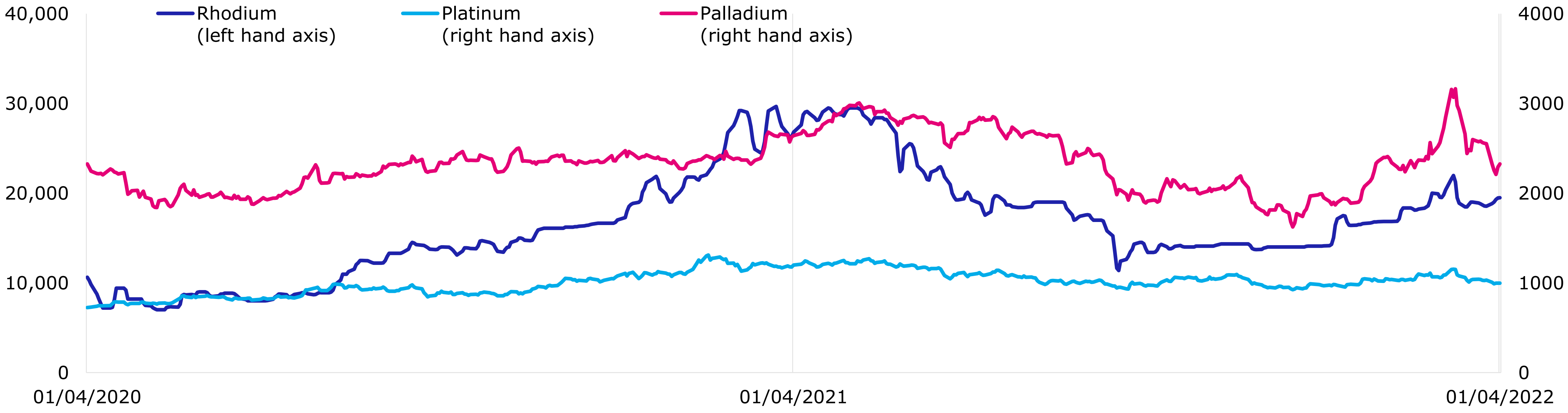


Heavy duty emissions control legislation roadmap



Average PGM prices

US$ per troy oz



Price (US$ per troy oz)	2020/21 average	2021/22 average	**Current** (25th May 2022)
Platinum	954	1,065	954
Palladium	2,248	2,396	2,014
Rhodium	14,446	18,776	15,600

JM

Update on Battery Materials and Health

Battery Materials

- Sale of assets to EV Metals Group for £50m cash consideration. JM to receive minority stake in EV Metals Group
- Completed expected in summer 2022
- Total exceptional charges of up to £363m in 2021/22
- Johnson Matthey Battery Materials Canada (LFP) acquired by Nano One® for c.C$10.25m, with completion expected by end of 2022

Health

- Sold for consideration of £325m – JM to retain c.30% equity stake
- Recognised impairment of £242m in 2021/22
- Due to complete at the end of May

JM

Reporting structure changes

Underlying sales for full year ended 31st March	2022 £m	2021 £m	% change, constant FX rates
Clean Air	2,457	2,412	+5
PGM Services	587	531	+13
Catalyst Technologies	454	443	+5
Hydrogen Technologies	25	41	-39
Value Businesses[1]	280	274	+8
Eliminations	(99)	(113)	
Total sales (adjusted)	**3,704**	**3,588**	**+6**
Adjustments[2]	236	334	
Total sales	3,940	3,922	+3

Underlying operating profit for full year ended 31st March	2022 £m	2021 £m	% change, constant FX rates
Clean Air	302	269	+17
PGM Services	308	244	+28
Catalyst Technologies	50	32	+67
Hydrogen Technologies	(33)	1	n/a
Value Businesses[1]	18	5	+260
Corporate	(86)	(73)	
Total operating profit (adjusted)	**559**	**478**	**+21**
Adjustments[3]	(3)	26	
Total operating profit	556	504	+14

