MEGGITT

Enabling the Extraordinary
To Fly To Power To Live

2021 FULL YEAR RESULTS

3 March 2022
presented by

Tony Wood, Chief Executive
Louisa Burdett, Chief Financial Officer

Agenda

- 2021 Highlights
- Financial results
- Investing for the future
- Recovery
- Summary and outlook

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presentation and the information contained herein are not an offer of securities for sale in the United States and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the “Securities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.

2021 HIGHLIGHTS

Tony Wood

Chief Executive

Overview of the year

Good cash performance and encouraging order intake provides momentum into 2022

- Recommended all cash offer of 800 pence per share from Parker-Hannifin approved by shareholders
- Organic revenue[1] 5% lower vs 2020 with continued sequential improvement in civil aerospace
- Civil aftermarket growth of 7%[1] for full year (+51% in H2 and +58% in Q4); encouraging order intake in final quarter with book to bill of 1.11x for full year
- Underlying operating profit 7% lower at £177m (FY 2020: £191m) with strong underlying operating margin recovery in the second half increasing 520 basis points
- Good cash performance with free cash inflow of £46m (FY 2020: inflow of £32m)
- Strong liquidity with headroom of £573m on committed facilities
- Improvement in underlying net debt:EBITDA ratio at 1.9x returning to pre-pandemic levels; interest cover of 11.3x
- Continued progress on key strategic initiatives

1: Organic figures exclude the impacts of acquisitions, disposals and foreign exchange.

Strategic highlights

Progress on all four priority areas

Strategic priority

FY 2021 Achievements

Portfolio Strategy

- Good progress on technology development and industrialisation across aerospace and energy
- Continued application and investment in ALM and digital manufacturing

Customers

- Investment in capability and capacity at our three regional aftermarket hubs
- Growing share in the aftermarket with addition of 11 SMARTSupport™ contracts

Competitiveness

- Commissioning of Ansty Park UK facility with direct customer shipments from the site
- Investment in capability across a number of sites and further footprint consolidation

Culture

- 2% increase in employee engagement vs 2020, with Group score now 4% above global high performing benchmark
- Strong focus on Diversity & Inclusion, doubling membership of Employee Resource Groups

MEGGITT

FINANCIALS

Louisa Burdett
Chief Financial Officer

MEGGITT

Income statement

Encouraging signs of recovery in second half; improvement in H2 vs H1 UOP margin of 520 basis points

Underlying[1]	**2021**	2020	Growth	
	£m	£m	Reported	Organic[2]
Orders	**1,526**	1,547	(1%)	**9%**
Revenue	**1,489**	1,684	(12%)	**(5%)**
Operating profit	**177**	191	(7%)	**(3%)**
Operating margin	**11.9%**	11.3%		
Net finance costs	**(28)**	(31)		
Profit before tax	**149**	160		
Tax	**(29)**	(31)		
Tax rate	**19.3%**	19.7%		
Profit for the year	**121**	128	(5%)	
Earnings per share	**15.4p**	16.5p		

Includes strong order growth in civil aerospace: +58% for full year and +117% in H2 vs H2 2020

Group performance reflects soft defence and headwinds from second year of COVID-19 and supply chain disruption

Reported numbers reflect impact of stronger sterling and disposals

520 basis point increase in UOP margin between H1 (9.1%) and H2 (14.3%)

Currency translation benefits and lower levels of bank debt

1: A full reconciliation from underlying to statutory figures is provided in notes 5 and 10 of the preliminary results announcement.
2: Organic figures exclude the impacts of acquisitions, disposals and foreign exchange.

MEGGITT

Revenue by end market

Recovery in civil aftermarket and growth in Energy; softer defence

Organic revenue growth % vs 2020

	Q1	Q2	Q3	Q4	H1	H2	FY21
Civil OE	(46)	3	10	26	(28)	17	(10)
Civil AM	(46)	10	44	58	(24)	51	7
Defence	(10)	(7)	(12)	(16)	(9)	(14)	(11)
Energy	0	7	(3)	20	4	8	6
Group	**(29)**	**0**	**5**	**12**	**(16)**	**8**	**(5)**

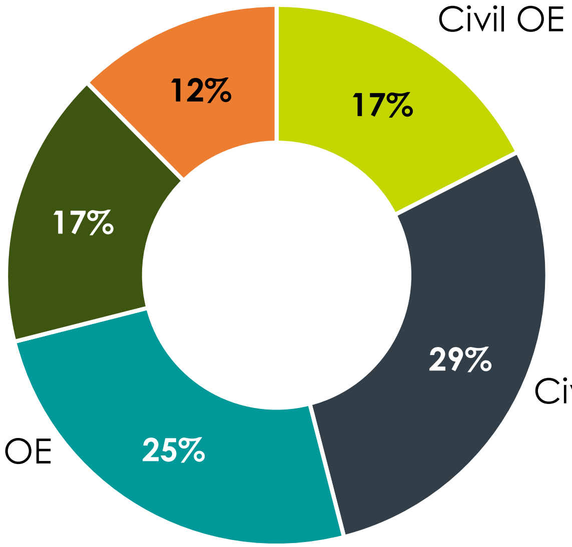
FY 2021 Revenue Growth

	Reported %	Organic %
Civil OE	(15)	(10)
Civil AM	1	7
Total civil	*(6)*	*0*
Defence	(19)	(11)
Energy	3	6
Other	(16)	(8)
Total Group	**(12)**	**(5)**

Civil OE organic (10): LJ (13)%, RJ (7)%, Biz (4)%

Civil AM organic 7: LJ 1%, RJ 6%, Biz 21%

FY 2021 Revenue by market (Reported)



