

A large, abstract graphic in the background of the slide. It features a central circular area with a white, stylized spiral or eye-like shape. This central area is surrounded by a dark, textured field of radiating lines. To the right, several white, curved lines extend outwards, resembling the structure of an aircraft wing or a turbine.

Tom Gibbons

Agenda

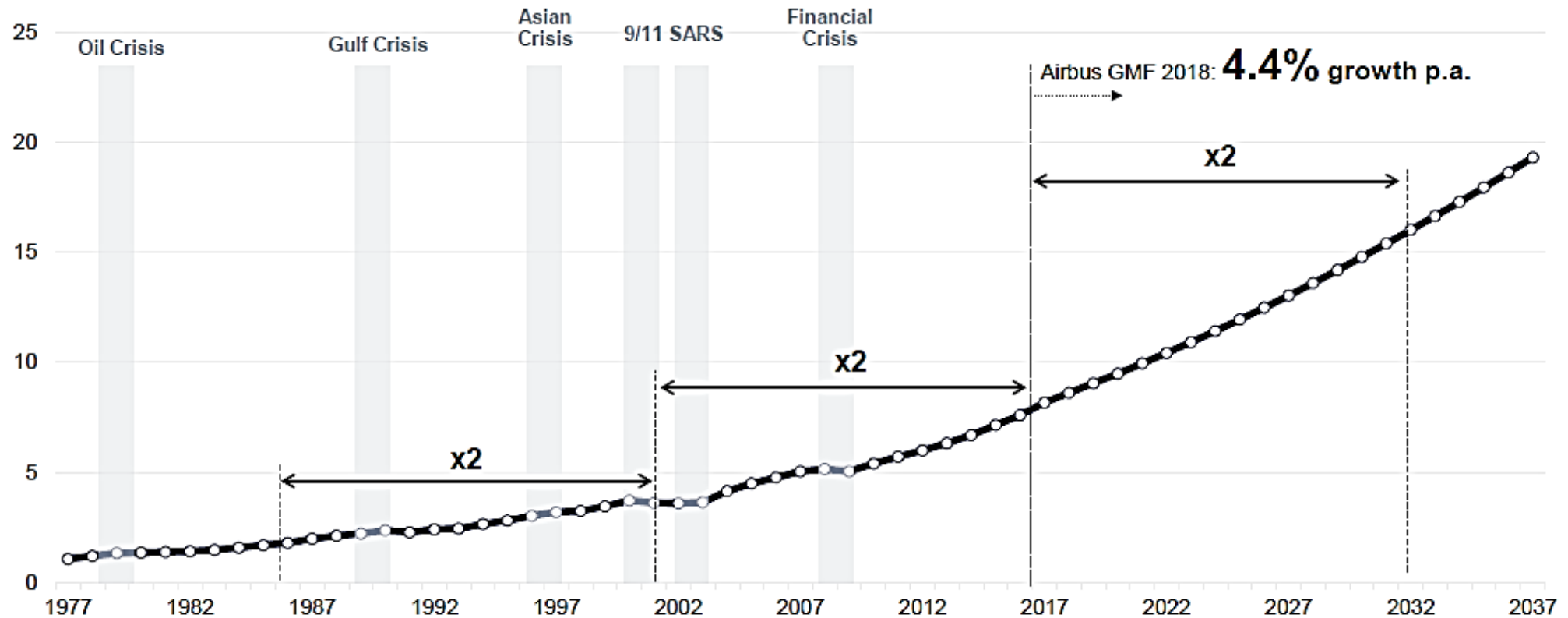


- Aerospace Market Trends
- What is the “Engine Super Cycle”?
- Bodycote Civil Aviation Impact
- Market Expansion

Passenger revenue kilometres

Traffic has proven to be resilient to external shocks and doubles every 15 years

World annual traffic (trillion RPKs)



Source: ICAO, Airbus GMF 2018

What is the “Engine Super Cycle”?

