

Q3 TRADING STATEMENT

14 November 2017

Meggitt PLC

Trading Update

Meggitt PLC (“Meggitt” or “the Group”), a leading international company specialising in high performance components and sub-systems for the aerospace, defence and energy markets, today issues a scheduled trading update.

Third quarter revenue growth for the Group was flat on an organic basis (excluding effects of M&A and foreign exchange), reflecting a slower ramp up of new civil programmes, which customers have indicated will continue into the fourth quarter, as well as the phasing of military orders and spares. On a reported basis, revenue declined 2%, including the effects of M&A and foreign exchange¹.

In the third quarter Civil aerospace grew 4% organically, driven mainly by large jets. Original equipment revenues grew 6%, even with the slower than expected ramp up of new programmes and declines in both regional and business jets. Aftermarket revenues increased 4% on an organic basis, with good large jet growth and a modest recovery in regional jet brakes partly offset by slowing growth in business jet spares.

Military revenues decreased 5% organically in the third quarter, driven by lower spares demand. Expectations of strong performance in the fourth quarter are underpinned by good growth in orders on platforms such as F/A-18 and Apache. In Energy, as expected, the rate of decline slowed with revenue down 8% on an organic basis in the quarter.

Looking forward, the Group remains on track to meet its full year guidance for organic revenue growth² and underlying operating margin improvement³, despite slower ramp up on new civil programmes and the corresponding headwind from new product introduction costs, particularly in Meggitt Polymers and Composites.

Meggitt has today separately announced that Chief Executive, Stephen Young has informed the Board of his intention to retire at the end of April 2018. Tony Wood, currently Chief Operating Officer, will become Chief Executive with effect from 1 January 2018 and work with Stephen to ensure an orderly transition.

Chief Executive, Stephen Young commented:

“Meggitt remains on track to meet full year guidance and we are pleased with progress across the business despite challenges in some of our end markets. Growth accelerated in civil aerospace during the third quarter and we expect to see further improvement in the fourth quarter, particularly in military where we have seen strong order growth in the last three months. Our key strategic initiatives continue to deliver and we are well positioned for the future.”

“I am delighted that Tony Wood will succeed me as Chief Executive. Since his appointment last year, Tony has made an important contribution to the Company, bringing significant operational expertise, broad leadership experience gained over 30 years in senior aerospace roles and a fresh perspective which has and will continue to accelerate momentum across our strategic initiatives.”

Enquiries

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¹ Q3 2016 \$1.31/£1 vs Q3 2017 \$1.29/£1

² Organic growth of 2% to 4% for the full year

³ Underlying operating margin of 19.1% to 19.4% for the full year

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