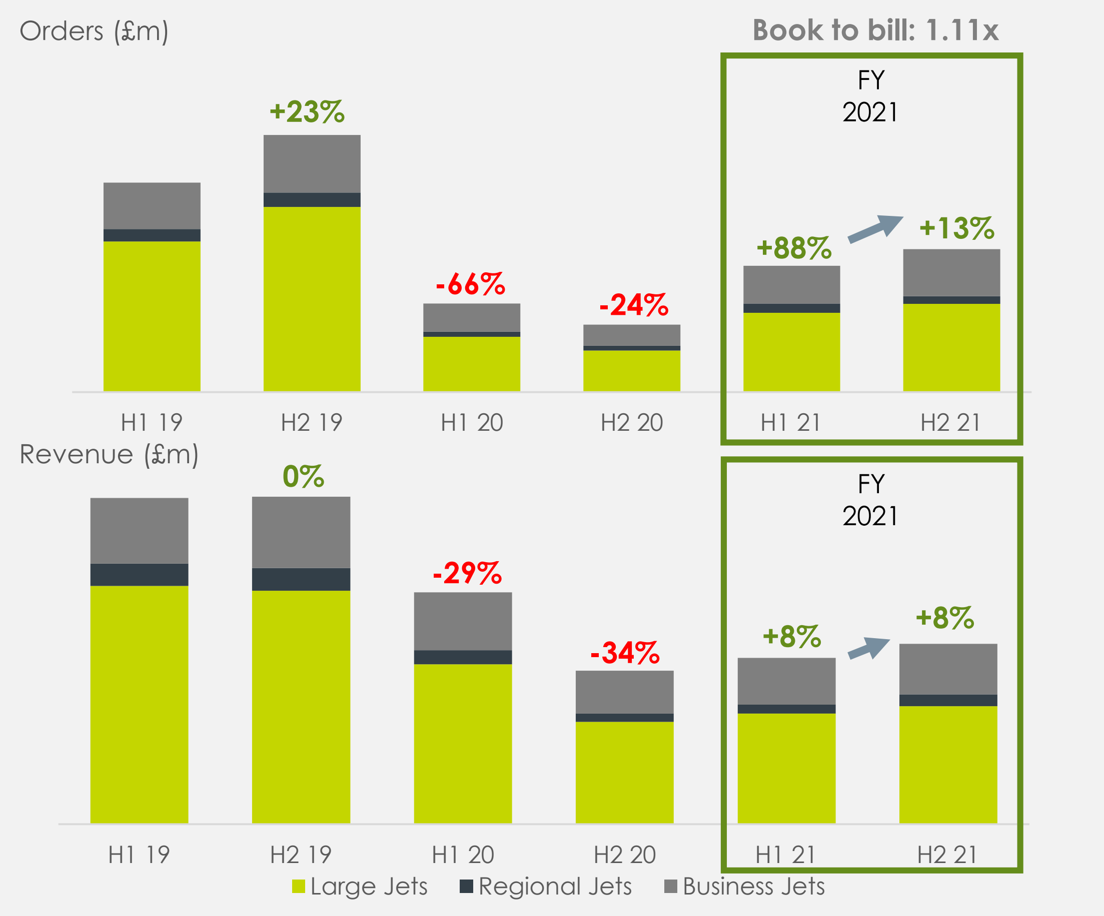
OE: 54% Aftermarket: 46%

MEGGITT

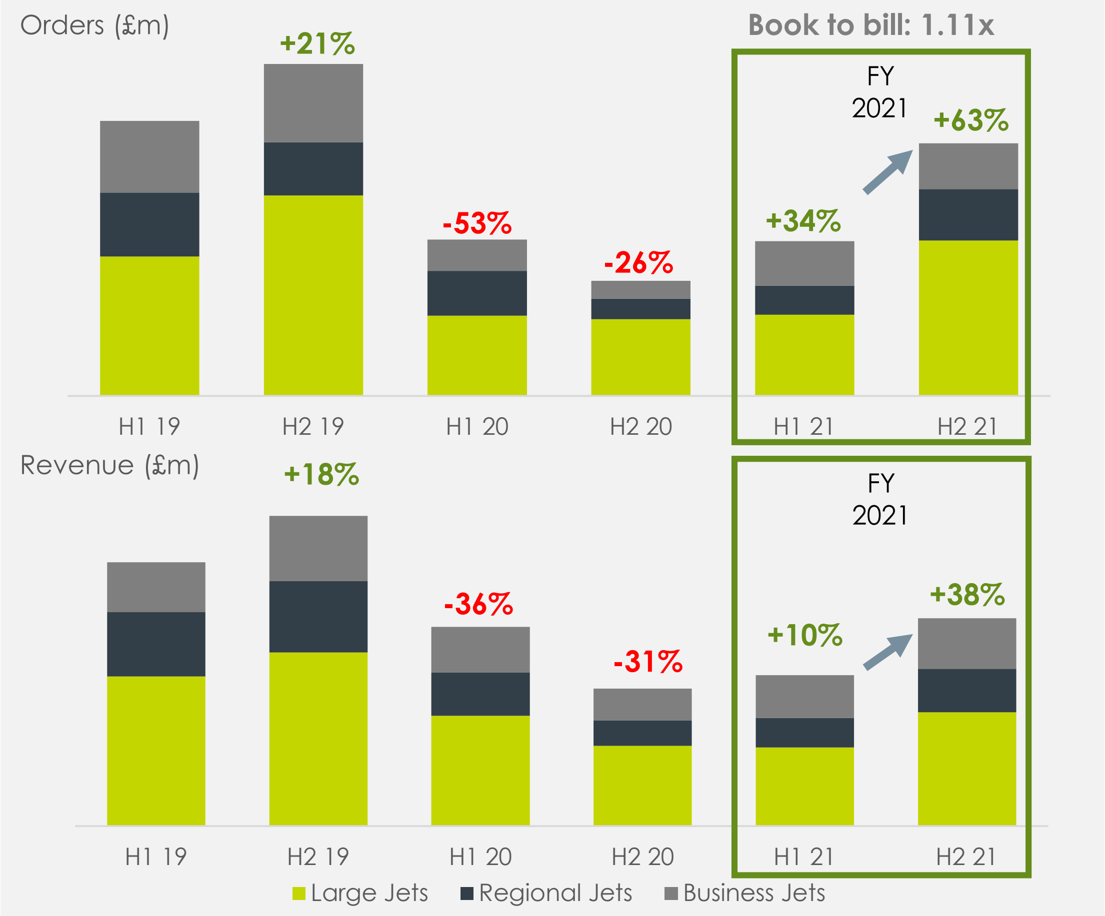
Orders and revenue trends in civil aerospace

Strong sequential improvement in both orders and revenue particularly in the civil aftermarket

Civil OE



Civil AM



1: All growth figures are on an organic basis

MEGGITT

Divisional performance

Strong brakes aftermarket and growth in energy more than offset by defence

Organic revenue growth year on year %	H1	H2
Airframe Systems	(15)	12
Engine Systems	(27)	10
Energy & Equipment	4	(4)
Services & Support	(27)	10
Group	**(16)**	**8**

Underlying	**Revenue**		**Operating profit**	**Operating margin**	
		Organic Growth		FY 21	*FY 20*
	£m	%	**£m**	%	%
Airframe Systems	737	(3)	120	*16.3*	*15.2*
Engine Systems	208	(10)	(17)	*(7.9)*	*(6.4)*
Energy & Equipment	271	0	42	*15.6*	*14.4*
Services & Support	274	(11)	32	*11.5*	*12.7*
Total	**1,489**	**(5)**	**177**	***11.9***	***11.3***

- **Airframes**: good revenue growth in civil aftermarket (+20%), offset by lower OE volume (lower wide body demand) and defence
- **Engines**: loss primarily driven by lower defence revenue in Engine Composites and COVID/supplier disruption in first half; civil revenue in Engine Composites flat
- **Energy & Equipment**: good performance in energy and other markets with revenue growth of 9% in both, offset by lower defence
- **Services & Support**: recovery in civil aerospace aftermarket in second half more than offset by lower orders from the US Defense Logistics Agency in defence

MEGGITT

Free cash flow

Another year of positive free cash flow

£m	2021	2020
Underlying EBITDA	**291**	**297**
Working capital movement	(49)	8
Capex	(70)	(90)
Capitalised R&D/PPC	(29)	(43)
Proceeds from disposal of PP&E/lease premium	37	5
Underlying operating cash flow	**180**	**177**
Pension deficit payments	(42)	(22)
Operating exceptionals	(26)	(49)
Net interest paid	(28)	(32)
Tax paid	(38)	(42)
Free cash flow	**46**	**32**

