MEGGITT

Enabling the Extraordinary
To Fly To Power To Live

2020 HALF YEAR RESULTS

8 September 2020

presented by
Tony Wood, Chief Executive
Louisa Burdett, Chief Financial Officer

Disclaimer

Cautionary statement

This presentation is not for release, publication or distribution, directly or indirectly, in or into any jurisdiction in which such publication or distribution is unlawful.

This presentation is for information only and shall not constitute an offer or solicitation of an offer to buy or sell securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. It is solely for use at an investor presentation and is provided as information only. This presentation does not contain all of the information that is material to an investor. By attending the presentation or by reading the presentation slides you agree to be bound as follows:

This presentation has been organised by Meggitt PLC (the "Company") in order to provide general information on the Company.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services).

The information contained in this presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information set out herein may be subject to updating, revision, verification and amendment and such information may change materially.

This presentation and the information contained herein are not an offer of securities for sale in the United States and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")). The bonds discussed in this presentation have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except to QIBs, as defined in Rule 144A, in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed, published, or disclosed by recipients to any other person, in each case without the Company's prior written consent.

This presentation includes statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "aims", "continues", "intends", "may", "plans", "considers", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve risk and uncertainty, because they relate to future events and circumstances. Forward-looking statements may, and often do, differ materially from actual results.

In relation to information about the price at which securities in the Company have been bought or sold in the past, note that past performance cannot be relied upon as a guide to future performance. In addition, the occurrence of some of the events described in this document and the presentation that will be made, and the achievement of the intended results, are subject to the future occurrence of many events, some or all of which are not predictable or within the Company's control; therefore, actual results may differ materially from those anticipated in any forward looking statements. Except as required by the Financial Services Authority, the London Stock Exchange plc or applicable law or regulation, the Company disclaims any obligation to update any forward-looking statements contained in this presentation.

This presentation and its contents are confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose and it is intended for distribution in the United Kingdom only to: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) persons falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This presentation or any of its contents must not be acted or relied upon by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

INTRODUCTION

Tony Wood
Chief Executive

Response to Covid-19 and our priorities in H1

We responded quickly and decisively to the crisis

1. Customer aligned and engaged organisation
2. Crisis management teams
3. Scenario planning and execution

People
- Employee safety
- Support the community

Business continuity
- Majority of sites remained open
- Support supply chain

Preserve cash
- Target cash savings of £400m to £450m
- Access to CCFF and RCF forward start

Resize
- Resized Group
- Reduced cost base

Positioned for the future
- Opportunities to accelerate strategy
- Diverse end markets and strong content

Dedication of our employees has been pivotal

MEGGiTT

Market dynamics in H1 2020

Civil aerospace significantly impacted with Defence robust

Civil OE
(20% of revenue)

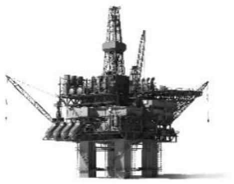
- Lower demand from OEMs as new build rates lowered
- Deliveries by Airbus and Boeing down 50% and 71% respectively
- Regional and business jet deliveries down 46% and 24%

Civil AM
(27% of revenue)

- Significant reduction in air traffic; global RPKs -90% in Q2
- Business jets and narrow bodies outperform
- Initial signs of recovery: active fleet recovered to 67% at end July (43% April)

Defence
(43% of revenue)

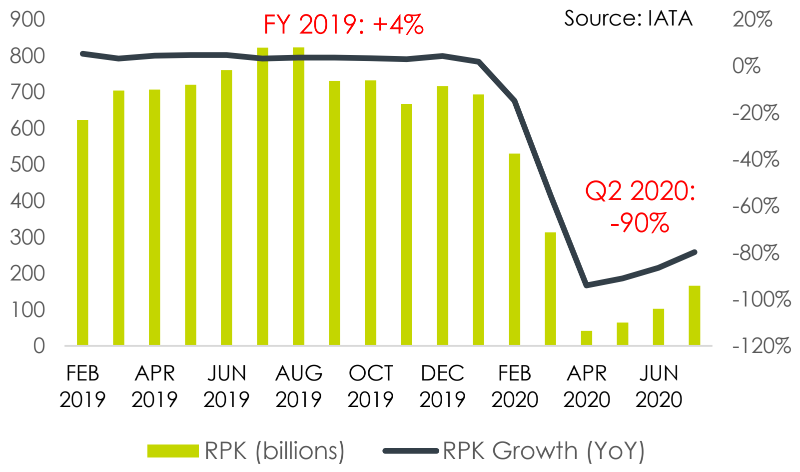
- Outlays in the US up 6% for 1st 9 months of fiscal 2019/20
- Procurement outlays up 15%
- Draft Appropriations Bill for 2021 at $740bn in line with 2020



Energy & Other
(10% of revenue)

- Lower oil price has delayed oil and gas projects
- LNG and renewables projects continue

Significant reduction in civil air traffic



Strong US defence outlays

Procurement	+15%
RDT&E	+9%
Total US DoD outlays	+6%

Source: US Department of the Treasury; 9 months of fiscal 2019/2020

Overview of the first half

Defence robust as Group responds to civil aerospace downturn

- Book to bill of 0.9x with defence book to bill of 1.2x
- Organic revenue 13% lower (Q2: -30%):
  - Civil OE -29% (Q2: -53%)
  - Civil AM -25% (Q2: -47%)
  - Defence +7% (Q2: -3%)
  - Energy -6% (Q2: -8%)
- Strong progress on actions to reduce cost, protect cash and resize the Group
- Underlying operating profit down 37% at £102m
- Strong liquidity with headroom of £856m and net debt:EBITDA of 1.8x well within covenant limit of 3.5x
- Free cash outflow of £122m in line with expectations; net cash outflow of £19m following sale of Training Systems (H1 2019: outflow of £37m)
- Board not recommending payment of interim dividend to retain cash within the Group

MEGGiTT

H1 2020 Strategic highlights

Continued progress in strategy execution

Strategic priority / **H1 2020 progress**

Portfolio Strategy

- Sale of Training Systems for £110m
- 82% of revenue in highly attractive markets where we have strong positions
- Intensified focus on returns in wheels and brakes
- Continued progress with development of new technologies

Customers

- New contract wins totalling over £100m during the period
- Strengthened aftermarket with signing of 6 SMARTSupport® contracts
- Close customer input to scenario planning

Competitiveness

- Footprint reduction to 39 sites with opportunities to accelerate
- Ansty Park office open; production transfer in 2021
- Transfer of additional composite production to Mexico
- Exit of Basingstoke and Orange County sites

Culture

- HPC and strong engagement underpinned response to Covid-19
- Supported local communities: producing PPE and Ventilators

FINANCIALS

Louisa Burdett
Chief Financial Officer

MEGGiTT

Income statement

Defence robust as Group responds to downturn in civil aerospace

Underlying[1]	**HY20**	HY19	Growth	
	£m	£m	Reported	Organic[2]
Orders	**882**	1,193	(26%)	**(31%)**
Revenue	**917**	1,071	(14%)	**(13%)**
Operating profit	**102**	161	(37%)	**(36%)**
Operating margin	**11.1%**	15.0%		
Net finance costs	**(16)**	(16)		
Profit before tax	**86**	145	(41%)	**(40%)**
Tax	**(19)**	(32)		
Tax rate	***21.2%***	*22.0%*		
Profit for six months	**67**	113	(41%)	
Earnings per share	**8.7p**	14.7p	(41%)	

Strong defence more than offset by lower revenue in civil aerospace and energy

Reflects fixed element within COGS and 3-4 months of run rate on SG&A ahead of action plans taking full effect

Financing costs flat

P&L tax rate in line with upper end of guidance range

[1] A full reconciliation from underlying to statutory figures is provided in notes 6 and 11 of the preliminary results announcement.
[2] Organic figures exclude the impacts of acquisitions, disposals and foreign exchange.

