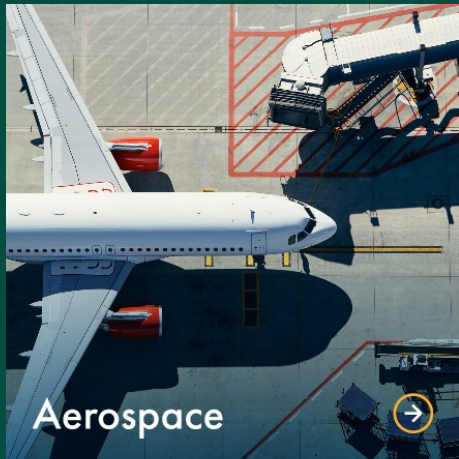


Carclo plc

engage • energise • execute



Half-Year Results to 30 September 2022

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1. Introduction
2. Financial review
3. Carclo 2025
4. Outlook



Inside Carclo

Key data:

- 13 sites in US, Europe and Asia
- 1,200 dedicated employees
- £140m world wide sales

Key technologies:

- Injection moulding
- Automated assembly
- Rotary-swaged cable assembly



Inside Carclo

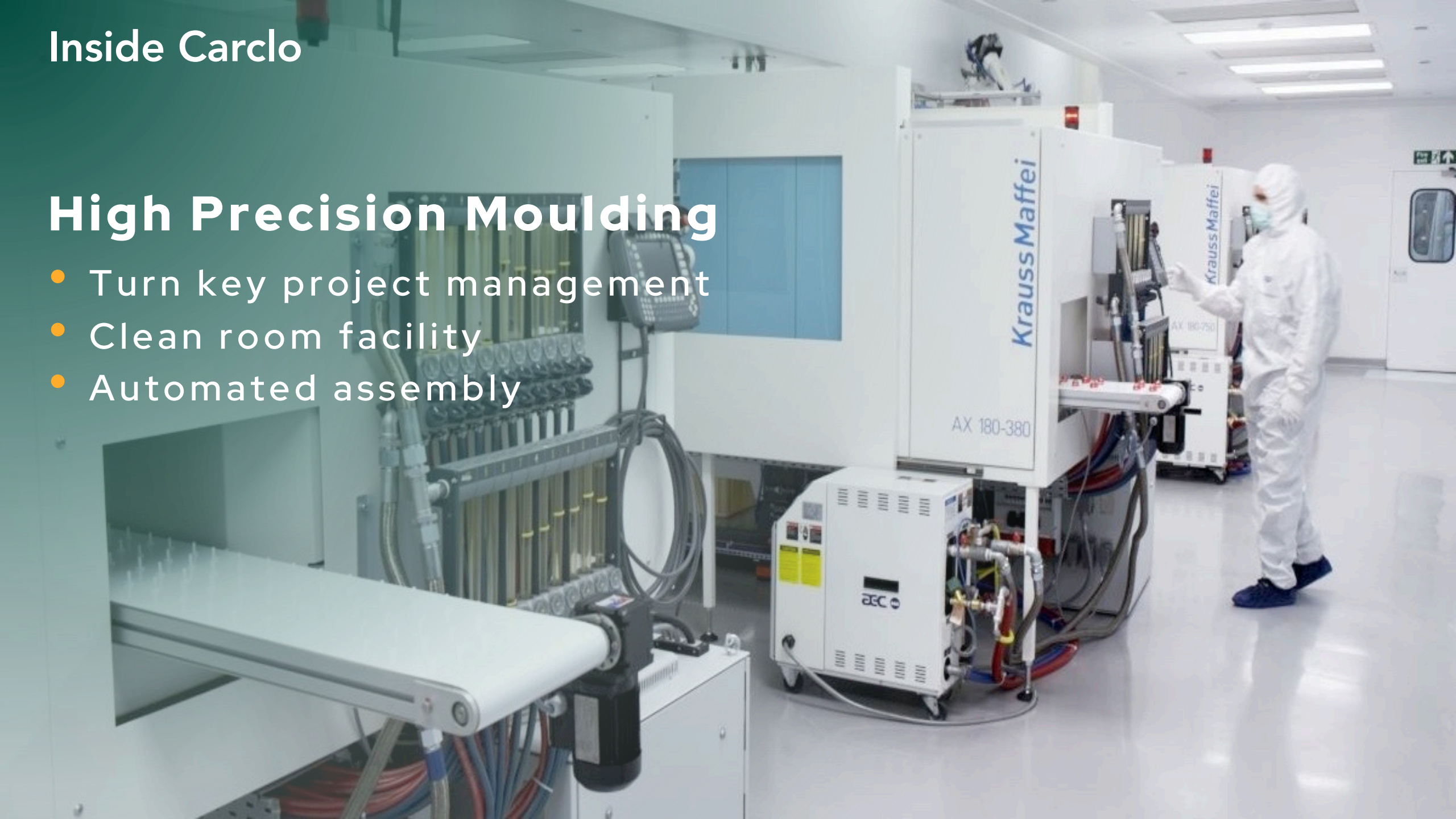
Carclo is a technology-led
precision business with
global integrated
capabilities and operations