The super cycle is used to describe a unique, simultaneous launch and production ramp up of five jet engines

GE9X



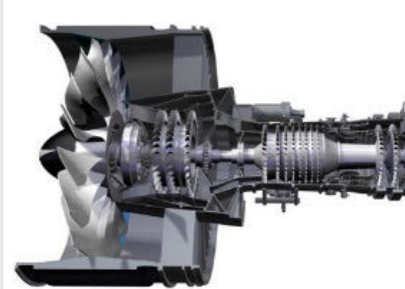
LEAP



RR-Trent XWB



PW1000



Trent 1000



Commercial aircraft



CFM LEAP & PW1000

A320NEO



RR Trent XWB

A350



PW1000

Embraer E190



CFM LEAP

B737 MAX



GE 9X

B777X



PW1000

Airbus A220



CFM LEAP

C919



RR Trent 1000

B787



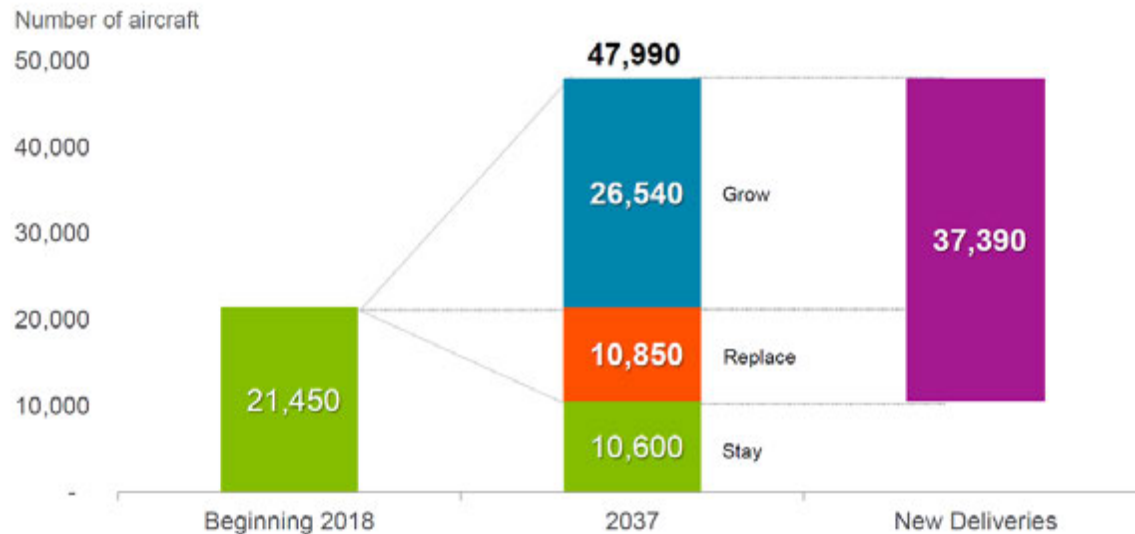
PW1000

Mitsubishi RJ

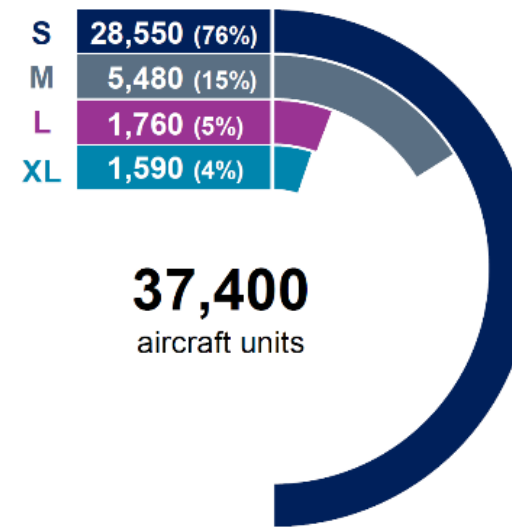
Commercial aircraft continued expansion

- Airbus and Boeing dominate the commercial market
- Projected total > 37,000 new deliveries

The world fleet will more than double over the next 20 years



Around 37,400 aircraft will be required over the next 20 years (2018 – 2037 new deliveries)