MEGGITT

Exceptional costs and H1 impairment

Non-cash accounting write down due to downturn in civil aerospace

- Non-cash impairment losses / asset write downs of £373m including goodwill
- Cash expenditure on exceptional operating costs in the first half was £28.1m

Underlying results
Underlying profit is used by the Board to monitor and measure the underlying trading performance of the Group. Items excluded from underlying profit measures are treated consistently with the way performance is measured under the Group's short-term and long-term incentive plans and with covenant requirements defined in the Group's committed credit facilities.

Exceptional operating items
Items which are significant by virtue of their size or nature; are considered non-recurring; and which are excluded from the underlying profit measures used by the Board to measure the underlying performance of the Group, are classified as exceptional operating items.

Reconciliation between underlying profit and statutory operating loss £m

		Of which cash in H1
Underlying operating profit	**102.2**	
Impairment losses / asset write-downs	(373.2)	–
Covid-19 costs	(13.2)	(8.7)
Site consolidations	(14.8)	(18.7)
Other	(0.6)	(0.7)
Exceptional operating items	(401.8)	(28.1)
Amortisation of acq. Intangibles	(45.0)	
Financial instruments	(38.0)	
Disposal of businesses	33.9	110
Statutory operating loss	**(348.7)**	

MEGGITT

Revenue by end market

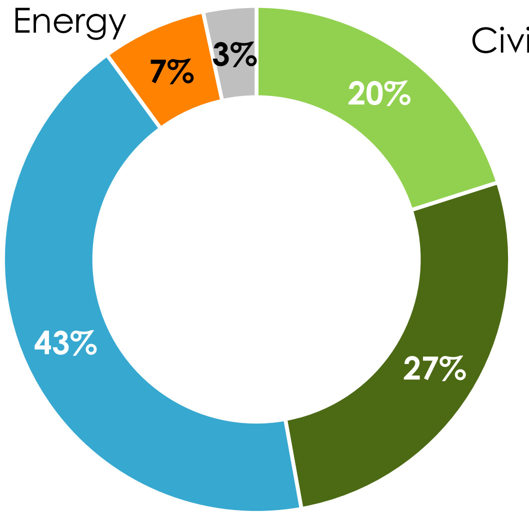
Robust defence growth helps offset lower civil revenue

	H1 2020 Revenue Growth	
	Reported	Organic
Civil OE	(29%)	(29%)
Civil AM	(25%)	(25%)
Total Civil	*(27%)*	*(27%)*
Defence	4%	7%
Energy	(4%)	(6%)
Other	(26%)	2%
Total Group	**(14%)**	**(13%)**

Civil OE:
LJ down 33%
RJ down 37%
BJ down 11%

Civil AM:
LJ down 27%
RJ down 33%
BJ down 10%

H1 2020 Revenue by market (Reported)



OE: 55%, Aftermarket: 45%

Divisional performance

Summary

Underlying	Revenue		Operating profit	Operating margin	
		Organic Growth		2020	*2019*
	£m	*%*	**£m**	%	*%*
Airframe Systems	430.8	(12)	70.3	*16.3*	*21.0*
Engine Systems	128.3	(20)	(9.7)	*-7.6*	*3.0*
Energy & Equipment	180.8	8	16.9	9.3	*11.3*
Services & Support	176.9	(25)	24.7	*14.0*	*14.2*
Total	**916.8**	**(13)**	**102.2**	**11.1**	**15.0**

Operating margin declines in Airframes and Engines reflect lower civil aerospace demand and under-recovery of fixed overheads

Strong defence growth more than offset by weaker civil OE volumes

Stable margin reflects internal transfer price relationship for provision of aftermarket services between S&S and the divisions

MEGGiTT

Acted early to boost liquidity, protect cash and position for 2021

Strong execution in those areas within our control

Internal measures

Protect profit and cash

- Sale of Training Systems ✓
- Reduction in absolute inventory levels Ongoing
- Substantial reduction in operating costs ✓
- Capex and pension deferrals ✓
- Cancellation of 2019 final dividend ✓

Slides 14-15

External measures

Financing and liquidity

- Eligible issuer under Bank of England's CCFF ✓
- Forward start on RCF to September 2022 ✓
- Repayment of $125m of US PP in June ✓

Slide 17

Positioned for recovery

- Reduction in temporary labour in Q1 ✓
- >20%* reduction in headcount by year end with 18% completed by end June Ongoing
- Remain agile to respond to external environment Ongoing