- Investment in **working capital** as we responded to the recovery in civil volumes and prioritised our supply chain
- Lower **capital expenditure** reflects re-phasing of proportion of carbon expansion into 2022 and mix between opex and capex
- **Proceeds from disposals of PPE** reflects sale and leaseback transactions as part of our ongoing footprint optimisation programme
- **Pension** payments in line with revised payment schedule with some payments deferred from 2020
- **Cash Tax** includes expected payment of £18m in relation to UK CFC regime; overall payment lower than expected due to geographic mix of profits
- Positive impact on net debt from **free cash inflow** before impact of **forex** and **leases**

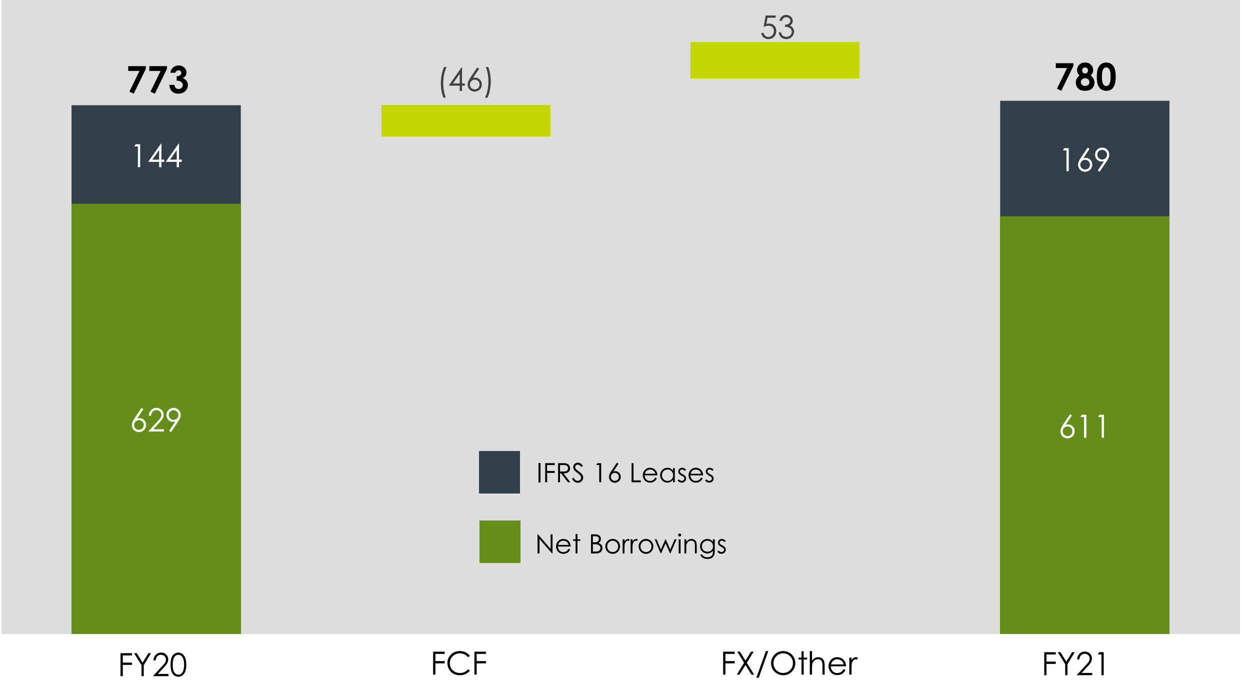
MEGGITT

Balance sheet and liquidity

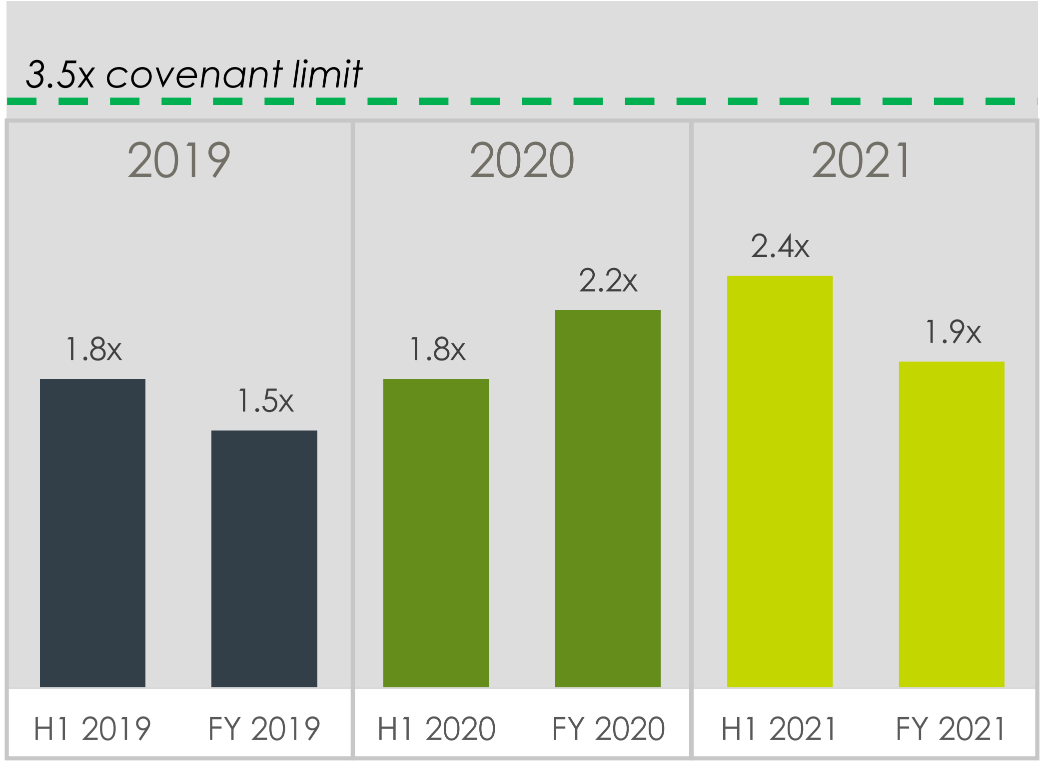
Net debt:EBITDA ratio returning to pre-pandemic levels

	Covenant	FY 2021	FY 2020
Net debt:EBITDA	≤3.5x	1.9x	2.2x
Interest cover	≥3.0x	11.3x	9.8x
Headroom		£573m	£908m