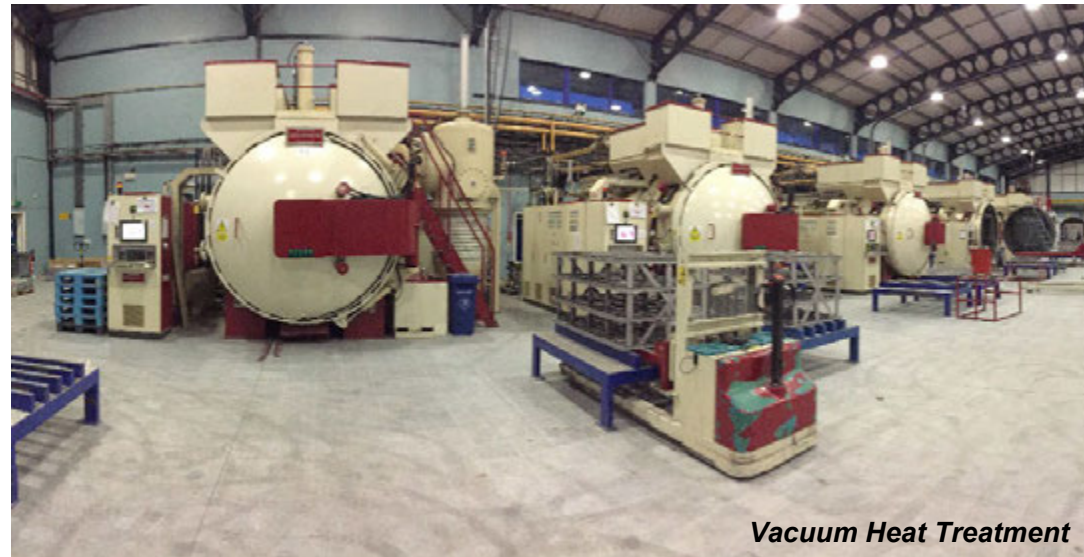
A variety of applications



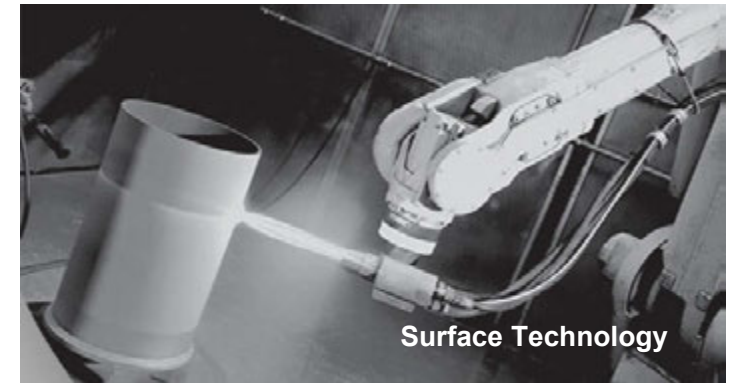
Services provided by Bodycote



HIP Services



Vacuum Heat Treatment



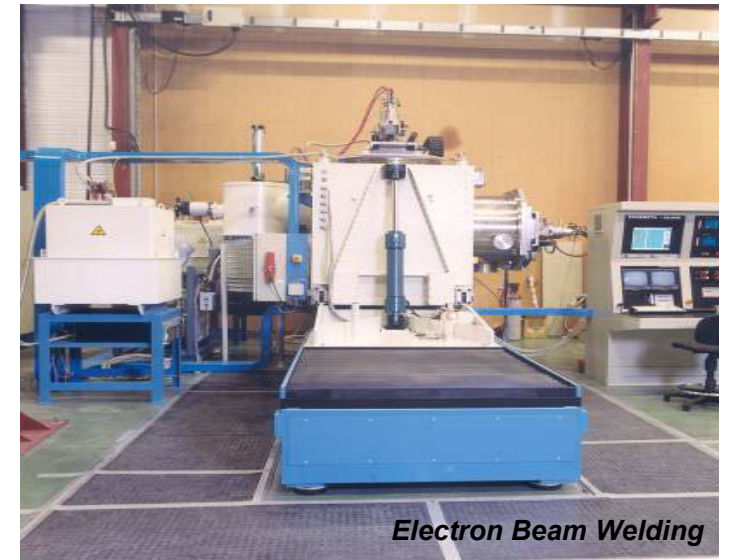
Surface Technology



Powdermet®



Brazing



Electron Beam Welding

Bodycote Long-Term Agreements (LTA)