* Compared with 31 December 2019 baseline

Protecting profit and preserving cash

Measures to protect 2020 and also position for 2021

P&L

- > 20 % headcount reduction
- Material purchases
- Operating costs
- Pension

+

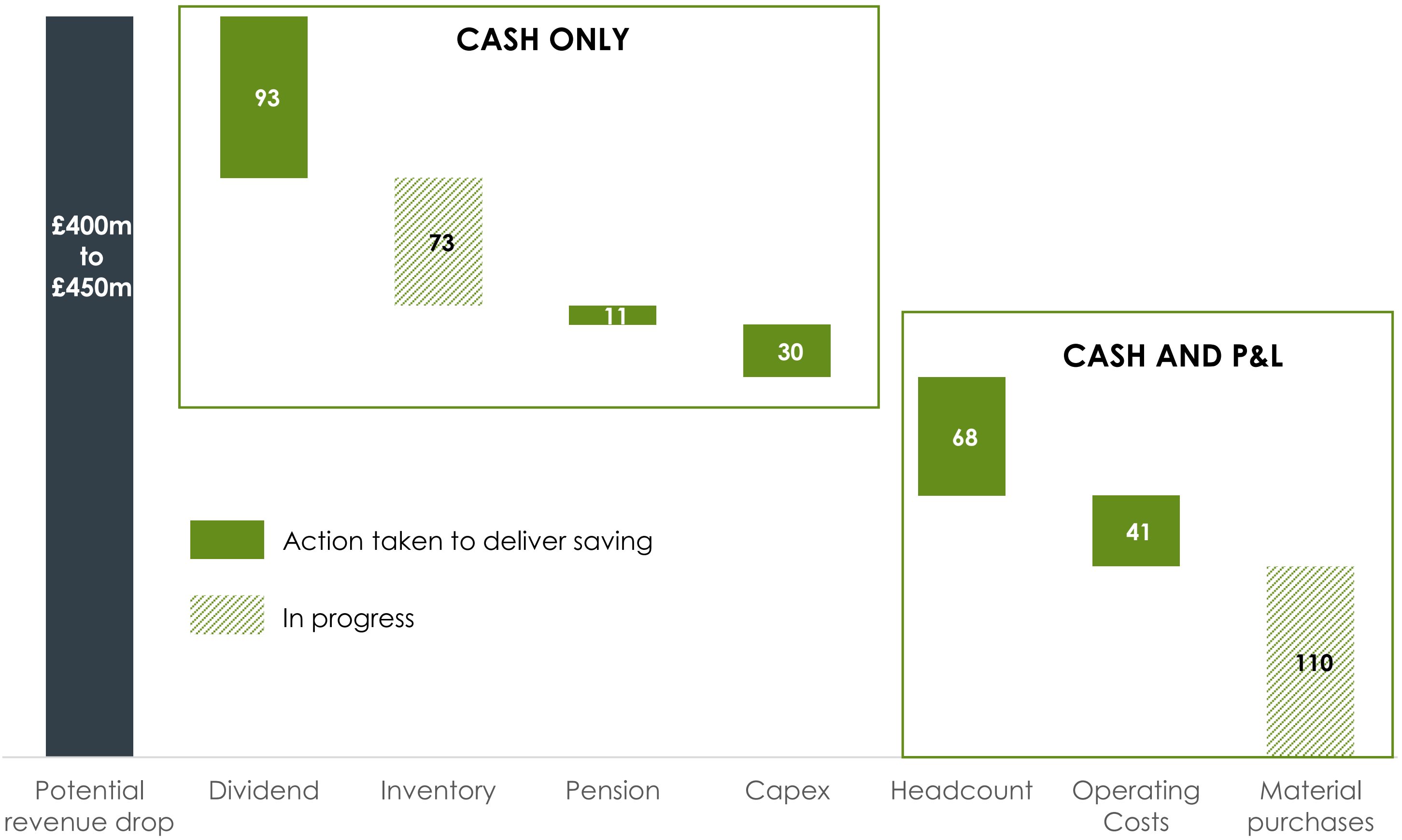
Cash

- Cash conversion of P&L measures
- Working capital – inventory
- Capex and pension deferrals
- Dividend

We expect to deliver £400m to £450m of cash savings in 2020

Cost and cash run rate actions in 2020

Management action to offset revenue reduction, protect profit and resize cost base



- Decisive action taken to deliver cost and cash actions in response to anticipated reduction in FY20 revenue
- Savings represent cash costs that would have otherwise been spent and contributed to an increase in net debt
- Combination of one-off savings and more permanent savings will flow into FY 2021
- A number of actions have already been taken with inventory and material purchases ongoing into H2
- Expect around c.£130m to £140m of lower payroll costs vs 2019 levels in 2021

MEGGITT

Free cash flow

Free cash outflow expected to reverse in H2

£m	H1 2020	H1 2019	Change %
Underlying EBITDA	**156**	**212**	
Working capital movement	(128)	(77)	
Capex	(57)	(37)	
Capitalised R&D/PPC	(19)	(26)	
Other	2	5	
Underlying operating cash flow	**(46)**	**77**	
Pension deficit payments	(7)	(17)	
Operating exceptionals	(28)	(12)	
Interest & tax	(41)	(20)	
Sale of Holbrook lane	–	21	
Free cash flow	**(122)**	**49**	
Net cash outflow	**(19)**	**(37)**	

Working capital outflow driven by reduction in payables balances

Higher capex as expected driven by investment in Ansty Park and carbon capacity

Includes £9m of additional costs relating to COVID-19 largely severance

Higher cash tax payments in line with guidance; driven by phasing

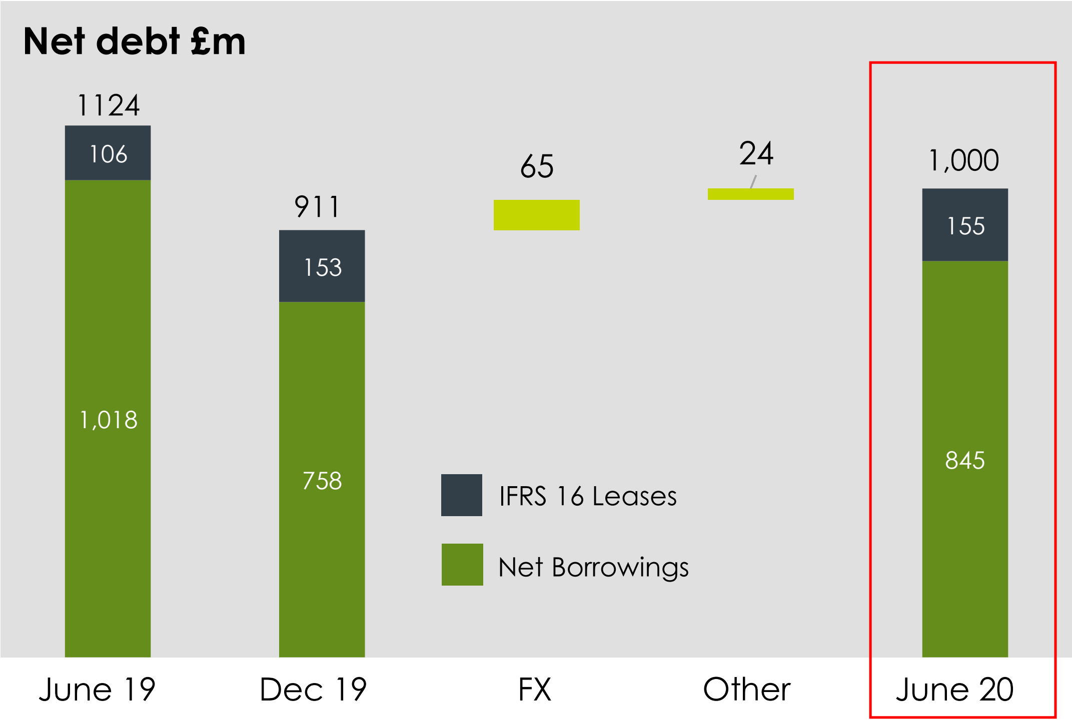
Small net cash outflow includes proceeds of £110m from the sale of Training Systems in June