Net debt £m



Net debt:EBITDA ratio



CONTINUED STEWARDSHIP OF THE GROUP IN A SECOND YEAR OF COVID

MEGGITT

INVESTING FOR THE FUTURE

Tony Wood

Chief Executive

MEGGITT

Investing in differentiated technology

Enabling the transition to net zero aviation and cleaner energy

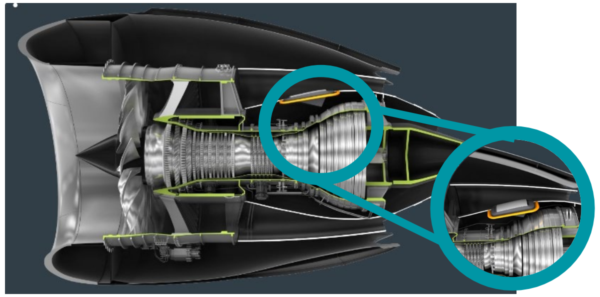
70%+ of revenue from **sole-source** positions

Leading market positions across our **product portfolio**

Strong **intellectual property** comprising **~375 active patents**

Over **two thirds** of **innovation budget** on **sustainable technologies**

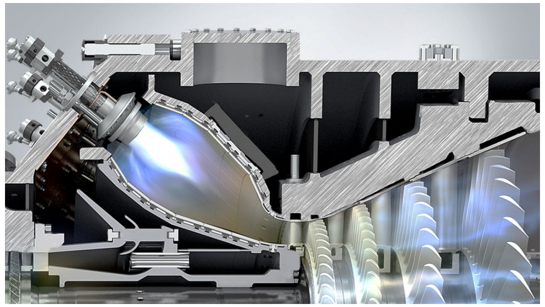
Leading technologies and **aerospace derived innovation** in **Energy**



More efficient aircraft and engines

Net zero energy

Next generation propulsion



Optical Sensing

CONTINUED PROGRESS ON SUSTAINABLE TECHNOLOGY DEVELOPMENT

MEGGITT

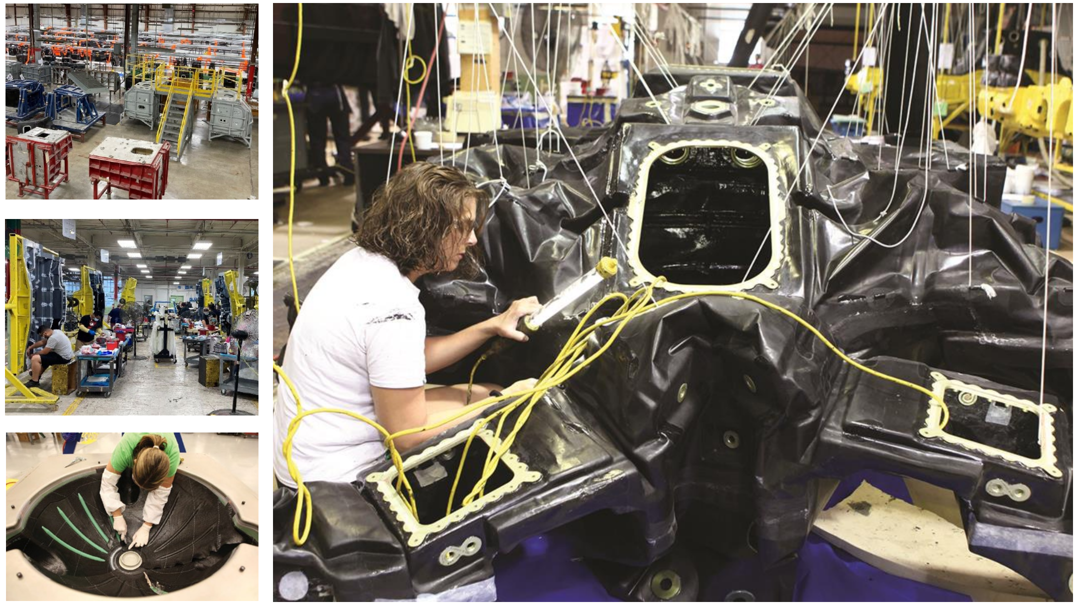
Ansty Park

State of the art UK engineering and advanced manufacturing centre of excellence

- Our largest ever infrastructure investment
- 5 UK sites consolidated
- Facility of 500,000 square feet
- Over 1,700 pieces of equipment installed
- Over 1,000 employees transitioned
- 2GW/hrs electricity generated in 2021 from one of the largest solar roofs in the UK

Global manufacturing investment

Continued investment to enhance our manufacturing footprint



Rockmart, USA – Fuel cells
Significant investment in automation, lean production, testing capability and efficiency

Saltillo, Mexico – Engine Composites
Manufacturing and process efficiency driving significant improvement in yields

BUILDING CAPACITY, CAPABILITY AND EFFICIENCY ACROSS OUR SITES

MEGGiTT

People, Planet, Technology

Embedding ESG across the Group

PEOPLE

#10000 BLACK INTERNS

SOCIAL MOBILITY BUSINESS PARTNERSHIP smbp

76%
Engagement score in 2021

1,000+
members of Employee Resource Groups

PLANET

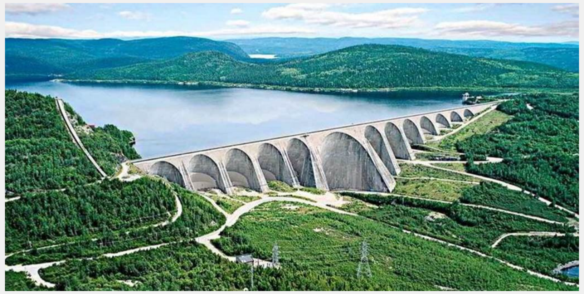
RACE TO ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