Some examples of our long-term agreements in place are:

- Rolls-Royce: Trent & XWB
- Precision Castparts Corp: LEAP, GE9X, RR Trent, & XWB
- GE Aviation: LEAP
- Paradigm Precision: LEAP
- MB Aerospace: GE9X
- Safran Landing Gear (SLS): A350 & B787
- Figeac Aerospace: A350

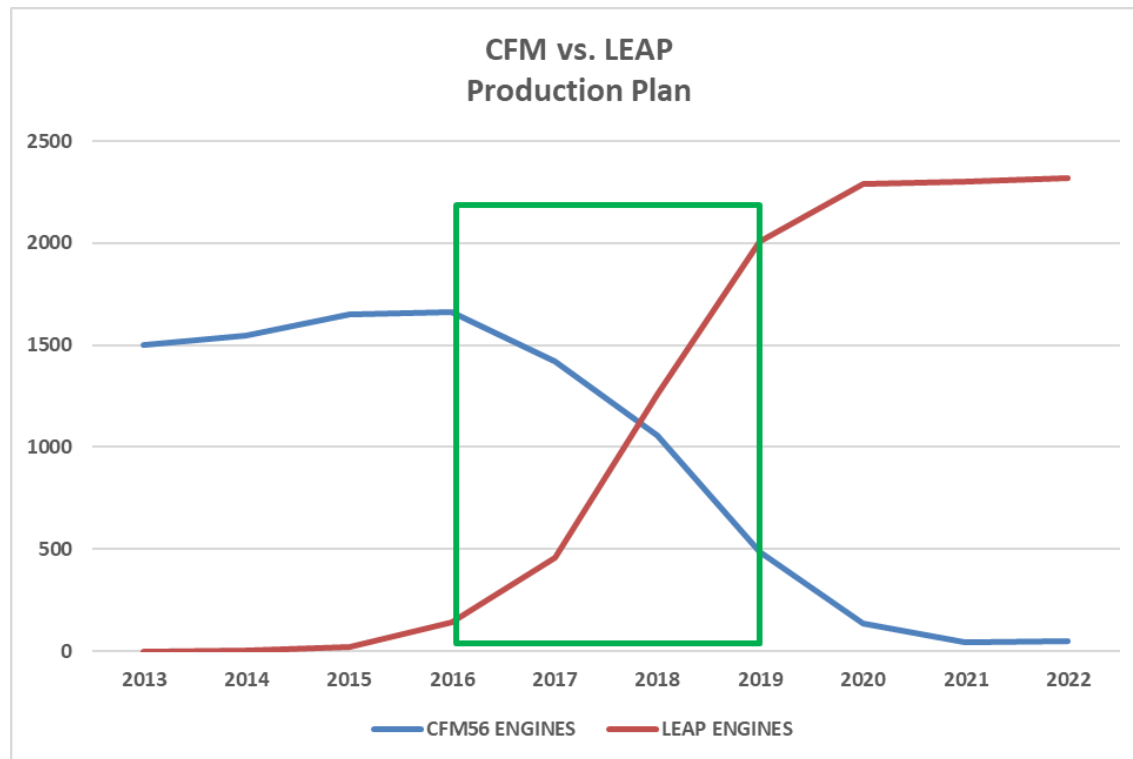
Incremental sales from LTAs over the next 15 years worth well over £750m