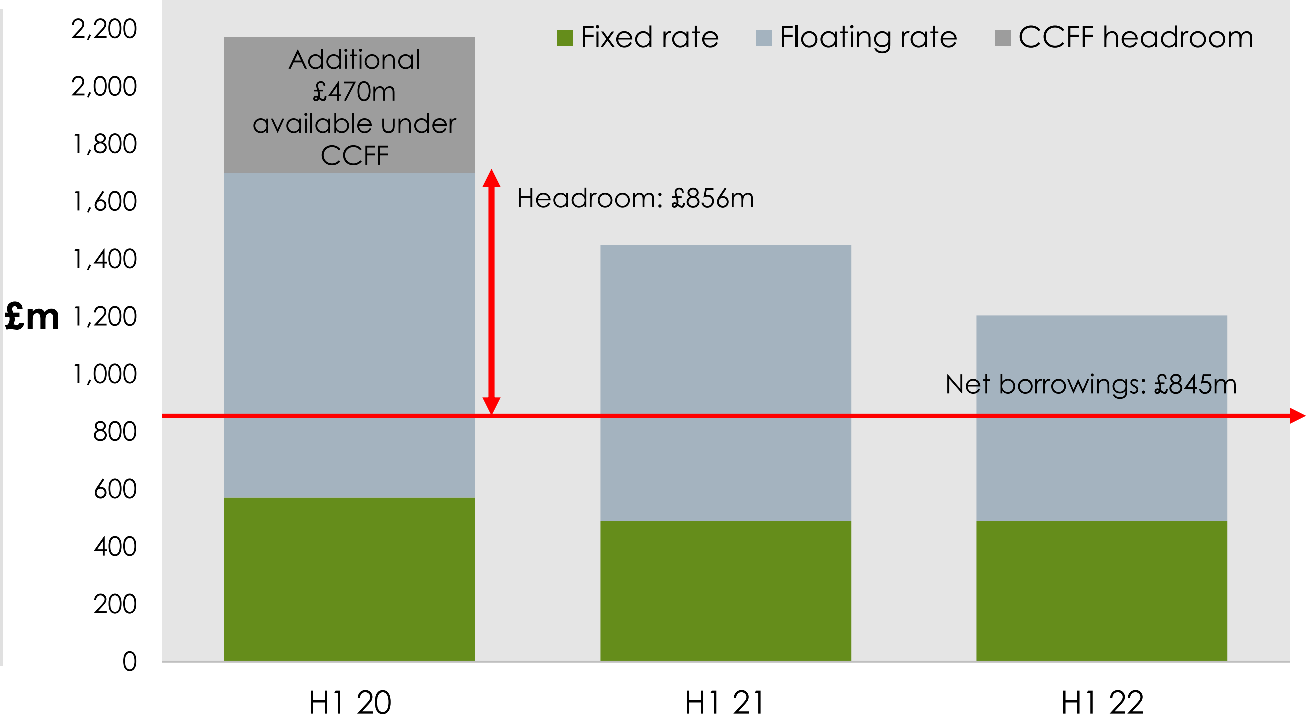
MEGGITT

Balance sheet and liquidity

Net debt:EBITDA at 1.8x well within covenant of 3.5x

	Covenant	H1 2020	FY 2019	H1 2019
Net debt:EBITDA	≤3.5x	1.8x	1.5x	1.8x
Interest cover	≥3.0x	14.1x	16.3x	15.0x





Strong liquidity and headroom

WELL PLACED FOR THE RECOVERY

Tony Wood
Chief Executive

MEGGITT

Strength of our portfolio

A number of core characteristics will help us benefit as the market recovers

Diverse end market exposure

Broad-based aftermarket

A younger, refreshed fleet

Strong in defence

Diverse end market exposure

Broad revenue base across civil, defence and select energy markets

Civil portfolio

- Meggitt content on nearly every civil jet across large, regional and business
- Civil fleet of ~51,000 aircraft
- Increased content on new platforms
- Two thirds of our large jet exposure is narrow bodies which we expect to recover faster

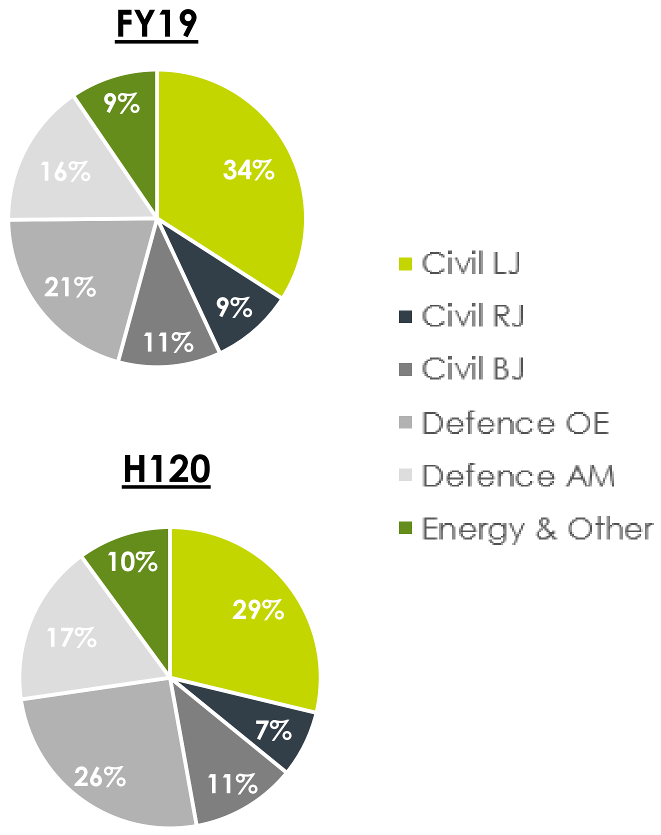
Strong defence exposure

- Fleet of ~22,000 aircraft
- 70% revenue derived from core US market
- Broad exposure: fighters, rotary, ground vehicles & defence systems

Selected energy markets

- Exposure to LNG and renewables end markets
- Aero-derivative technology

Diverse end market exposure

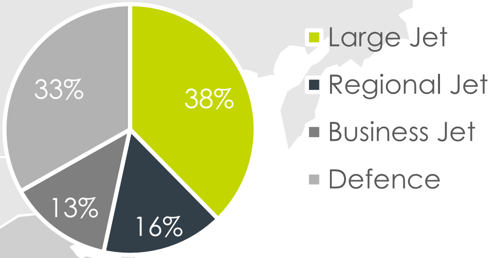


Strong aftermarket annuity across both civil and defence

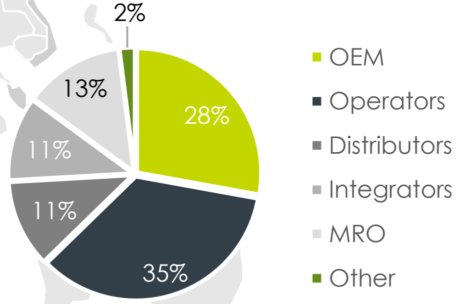
Recurring revenue stream underpinned by sole source positions and increased content

- Dedicated Services & Support Division delivering AM
- Exposure across both civil and defence markets
- Diverse customer base
- Global coverage through regional hubs serving the fleet
- Full service offering across spares and MRO
- Winning back market share through SMARTSupport®

Group aftermarket (2019)