50%
reduction in green house gas emissions by 2025

100%
of electricity sourced from green suppliers in UK, Denmark and Switzerland

TECHNOLOGY



Innovation spend on sustainable aviation & low carbon energy

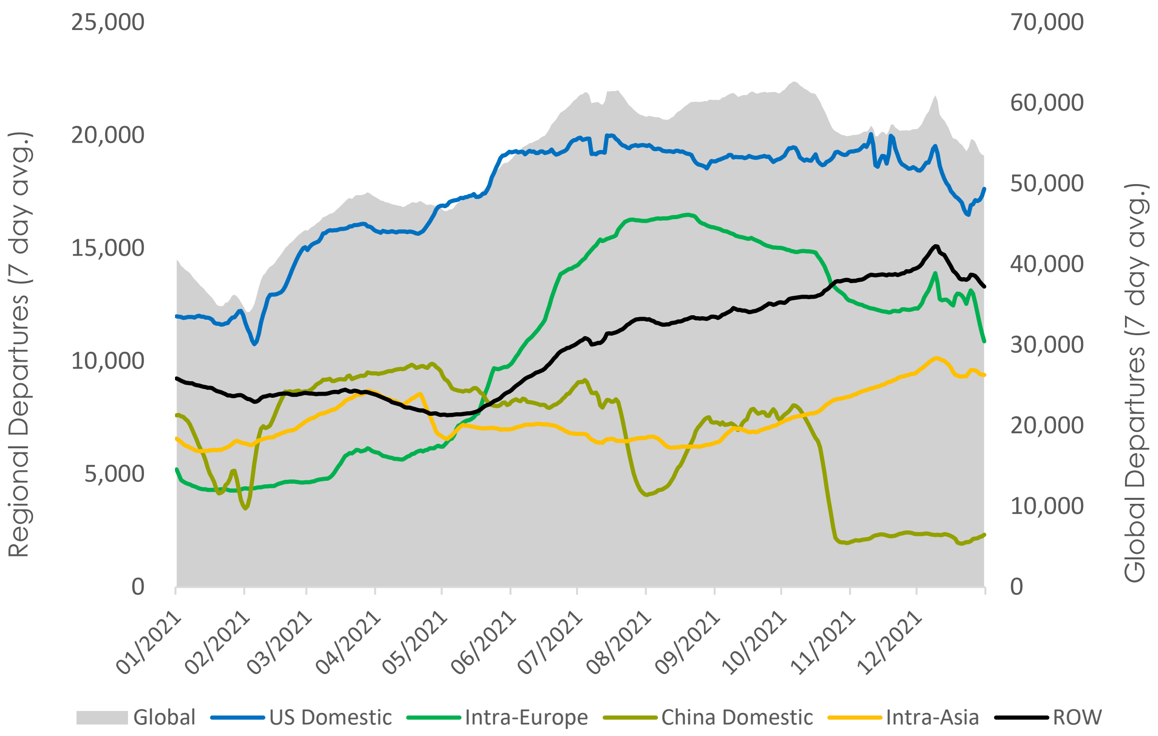
MEGGITT

WELL PLACED FOR THE RECOVERY

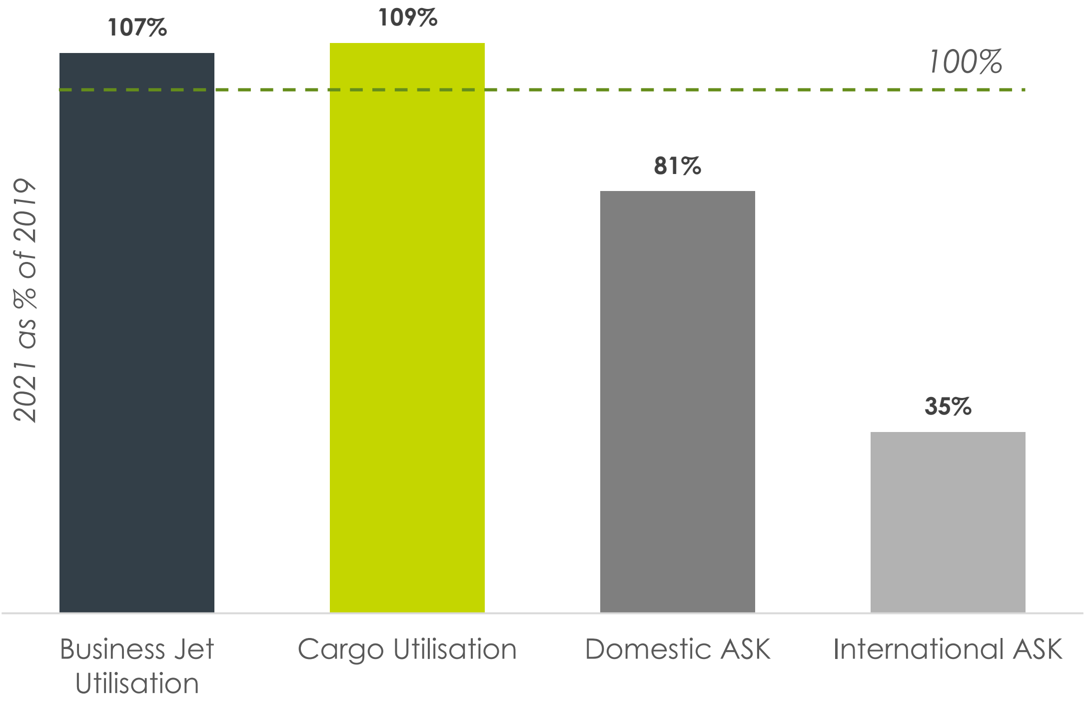
Civil aerospace recovery is underway

Significant variations regionally and between platform categories

Significant regional variations in recovery



Business jets, cargo and domestic leading the way



RECOVERY UNDERWAY; LIKELY TO REMAIN NON-LINEAR IN SHORT TERM

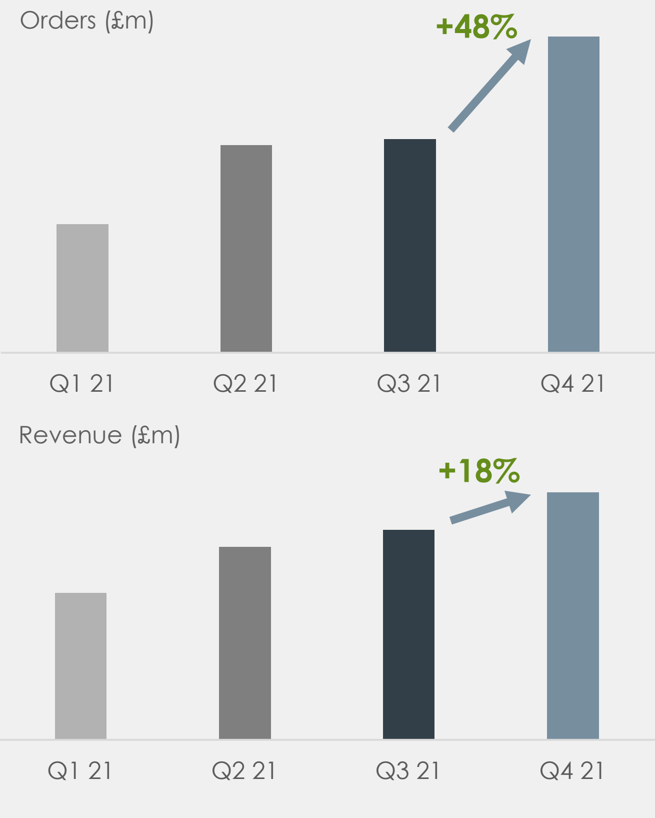
1: Utilisation is defined as average daily flight activity for the full year (as opposed to average daily flight activity for one particular month or total flights for the full year)