Inside Carclo

High Precision Moulding

- Turn key project management
- Clean room facility
- Automated assembly



Inside Carclo

Life Science Solutions

- Diagnostics disposables
- Drug delivery systems
- Medical applications



Inside Carclo

Precision Components

- Dispensing systems
- Polymer gears
- Lighting Solutions
- Safety & Security



Inside Carclo

Optics

- Light optics
- Fresnels
- Wipac aftercare
- COIL - eyecare



Inside Carclo

Aerospace

- Cable solutions – rotary swag
- CNC machining
- Vintage – streamline wires



Continued growth in challenging times

Frank Doorenbosch
CEO



1

Introduction



Markets

Positioned well with blue chip customers in markets with strong organic growth potential

US strongest market for Life-Science, highest growth expected in Asia Pacific



Operational performance

Margins under pressure as a result of increased input cost

Good technical operational skills, on an underperforming and underutilised asset base

Recruitment and retention pressure, intensified by tight labour markets.



Cash management

Highly leveraged business with low cash generation with a backdrop of increasing interest rates.

Capital expenditure mainly growth focused



H1 Revenue

Strong top line growth supported by robust demand from both life sciences and aerospace markets.



H1 Operating result

Margin pressure in Technical Plastics due to cost inflation and costs associated with new product development.



H1 Cash performance

Significant increase in net debt mainly driven by increased working capital and capacity-related capex.

Near-term focus:

- Operational excellence in manufacturing, delivering quality, flexibility and returns
- Cash generation through optimising asset utilisation and focusing capex on continuous improvement
- Pricing to reflect new cost reality