Diverse end customer base

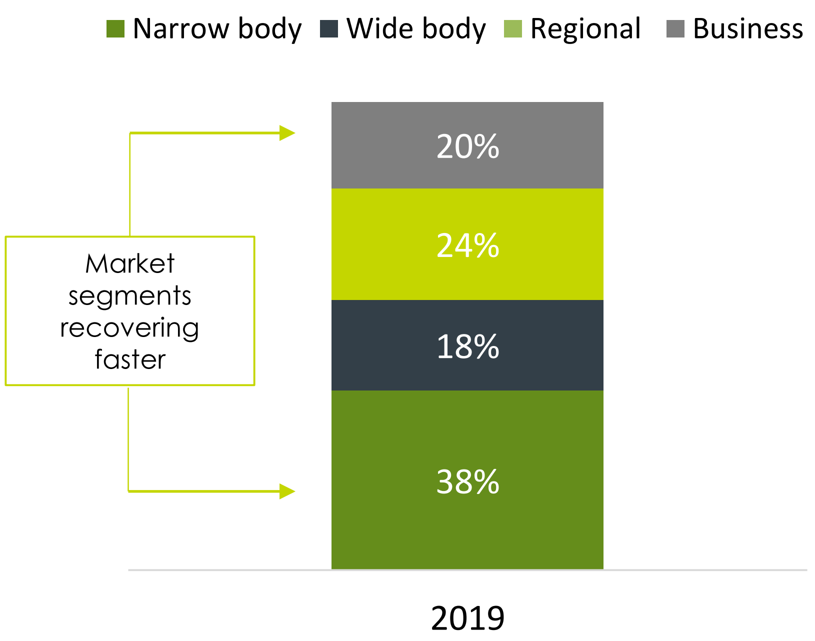


Broad-based aftermarket across both Civil and Defence

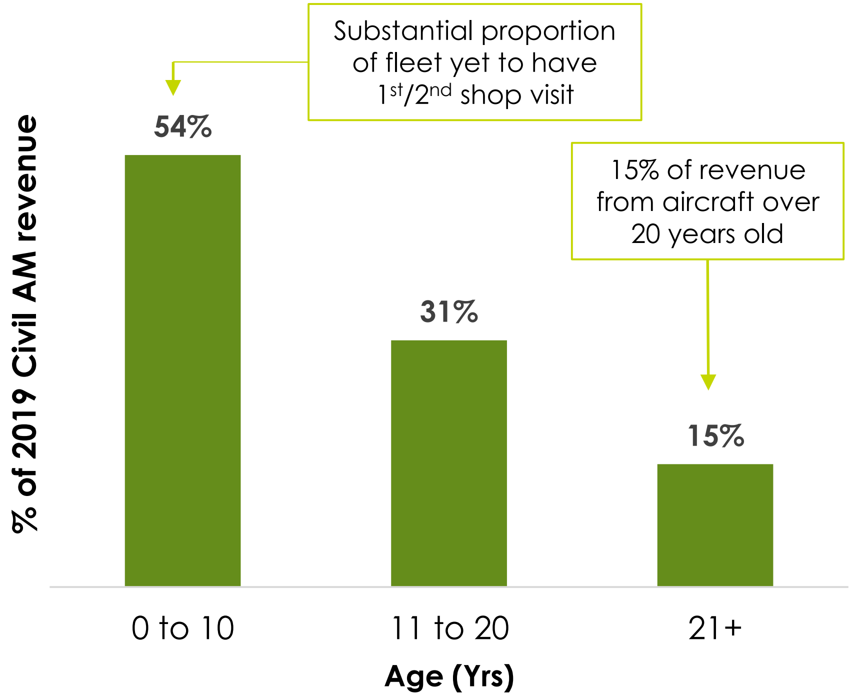
Meggitt civil aftermarket well positioned for the recovery

Good exposure to narrow body, business jets and a young fleet

Diverse civil AM exposure



Exposure to a young civil fleet



Sustainable AM growth drivers

- Traffic growth 3-4% p.a.
- Pricing
- Market share recapture
- Increased content on new fleet

54% of AM revenue from fleet less than 10 years old

MEGGITT

Strong in defence

43% of H1 2020 revenue; 70% of revenue derived from US market

- Robust defence performance maintained in H1; outlays remain strong
- Strong content on new platforms
- Underpinned by a number of multi-year contracts
- Opportunity to grow our market share

F35 JSF

V22

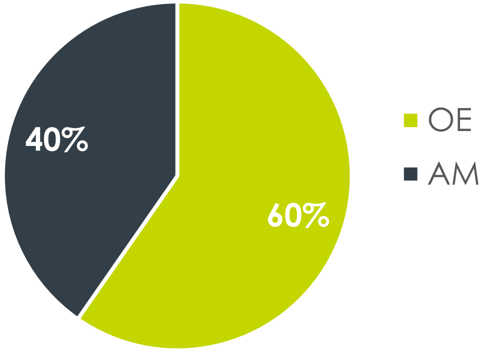
Apache

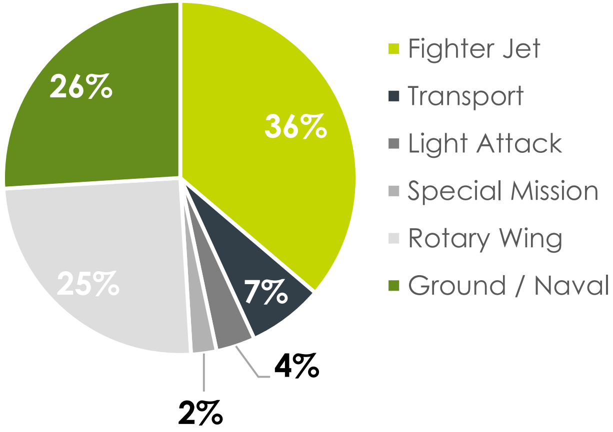
FA/18

Abrahams Tank

Exposure to hardest worked platforms and reset and retrofit activity

Defence exposures[1]





[1]Based on H1 2020 reported revenue

Business jet exposure

Broad fleet exposure across all major business jet OEMs

Key customers		Key Platforms
Gulfstream A GENERAL DYNAMICS COMPANY		G100/150, G280, G350/450, G500/550, G650
EMBRAER		Phenom 100, Phenom 300, Praetor/Legacy 450/500, Praetor 600, Embraer Lineage 1000E
BOMBARDIER		Global 5000, Global 6000, Global 7000/7500, Challenger 300 Challenger 650, Learjet 70
DASSAULT AVIATION		Falcon 900, Falcon 2000, Falcon 6X, Falcon 7x, Falcon 8X
TEXTRON		CJ4, King Air 250, King Air 350, Caravan, Denali, Sky Courier, Citation Longitude, Cessna Citation, Cessna Mustang

Content

Carbon brakes

Heat exchangers

Tyre pressure monitoring

Fire detection

Batteries

Cameras & security

Strong shipset content in an early recovering segment

SUMMARY

Tony Wood
Chief Executive

MEGGITT

Group assumptions for full year 2020

Group well placed for recovery against a backdrop of uncertain sector and market macros

Market and sector context

- Improvement in civil aerospace in Q2 and early Q3 was encouraging
- Near-term recovery remains highly sensitive to COVID-19 developments
- Pace of recovery and impact on important fourth quarter uncertain

Base case assumptions for H2

- New build rates at or near current levels
- Progressive recovery in air traffic
- Defence outlook robust
- Energy market down vs 2019 but stable half on half
- Progressive reduction in inventory
- Benefit from headcount reduction in cost base
- FX of $1.30 in H2

Full year outlook

- H2 underpinned by robust defence and stable energy revenue
- Potential for range of outcomes in civil aerospace in the last four months including important Q4
- Lower volumes reduce overhead recovery
- Group to be broadly cash flow neutral for full year
- Continue to monitor recovery and remain agile
- Update the market at Q3 on 10 November