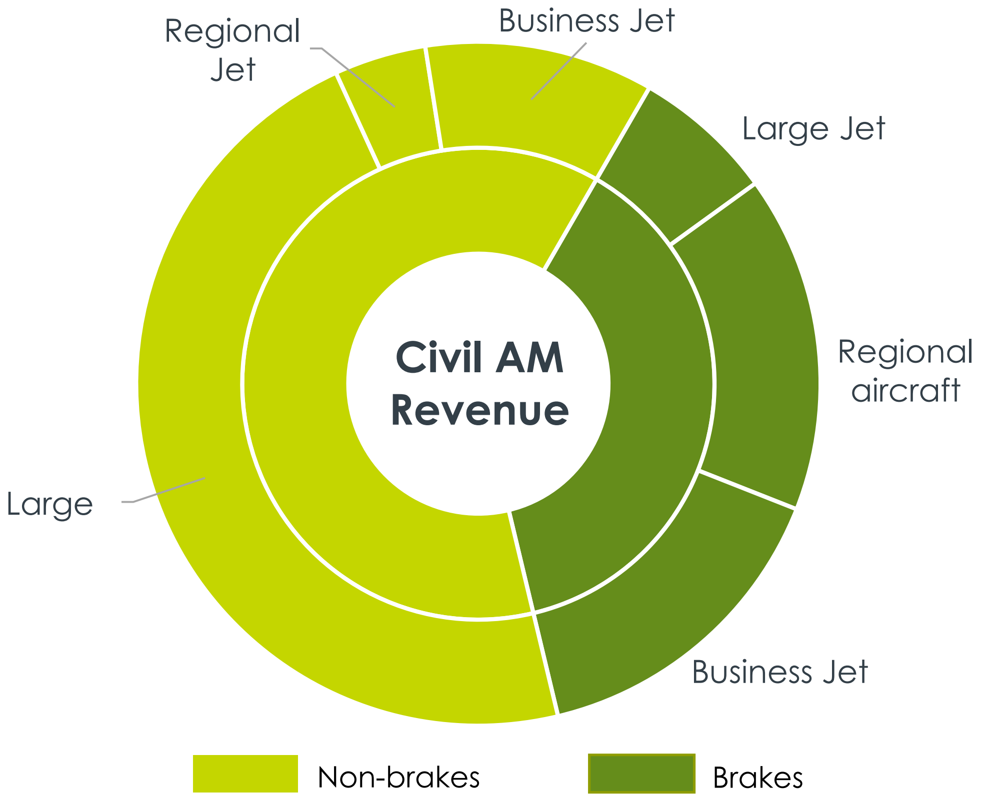
MEGGITT

Group civil aftermarket

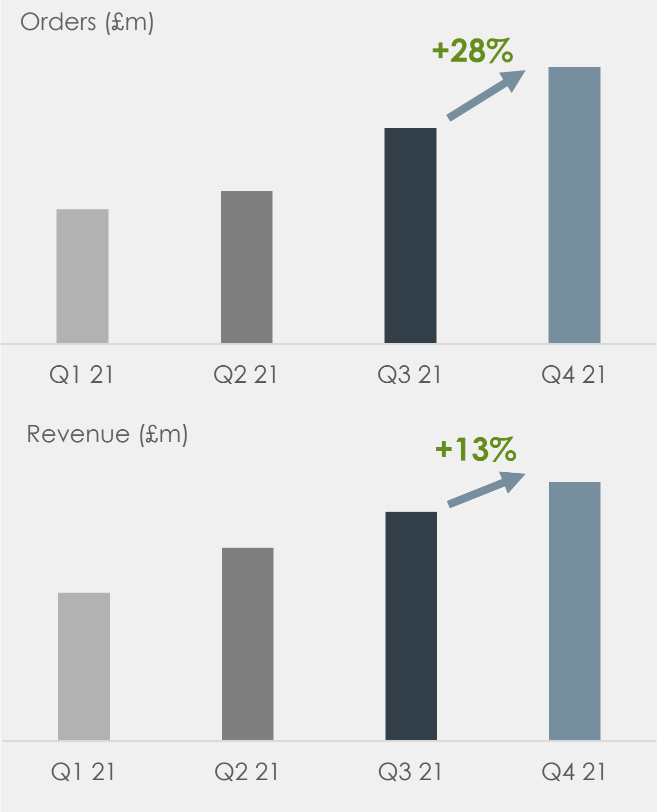
Good order intake in final quarter, with brakes aftermarket revenue up 22% for the full year

Aftermarket (excl. brakes)





Brakes aftermarket



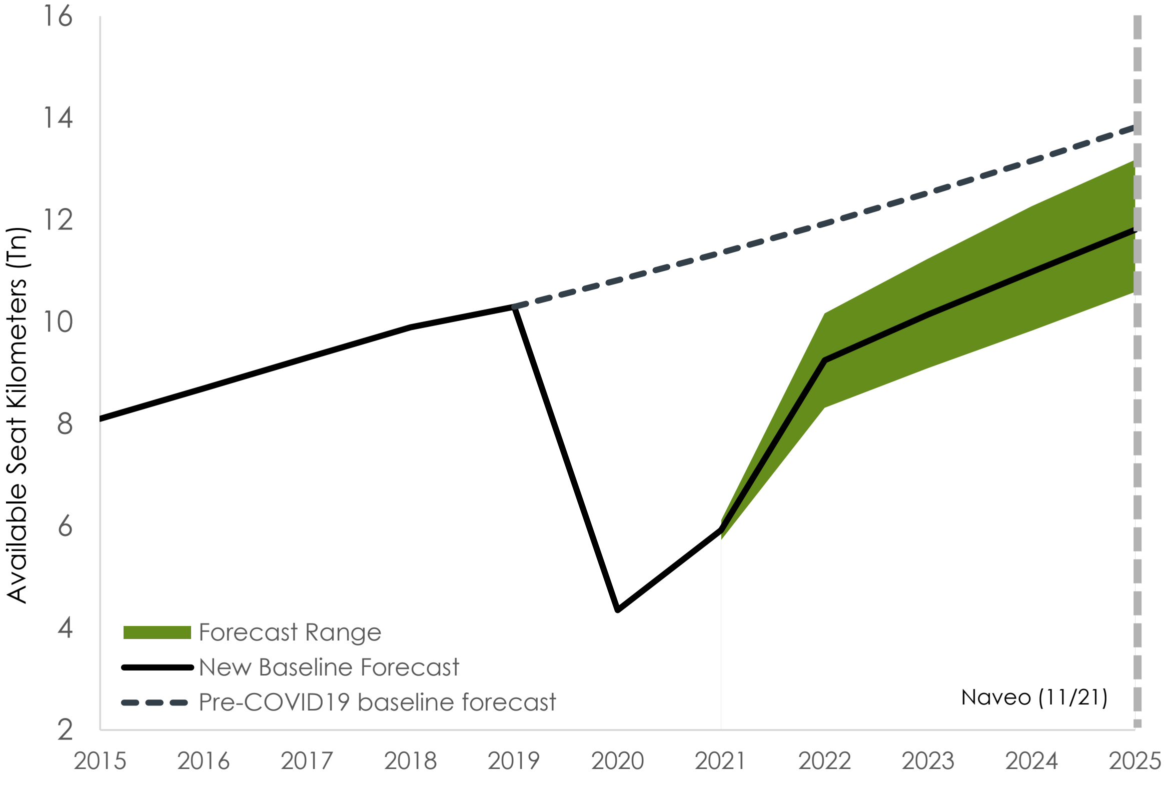
ENCOURAGING ORDER INTAKE IN Q4 PROVIDES POSITIVE MOMENTUM