Medium-term target of through-cycle ROCE >15%

Navigating through an inflationary environment

David Bedford
CFO

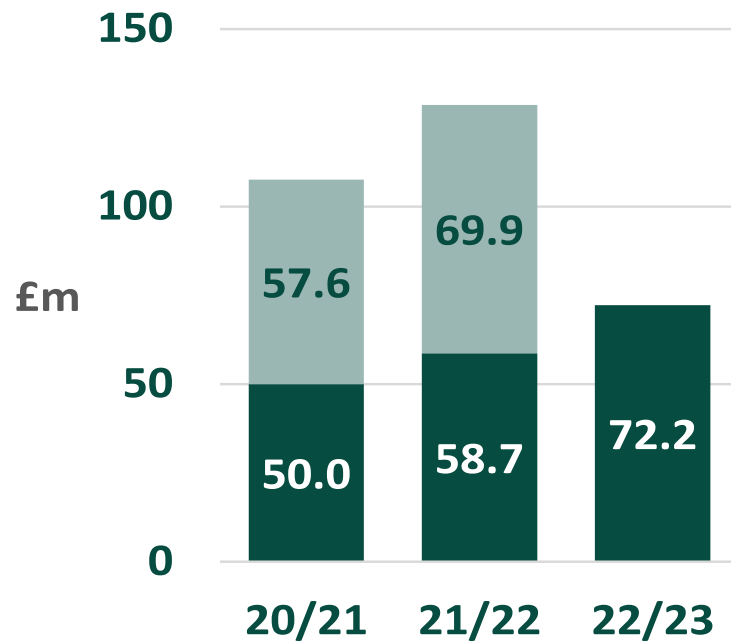


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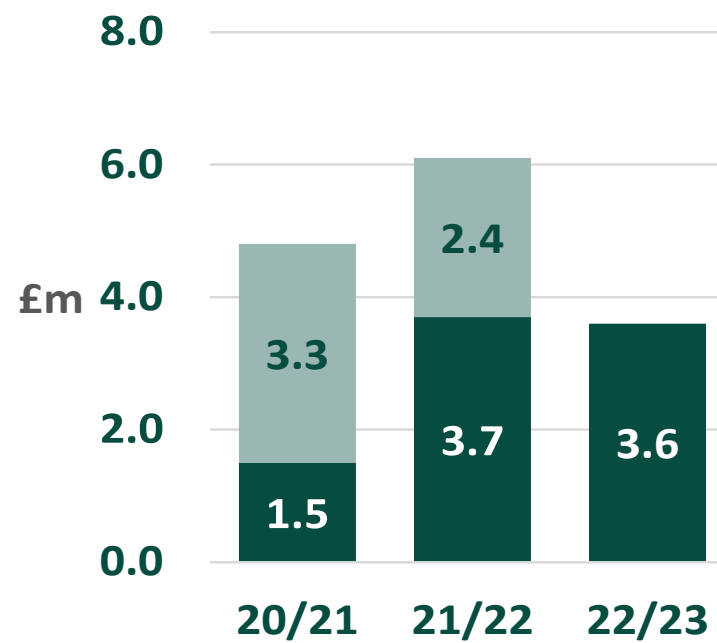
Financial review