Full year guidance remains suspended

Summary

Rapid and decisive action to navigate the crisis

- The first half has been challenging
- The response of our people has been outstanding
- Quick and decisive action taken to mitigate the impact of the downturn
- Continued to execute and accelerate our strategy and preserved options for future growth
- Strengthened liquidity with ample headroom
- Our diverse end market exposure and strong fundamentals means we are well placed as the recovery continues

QUESTIONS

Appendix

MEGGITT

Currency impact

Appendix 1

	H1 2019 Act	FY 2019 Act	H1 2020 Act
$/£ rate			
Translation rate	1.28	1.28	1.27
Transaction rate (hedged)	1.43	1.42	1.39
Euro rate			
€/£ Translation rate	1.15	1.14	1.15
$/€ Transaction rate (hedged)	1.19	1.19	1.17
CHF rate			
CHF/£ Translation rate	1.30	1.27	1.23
$/CHF Transaction rate (hedged)	1.06	1.06	1.09
PBT impact £m			
Year-on-year translation			0.9
Year-on-year transaction			2.0
Year-on-year currency benefit/(headwind)			**2.9**

Currency sensitivity [1]: ± 10 US$ cents = ± £120m Revenue; ±20m PBT
± 10 Euro cents = ± £11m Revenue; ± 2m PBT

Operating exceptionals

Appendix 2

£m	H1 2019 Actual at $1.28	H1 2020 Actual at $1.27	FY 2020 Updated guidance at $1.30
P&L charge			
Asset impairments/write-offs	-	373.2	373
Covid-19 costs	-	13.2	25-29
Site consolidations	8.9	14.8	25-30
Business restructuring costs	2.1	0.6	1-2
Total	**11.0**	**401.8**	**425-435**
Cash out			
Covid-19 costs	-	8.7	20-25
Site consolidations	9.6	18.7	22-30
Proceeds from sale of site	(21.0)	-	-
Business restructuring costs	2.3	0.7	1-2
Total	**(9.1)**	**28.1**	**43-57**

MEGGITT

Cash drivers
Appendix 3

£m	H1 2019 Actual at $1.28	H1 2020 Actual at $1.27	FY 2020 Updated Guidance at $1.28
1. R&D			
Total expenditure	65	56	
Less: charged to cost of sales / WIP	(14)	(14)	
Group spend	**51**	**42**	**70-80**
Capitalisation	(25)	(19)	(40)-(45)
Amortisation	13	17	30-40
Charge to U/L net operating costs	**39**	**40**	**65-75**
2. Fixed assets			
Capital expenditure	37	57	95-105
Depreciation	(38)	(36)	(75)-(80)
3. Retirement benefit deficit payments	17	7	23
4. Free of charge costs			
Expensed	37	33	50-60

Retirement benefit obligations

Appendix 4

£m	FY 2019	H1 2020
Opening deficit	(209.1)	(267.9)
Net deficit payments	35.2	7.1
Actuarial movements - assets	53.5	39.9
Actuarial movements - liabilities	(142.7)	(91.1)
	(89.2)	(51.2)
Other movements (including FX)	(4.8)	(14.3)
Closing deficit	(267.9)	(326.3)
UK discount rate	2.05%	1.60%
US discount rate	3.10%	2.45%

Deficit funding history/forecast

	FY19	FY20	FY21	FY22	FY23	FY24
UK deficit per 2018 triennial valuation [1]	31.2	21.2	35.5	37.2	27.0	0.0
Other schemes	4.0	2.1	7.1	5.3	5.4	12.3
	35.2	23.3	42.6	42.5	32.4	12.3

[1] *Amounts are as currently agreed with the trustees following the 2018 triennial valuation. A new recovery plan will be agreed as part of the 2021 triennial valuation*

Shares in issue
Appendix 5

Shares in millions

	FY 2019	H1 2020
Opening	776.9	777.5
Share schemes	0.6	3.2
Closing	777.5	780.7
Average*	**773.7**	**777.0**

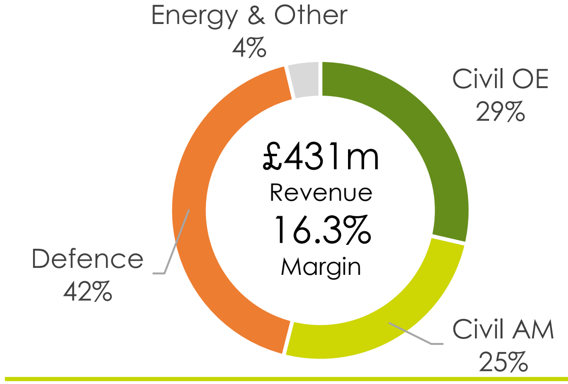
* Adjusted to exclude own shares held by employee benefit trust