1. Value Businesses includes Battery Systems, Medical Device Components and Diagnostic Services.
2. Sales adjustments reflect removal of Health (2021/22: £162m, 2020/21: £237m), Advanced Glass Technologies (2021/22: £62m, 2020/21: £66m), Battery Materials (2021/22: £12m, 2020/21: £14m) and Other – Water and Atmosphere Control Technologies (2021/22: nil, 2020/21: £17m).
3. Underlying operating profit adjustments reflect removal of Health (2021/22: £3m, 2020/21: £31m), Advanced Glass Technologies (2021/22: £16m, 2020/21: £17m), Battery Materials (2021/22: -£22m, 2020/21: -£23m) and Other – Water and Atmosphere Control Technologies (2021/22: nil, 2020/21: £1m).

JM

Financial guidance summary

Group underlying operating profit growth[1]:

- Accelerating to high single digit over the medium-term
- Strong long-term growth

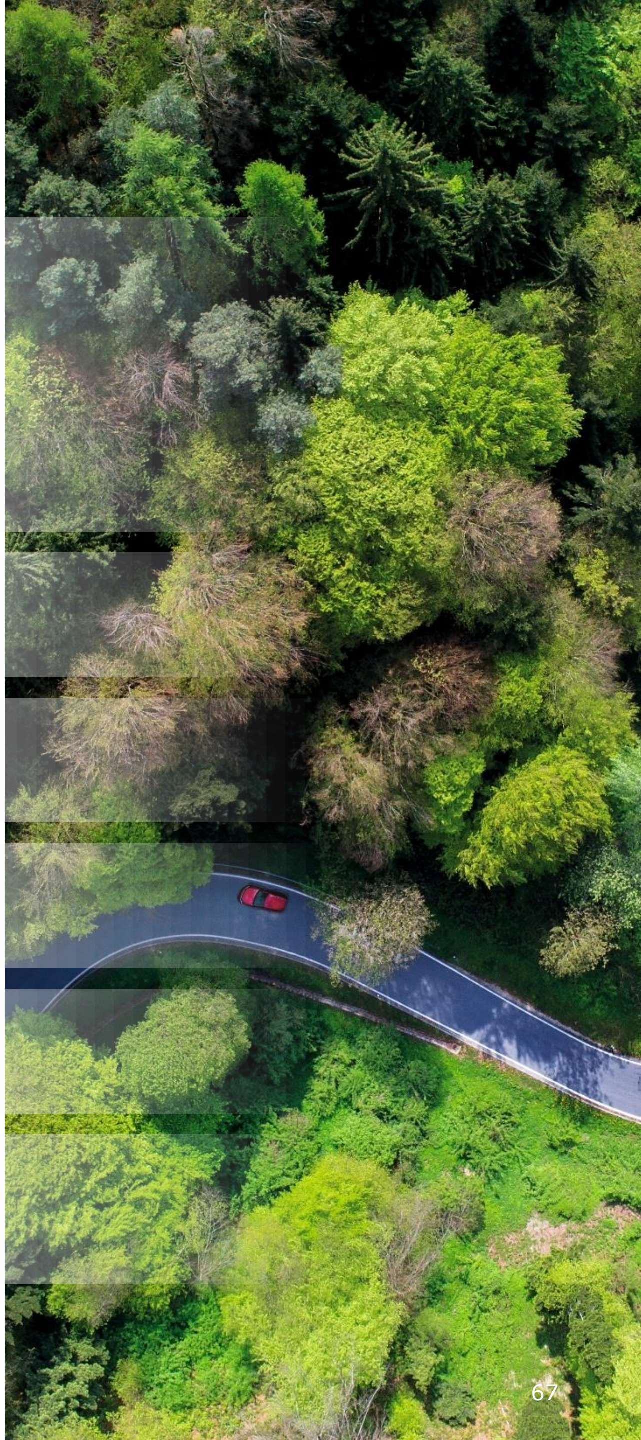
At least £4bn of cash generation in Clean Air by 2030/31[2]

High single digit growth in Catalyst Technologies over the medium-term

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

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

£150m annualised cost savings 2024/2025



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.