H1 H2

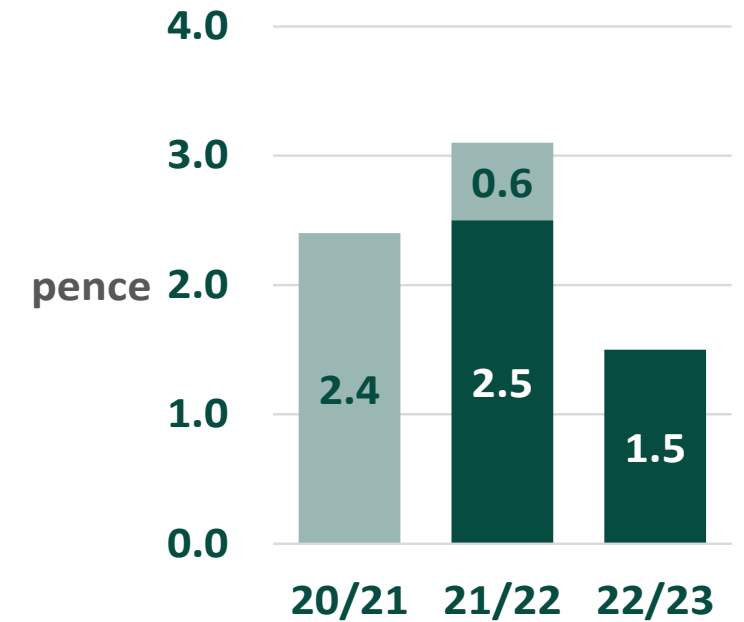
Revenue*



Underlying Operating Profits*

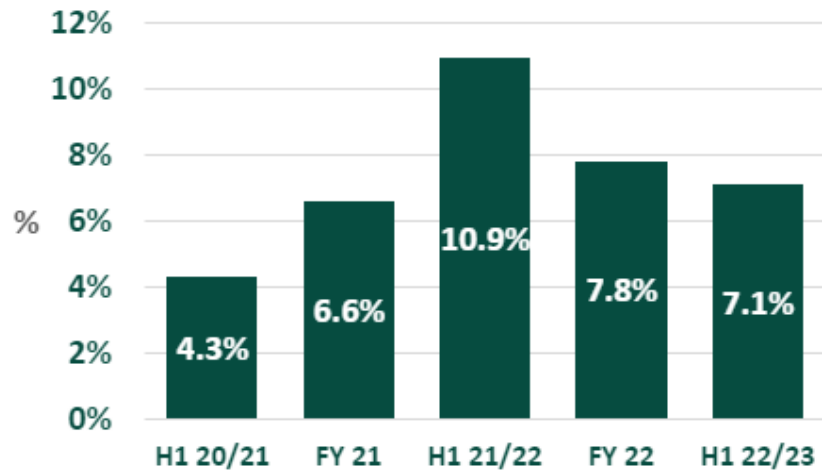


Underlying Earnings per Share

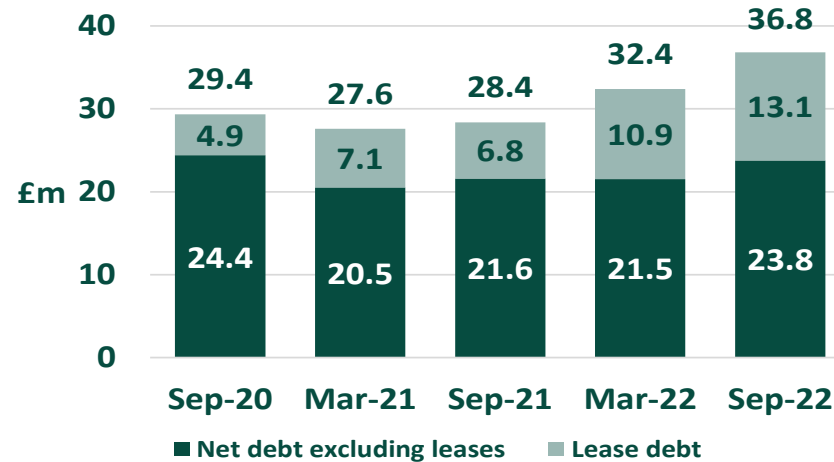


*£5.2m of the H121/22 to H122/23 revenue increase is foreign exchange gains. Underlying operating profit H122/23 is down £0.3m on prior period at constant currency.

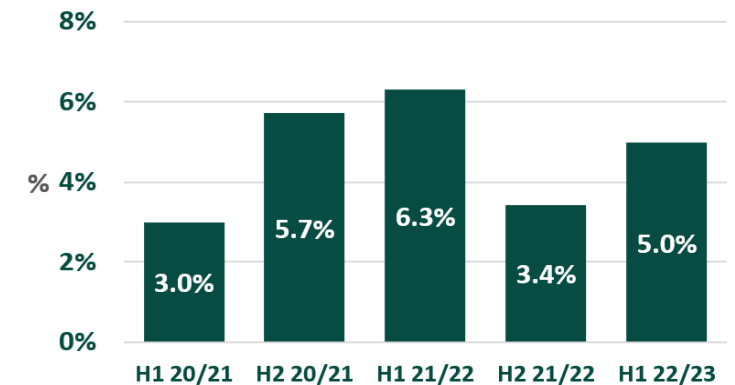
Return on Capital Employed*



Net Debt Including/excluding Leases#



Underlying Operating Return on Sales



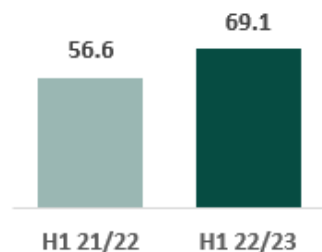
£1.8m of the £4.4m increase in Net Debt (including leases) is foreign exchange

* Return on capital employed measures the underlying operating profit for the Group (last twelve months actuals), including discontinued operations, as a percentage of average capital employed, calculated as the average of the opening equity plus net debt and pension liabilities, and closing equity plus net debt and pension liabilities.

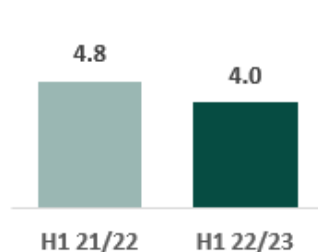
£m

CTP

Revenues 22% 



uEBIT -16% 



Design & Engineering projects delivering manufacturing sales

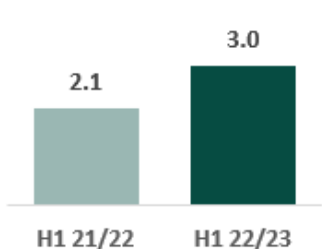
Strong sales in manufacturing from new and existing customers

Lower margins due to inflation and project start-up cost

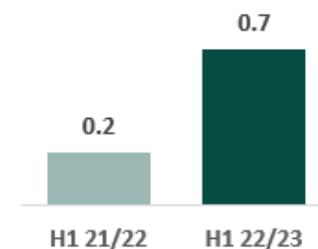
Priorities to pass on inflation and increase asset utilisation

Aerospace

Revenues 44% 



uEBIT 196% 



Strong sales growth

Air travel has recommenced and demand is increasing

"Order by order" pricing allows direct offset of inflation

Strongly positioned in niche precision business

Summary Income Statement

£000

Continuing operations:

	H1 23	H1 22
Revenue	72,151	58,672
Underlying operating profit	3,593	3,682
COVID-related US government grant income	0	2,087
Operating profit before exceptional items	3,593	5,769
Exceptional items	(332)	0
Operating profit	3,261	5,769
Finance revenue	60	34
Finance expense	(1,670)	(1,437)
Profit before tax	1,651	4,366
Income tax (expense) / credit	(983)	428
Profit on discontinued ops, net of tax	0	693
Profit for the period	668	5,487