MEGGiTT

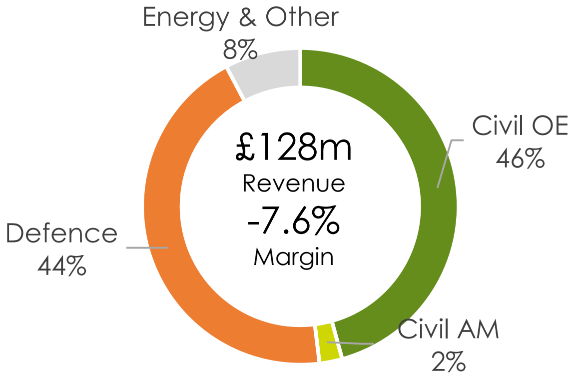
Market segment exposure: by division

Appendix 6

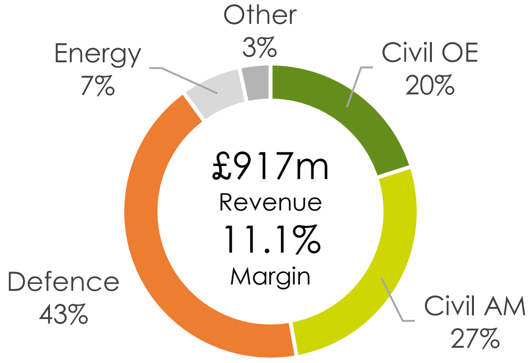
Airframe Systems



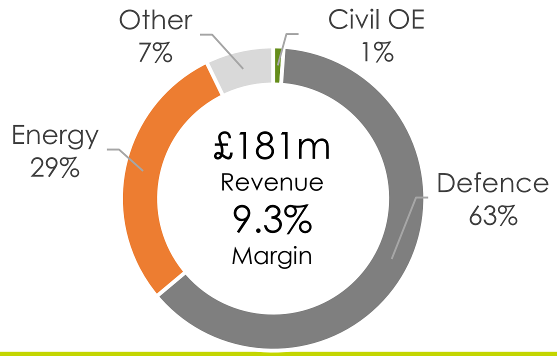
Engine Systems



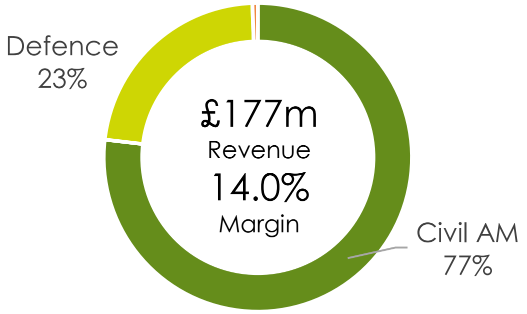
GROUP



Energy & Equipment



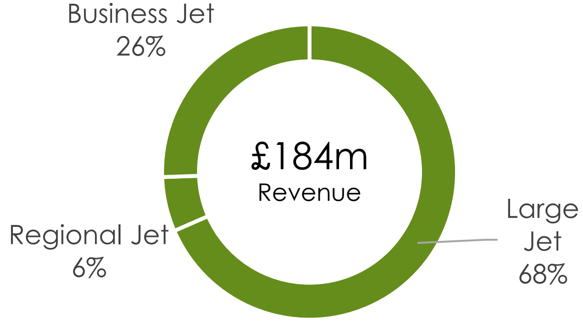
Services & Support



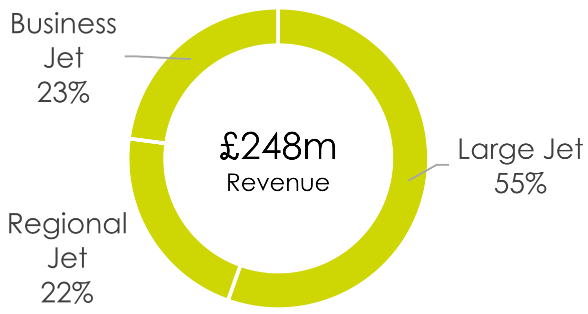
Market segment exposure: by sub-segment

Appendix 7

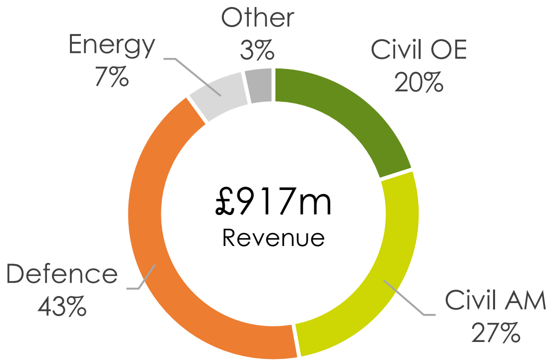
Civil OE



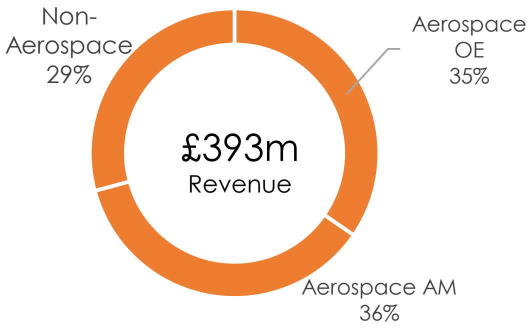
Civil aftermarket



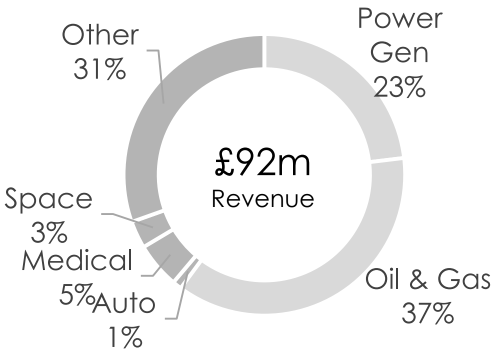
GROUP



Defence



Energy / Other



Revenue growth by quarter

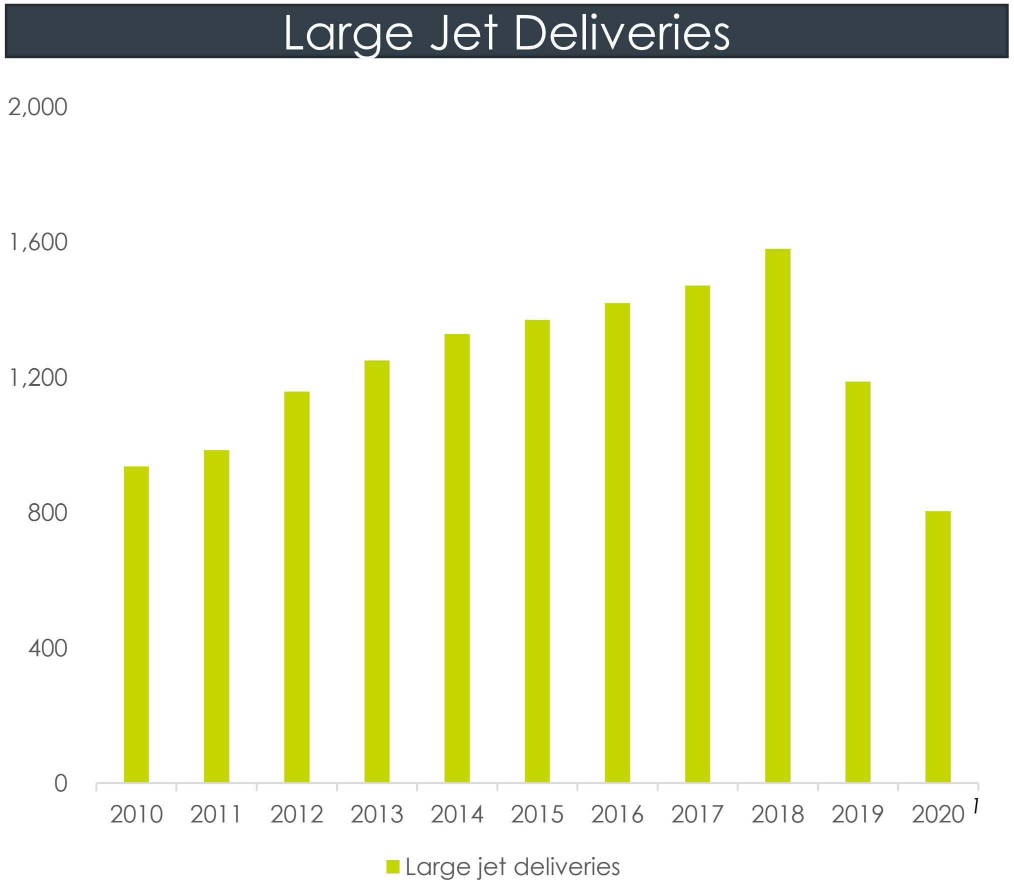
Appendix 8

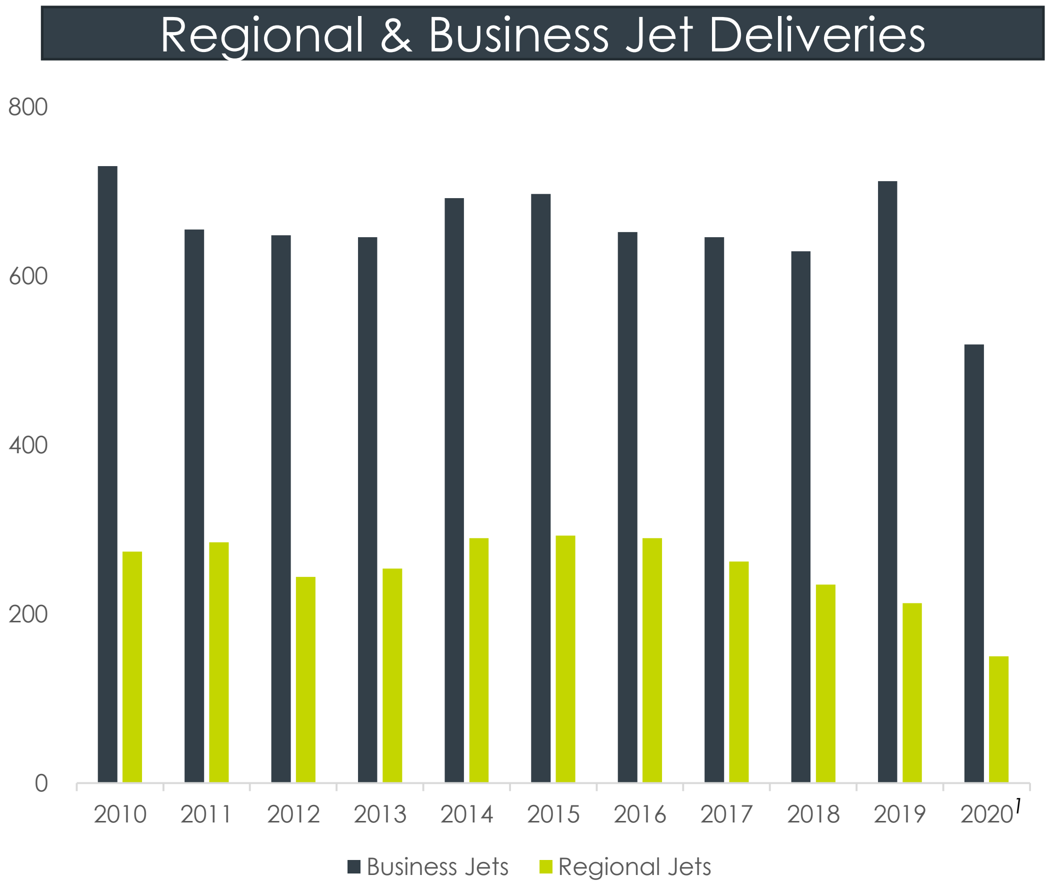
Organic Growth	Q1 2019	Q2 2019	H1 2019	Q3 2019	Q4 2019	H2 2019	FY 2019	Q1 2020	Q2 2020	H1 2020