MEGGITT

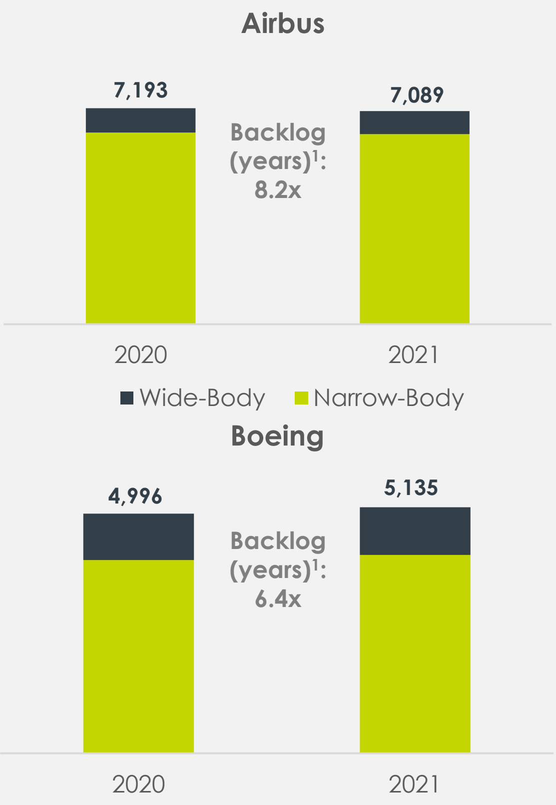
Medium-term outlook for civil aerospace

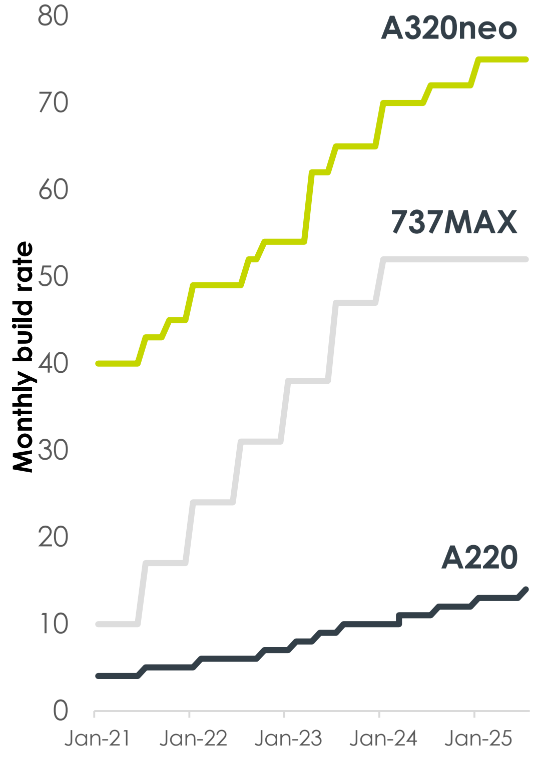
Significant pent up demand to fly and backlog for new aircraft remains strong

ASKs recover to 2019 levels in 2023 / 2024



Healthy OEM backlog build rates ramping





OUTLOOK FOR CIVIL AEROSPACE REMAINS POSITIVE

1: Backlog (years) defined as the number of years to clear 2021 backlog, at a rate of peak deliveries for Airbus and Boeing (in 2018 and 2019 respectively)

MEGGITT

Summary & Outlook

The future prospects for the Group are encouraging

- Thank you to our global teams for their resilience and dedication
- Maintained focus on delivering for our customers and executing our strategy
- Delivered another good cash performance and strong H2 margin improvement
- Encouraging order intake in the second half provides positive momentum into 2022
- The continued recovery and strong fundamentals underpin confidence in the outlook and future prospects for the Group
- Since the Group is in an offer period under the UK Takeover Code, we are not providing financial guidance for 2022, nor are we able to comment on expected performance relative to any analyst forecasts that may be available

Appendices

MEGGITT

Currency impact

Appendix 1

	FY 2020	FY 2021
$/£ rate		
Translation rate	1.29	**1.36**
Transaction rate (hedged)	1.38	**1.36**
Euro rate		
€/£ Translation rate	1.14	**1.17**
$/€ Transaction rate (hedged)	1.15	**1.16**
CHF rate		
CHF/£ Translation rate	1.22	**1.26**
$/CHF Transaction rate (hedged)	1.08	**1.13**
PBT impact £m		
Year-on-year translation		**(6.5)**
Year-on-year transaction		**(2.3)**
Year-on-year currency headwind		**(8.8)**

The sensitivity of full-year revenue and underlying PBT to exchange rate translation movements against sterling, when compared to the 2021 average rates is shown below.

± 10 US$ cents = ± £75m Revenue; ±7m PBT
± 10 Euro cents = ± £7m Revenue; ± 1m PBT
± 10 Swiss cents = ± £6m Revenue; ± 2m PBT

MEGGITT

Operating exceptionals

Appendix 2

£m	FY 2020 £m at $1.29	FY 2021 £m at $1.36
P&L charge		
Asset impairments/write-downs	374.2	(3.8)
Covid-19 costs net of income	22.0	3.8
Site consolidations	33.5	14.7
Environmental clean-up costs	-	29.5
Business restructuring and other items	(1.0)	(1.0)
Total	**428.7**	**43.2**
Cash out		
Covid-19 costs net of income	18.9	3.3
Site consolidations	31.6	22.6
Business restructuring costs	(1.2)	-
Total	**49.3**	**25.9**

MEGGITT

Cash drivers

Appendix 3

£m	FY 2021 at $1.36
1. R&D	
Group spend	**70.7**
Less: Charged to cost of sales / WIP	(14.5)
Less: Capitalisation	(27.6)
Add: Amortisation / Impairment	35.6
Charge to net operating costs	**64.2**
2. Fixed assets	
Capital expenditure	69.7
Depreciation/amortisation	76.9
3. Retirement benefit deficit payments	42.1
4. Free of charge costs	
Expensed	49.2

MEGGITT

Retirement benefit obligations

Appendix 4

£m	**FY 2020**	**FY 2021**
Opening deficit	(267.9)	**(295.4)**
Net deficit payments	21.7	**42.1**
Actuarial movements - assets	93.5	**47.4**
Actuarial movements - liabilities	(136.1)	**68.0**
	(42.6)	**115.4**
Other movements (including FX)	(6.6)	**1.5**
Closing deficit	(295.4)	**(136.4)**
UK discount rate	1.4%	**1.8%**
US discount rate	2.3%	**2.8%**

Shares in issue

Appendix 5

Share in millions

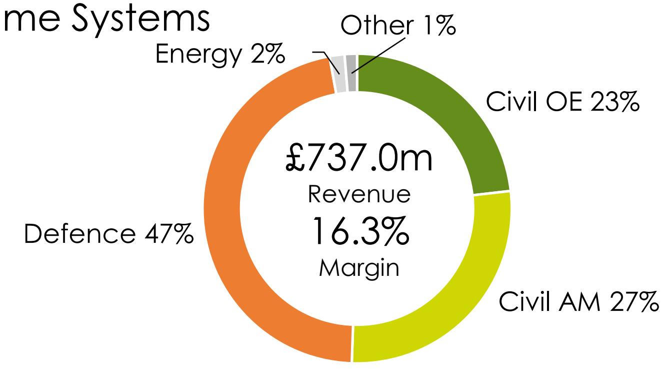
	FY 2020	FY 2021
Opening	777.5	**781.2**
Share schemes	3.7	**0.8**
Closing	781.2	**782.0**
Average[1]	**777.8**	**780.2**