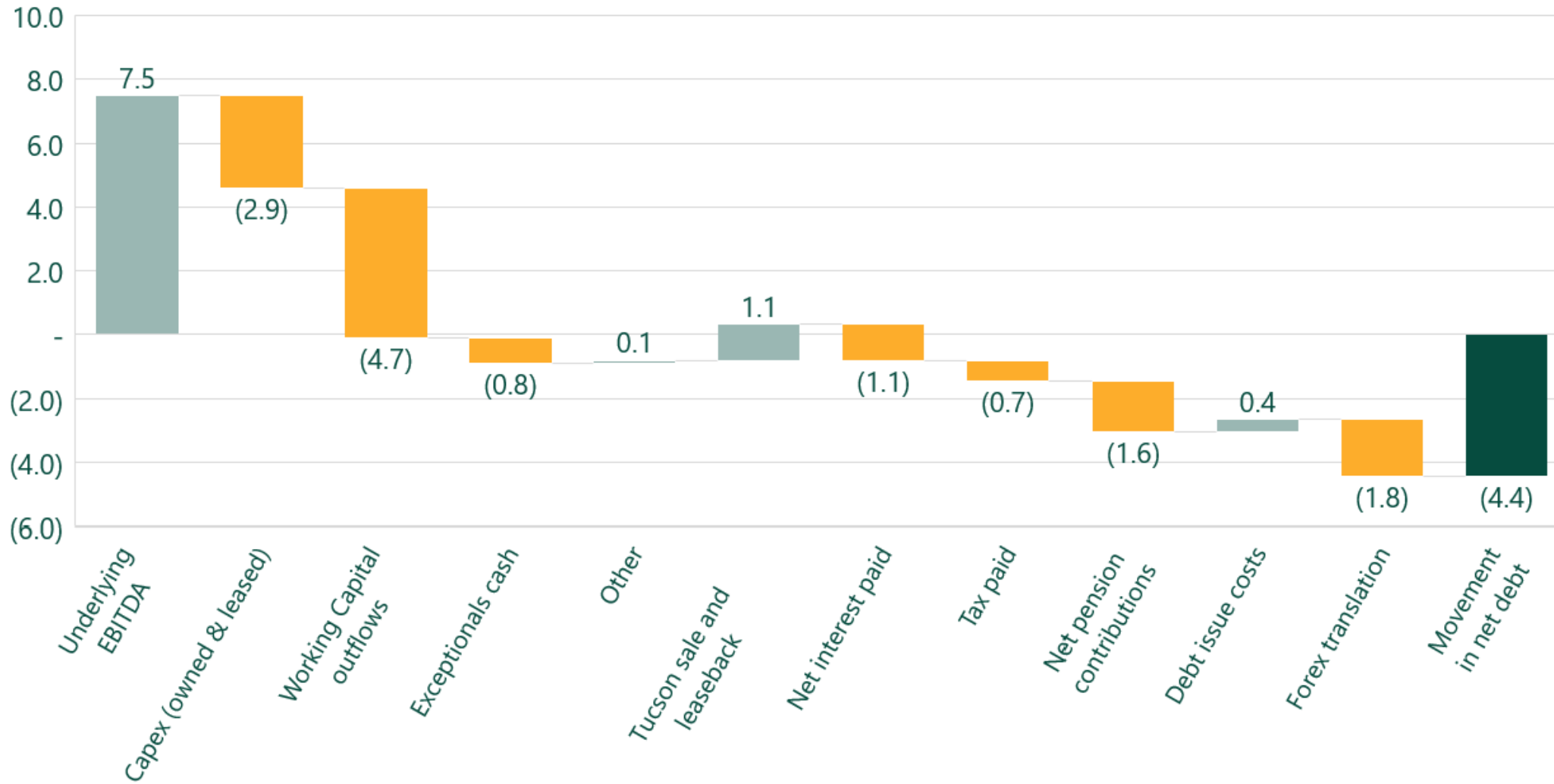
£m	Sep 21	Mar 22	Sep 22
Tangible Fixed Assets	43.6	47.2	49.5
Intangibles	22.2	22.7	24.6
Inventories	16.4	17.0	18.1
Other working capital	(0.3)	(0.5)	3.5
Net working capital	16.1	16.5	21.6
Cash	10.4	12.3	10.7
Gross Debt	(38.8)	(44.8)	(47.6)
Net tax liabilities	(3.1)	(3.6)	(4.2)
Retirement benefit obligations	(33.4)	(26.0)	(24.9)
Net assets	17.1	24.4	29.7