Civil OE	8%	14%	11%	4%	4%	4%	8%	-1%	-53%	-29%
Civil Aftermarket	6%	7%	7%	4%	14%	9%	8%	2%	-47%	-25%
Defence	18%	10%	13%	20%	3%	10%	11%	19%	-3%	7%
Energy	(7)%	7%	(1)%	26%	15%	19%	10%	-3%	-8%	-6%
Group	**9%**	**9%**	**9%**	**11%**	**6%**	**8%**	**8%**	**6%**	**-30%**	**-13%**

2019 Organic revenue numbers include MTSI now divested.

Civil delivery data

Appendix 9

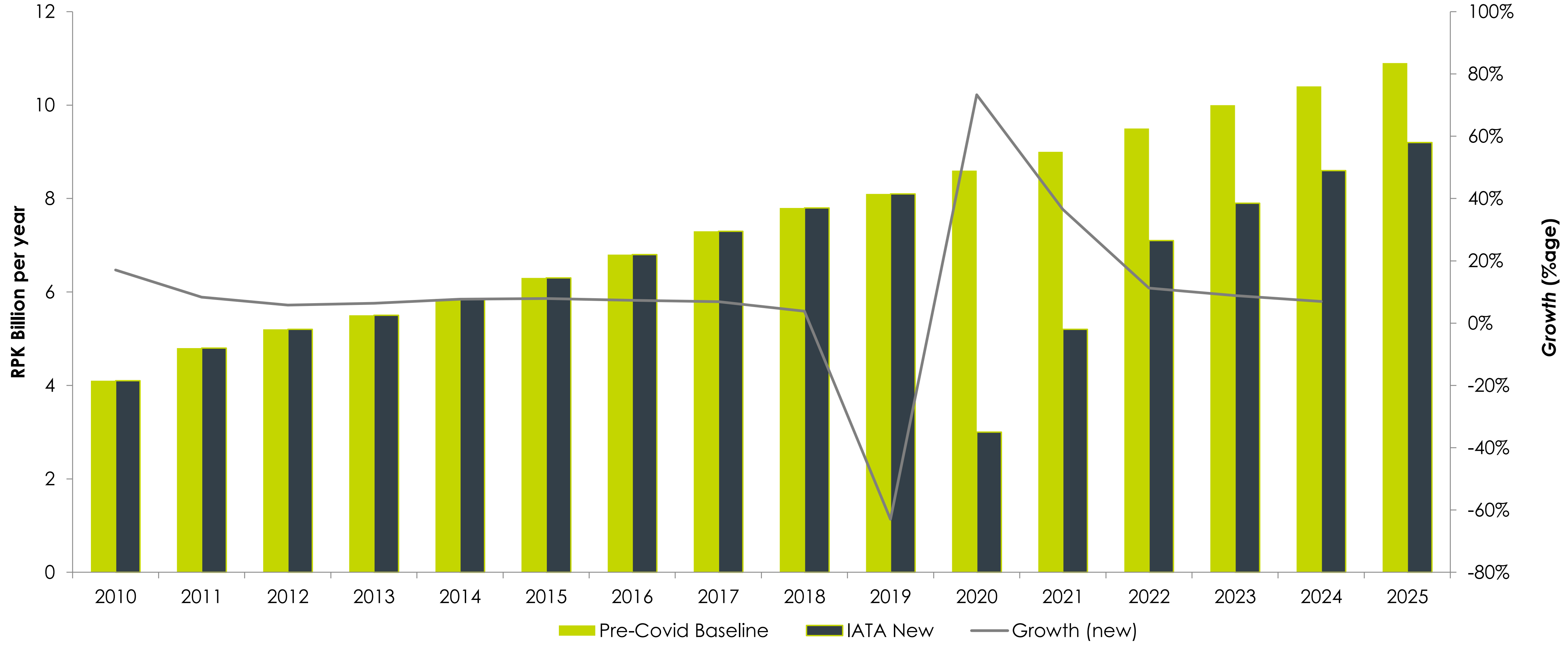




[1] *2020 deliveries YTD*

Aftermarket Data (IATA)

Appendix 10



Enabling the Extraordinary
To Fly To Power To Live

MEGGITT

For further information:

Mat Wootton
Vice President, Investor Relations
+44 (0)7833 094 069
Mathew.wootton@meggitt.com

Jessica Barrett
Investor Relations Manager
+44 (0)7464 678 019
Jessica.barrett@meggitt.com

Meggitt PLC Pilot Way, Ansty Business Park, Coventry, CV7 9JU

Registered in England and Wales (number 432989)

www.meggittinvestors.com