[1] Adjusted to exclude own shares

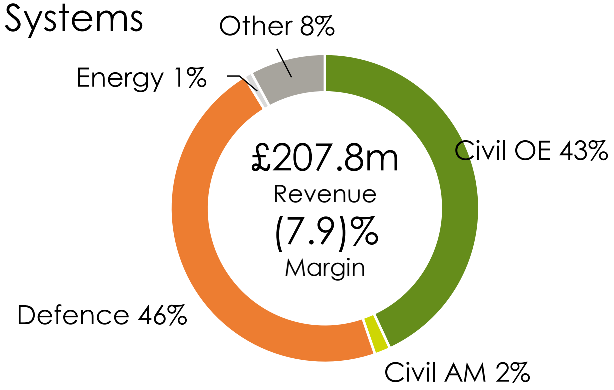
Market segment exposures by division

Appendix 6

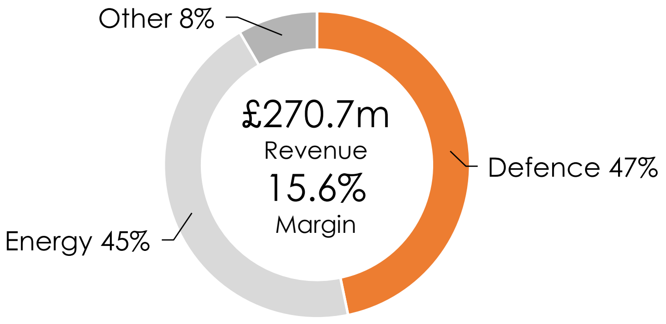
Airframe Systems



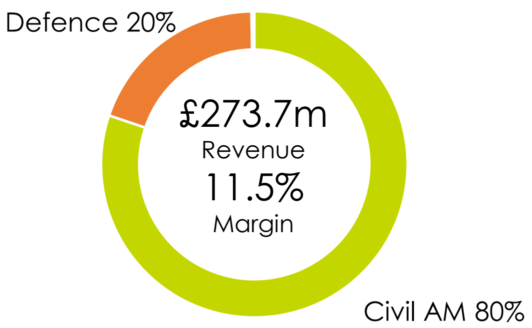
Engine Systems



Energy & Equipment



Services & Support



LEGEND

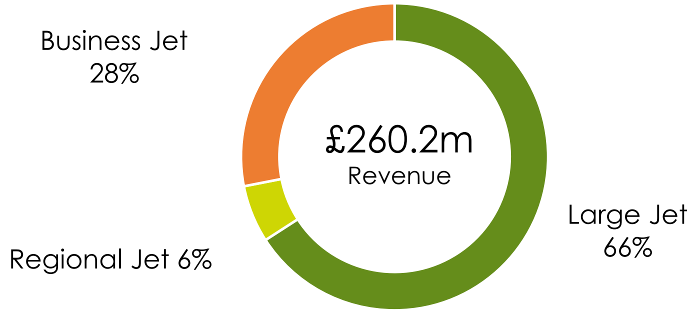
- Civil OE
- Civil AM
- Defence
- Energy
- Other

MEGGITT

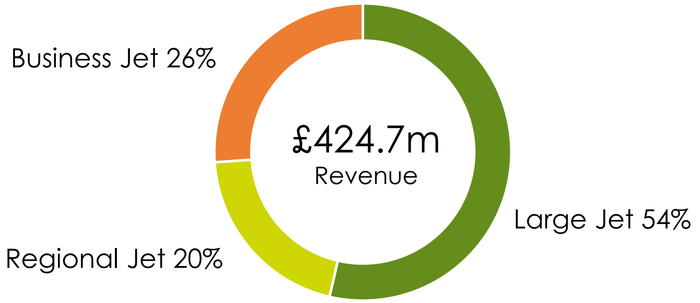
Market segment exposures by end market

Appendix 7

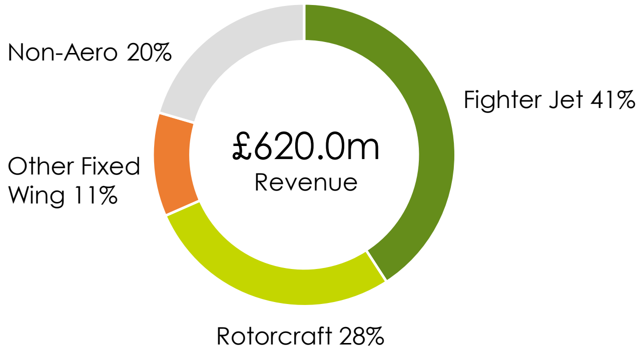
Civil OE



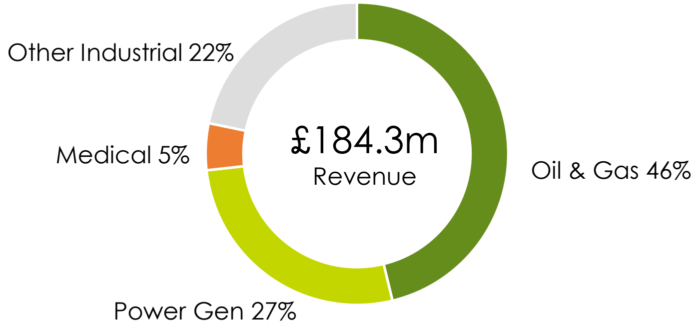
Civil AM



Defence



Energy & other



MEGGITT

Revenue growth by quarter

Appendix 8

Organic Growth	Q1 2021	Q2 2021	H1 2021	Q3 2021	Q4 2021	H2 2021	FY 2021
Civil OE	(45.6)%	3.1 %	(28.2)%	9.8 %	25.9 %	17.4 %	(10.0)%
Civil Aftermarket	(46.2)%	10.4 %	(24.2)%	43.9 %	57.7 %	51.0 %	6.6 %
Defence	(9.8)%	(7.2)%	(8.5)%	(11.8)%	(15.5)%	(13.7)%	(11.2)%
Energy	0.4 %	7.2 %	3.8 %	(3.4)%	20.1 %	8.3 %	6.2 %
Other	(7.2)%	(15.1)%	(11.3)%	(12.6)%	2.1 %	(4.9)%	(8.4)%
Group	**(28.8)%**	**(0.3)%**	**(16.3)%**	**4.7 %**	**11.6 %**	**8.1 %**	**(4.9)%**

Enabling the Extraordinary
To Fly To Power To Live

For further information:

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

Vikas Gujadhur
Investor Relations Manager
+44 (0)7880 381 569
vikas.gujadhur@meggitt.com

Meggitt PLC Pilot Way, Ansty Business Park, Coventry, CV7 9JU Registered in England and Wales (number 432989)

www.meggitt.com/investors