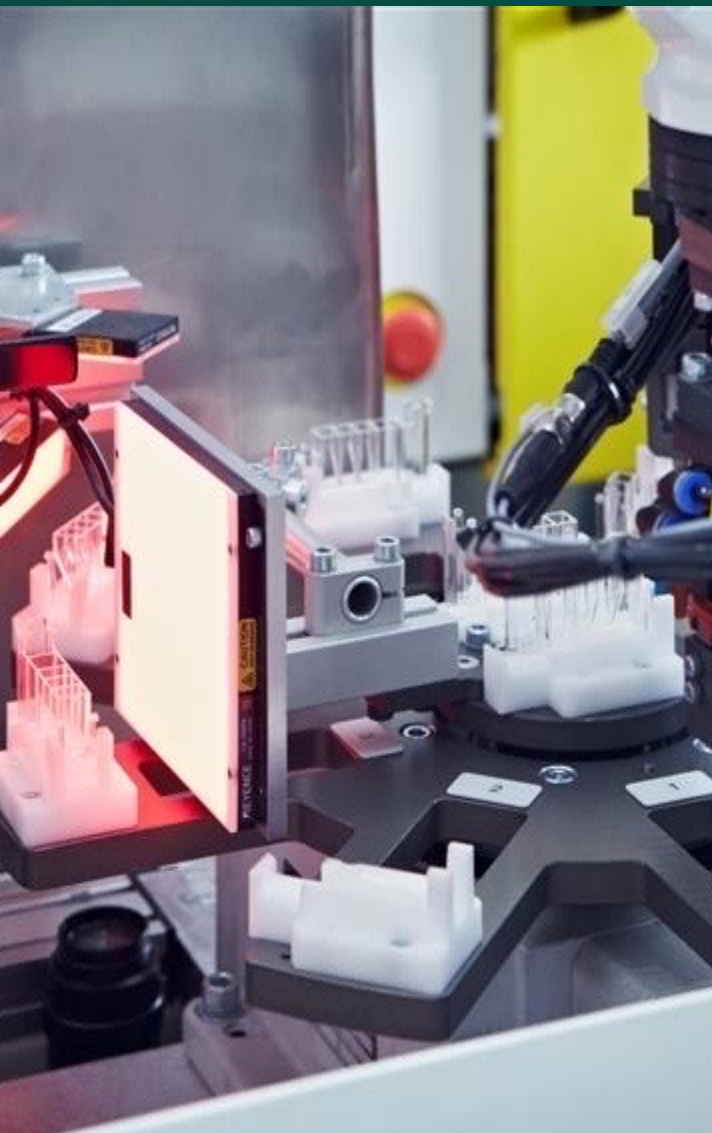
	Sep 21	Mar 22	Sep 22
Gearing*	67%	74%	76%
Net debt	(28.4)	(32.4)	(36.8)
Net debt to uEBITDA**	2.1	2.5	2.5
Undrawn facilities	1.5	-	-

* gearing is defined as net debt as a proportion of total equity excluding tax-sheltered retirement benefit obligations

** annualised uEBITDA

Net Debt Progression H1 23 (£m)





£m	H1 22/23	H1 21/22	Change
Underlying EBITDA	7.5	6.9	0.6
Change in working capital	(4.7)	(3.3)	(1.4)
Interest paid	(1.2)	(1.0)	(0.2)
Net taxes paid	(0.7)	(0.5)	(0.2)
Net pension contribution	(1.6)	(1.5)	(0.1)
Other	(0.7)	(0.0)	(0.7)
Cash from operating activities	(1.3)	0.6	(1.9)
Net capital expenditures	(2.9)	(4.4)	1.5
Foreign exchange impact	1.1	0.2	0.9
Free cash flow	(3.1)	(3.6)	0.5
Net debt	(36.8)	(28.4)	(8.5)
uEBITDA leverage	2.5	2.1	0.4

£m	H1 22/23	H1 21/22	FY 21/22	Comments
Deficit b/f	(26.0)	(37.3)	(37.3)	
Net interest cost	(0.3)	(0.4)	(0.7)	
Administration cost	(0.8)	(0.6)	(1.2)	Triennial valuation costs
Company Contribution	2.4	2.1	3.9	Additional contributions £0.3m per schedule of contributions
Change in Liabilities	49.6	(1.9)	16.1	Discount rate increased from 2.7% in 21/22 to 5.3% in H2 22/23
Asset return experience	(49.8)	4.7	(6.8)	Fall in LDI due to gilt yield rises, coupled with fall in growth assets
Deficit c/f	(24.9)	(33.4)	(26.0)	

- Triennial valuation agreed - 31 Mar 2021 actuarial deficit - £82.8m
- Estimated valuation as at 30 Sep 2022 actuarial deficit - £73.1m





When precision matters

Frank Doorenbosch
CEO



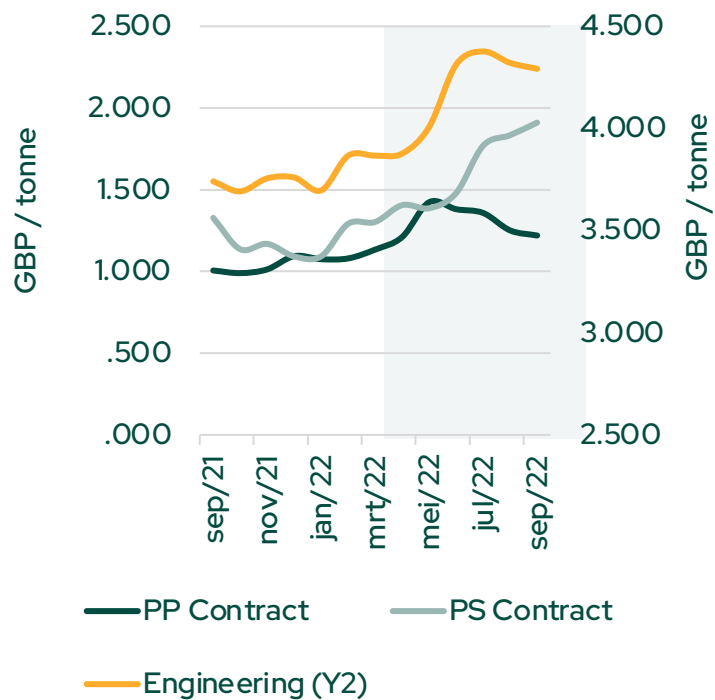
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Carclo 2025

Market Revenue Segment		Revenue H1-23 vs H1-22	Comments			
	Technical Plastics	↑	<ul style="list-style-type: none"> • Growth with new and existing clients • Full-scale production launch of two new product lines in diagnostics has been delayed 			
				Precision Components	→	<ul style="list-style-type: none"> • The worldwide shortage of supply of microprocessors impacted demand • New projects gained in new generation 'Lighting Control'
				Optics	→	<ul style="list-style-type: none"> • Expanding its in-house range of highly efficient LED lighting solutions
	Aerospace	↑	<ul style="list-style-type: none"> • Well-positioned in niche Aerospace market • Air travel restart after COVID • Building market share based on our technical abilities, service level and flexibility 			

Raw material prices

Monthly Averages GBP / tonne



PP = polypropylene PS = polystyrene
Engineering = Engineering plastics

Source: Plastribution Ltd

Margin pressure

- Time delay in passing on raw material increases, causes headwind in the margin
- Energy cost is soaring
- Inflation of labour cost

Key focus areas:

- Operational excellence
- Back-end Automation
- Pricing to reflect new cost reality

Electricity prices UK

Weekly Forward Delivery Contracts – GBP/MWh



Source: www.gov.uk

An engaged, diverse, international and experienced team

Executive Leadership



Frank Doorenbosch
CEO



David Bedford
CFO

Governance & Compliance



Angie Wakes
Company
Secretary

Global Leadership



Ricky Yin
Carclo Cares



Gabriel Acuña
Technology



Andy Lesser
Sales



Gary Allan
Procurement

Specialist Segment Leadership



Alan Hook
Aerospace



David Bates
Optics

Regional Leadership

Operational



Brandon Swintek
Americas



Nick Haste
EMEA



Premchand
Pandurangan
India



Hanson Xu
China

Finance



Diane McNealy
Americas



Wen Chen
EMEA



Janaki Balaji
India



Kate Li
China



Medium-term target of through-cycle ROCE >15%

"One Carclo" with focused organisation

		Focus	Value	M£ Revenue Development	Comments																
Technical Plastics	Design & Engineering	Projects	Global Innovation, Automation and Validation	<table border="1"> <tr><th>Period</th><th>Revenue (M£)</th></tr> <tr><td>H1 19/20</td><td>4</td></tr> <tr><td>H2 19/20</td><td>5</td></tr> <tr><td>H1 20/21</td><td>6</td></tr> <tr><td>H2 20/21</td><td>8</td></tr> <tr><td>H1 21/22</td><td>9</td></tr> <tr><td>H2 21/22</td><td>16</td></tr> <tr><td>H1 22/23</td><td>10</td></tr> </table>	Period	Revenue (M£)	H1 19/20	4	H2 19/20	5	H1 20/21	6	H2 20/21	8	H1 21/22	9	H2 21/22	16	H1 22/23	10	<ul style="list-style-type: none"> Last years' major diagnostic project not yet launched Set-up 1st D&E and training center
	Period	Revenue (M£)																			
H1 19/20	4																				
H2 19/20	5																				
H1 20/21	6																				
H2 20/21	8																				
H1 21/22	9																				
H2 21/22	16																				
H1 22/23	10																				
	Manufacturing Solutions	Process	Global standards Operational excellence Asset utilisation	<table border="1"> <tr><th>Period</th><th>Revenue (M£)</th></tr> <tr><td>H1 19/20</td><td>48</td></tr> <tr><td>H2 19/20</td><td>45</td></tr> <tr><td>H1 20/21</td><td>40</td></tr> <tr><td>H2 20/21</td><td>45</td></tr> <tr><td>H1 21/22</td><td>45</td></tr> <tr><td>H2 21/22</td><td>50</td></tr> <tr><td>H1 22/23</td><td>62</td></tr> </table>	Period	Revenue (M£)	H1 19/20	48	H2 19/20	45	H1 20/21	40	H2 20/21	45	H1 21/22	45	H2 21/22	50	H1 22/23	62	<ul style="list-style-type: none"> Growth at existing and new blue-chip customers Life Science major contributor
Period	Revenue (M£)																				
H1 19/20	48																				
H2 19/20	45																				
H1 20/21	40																				
H2 20/21	45																				
H1 21/22	45																				
H2 21/22	50																				
H1 22/23	62																				
	Aerospace	Specialty	Short series, high precision cable and safety systems	<table border="1"> <tr><th>Period</th><th>Revenue (M£)</th></tr> <tr><td>H1 19/20</td><td>3.8</td></tr> <tr><td>H2 19/20</td><td>3.8</td></tr> <tr><td>H1 20/21</td><td>2.8</td></tr> <tr><td>H2 20/21</td><td>2.5</td></tr> <tr><td>H1 21/22</td><td>2.0</td></tr> <tr><td>H2 21/22</td><td>2.5</td></tr> <tr><td>H1 22/23</td><td>3.0</td></tr> </table>	Period	Revenue (M£)	H1 19/20	3.8	H2 19/20	3.8	H1 20/21	2.8	H2 20/21	2.5	H1 21/22	2.0	H2 21/22	2.5	H1 22/23	3.0	<ul style="list-style-type: none"> Revenue moving back to pre-Covid levels
Period	Revenue (M£)																				
H1 19/20	3.8																				
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H2 20/21	2.5																				
H1 21/22	2.0																				
H2 21/22	2.5																				
H1 22/23	3.0																				

1

HSE as key driver throughout the value chain. People, productivity and partnership

2

Galvanising our "**One Carclo**" culture of diversity, entrepreneurialism and collaboration

3

Establishing Carclo as the destination for **talent** and **career** development

4

Leveraging the value of our asset base through **insight** and operational **excellence**

5

Harnessing **technology** to increase automation and get to the forefront of our industry

6

Developing **strategic partnerships** to create and capture more **value** together

Outlook

Frank Doorenbosch
CEO

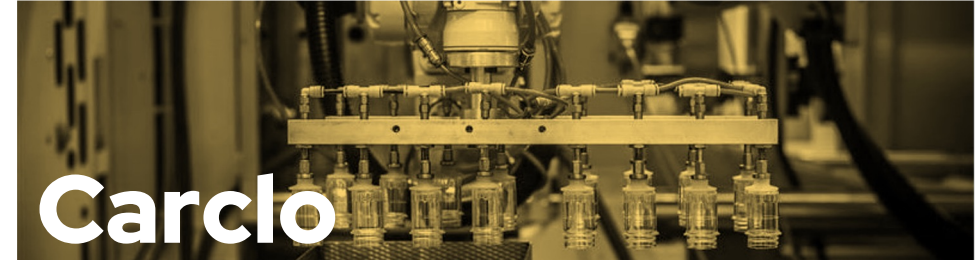


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Outlook



- Growth projections in our chosen markets and regions continue to stay strong
- Global inflationary pressures continue to persist on margins near term
- Supply chain remains tight, especially in engineering plastics and high quality metal



- Operational excellence projects being implemented
- Investment focus on continuous improvement
- Focus on cash management as increasing interest rates are impacting finance cost
- We expect similar performance in the second half year

Positive medium to long term outlook driven by opportunities to improve

Carclo

engage • energise • execute



When precision matters