Revenue per Engine Expansion

CFM56 vs. LEAP



Projected CFM engine production for new planes

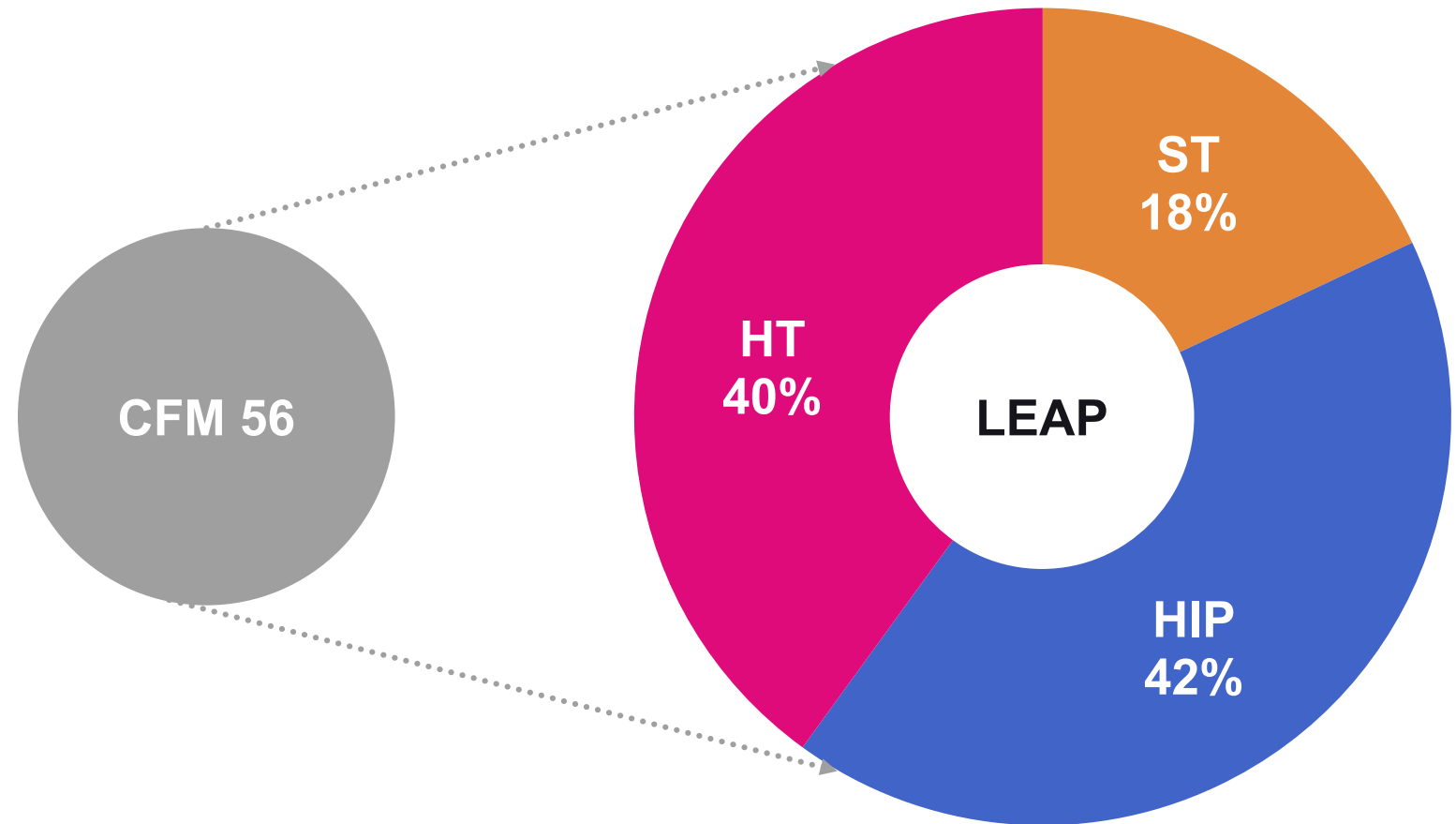


- LEAP engines projected to have the highest market share in the narrow bodied market, replacing CFM56 as the mainstay option
- Bodycote's OEM content per engine on LEAP is 3 times that on CFM56
- As production on new LEAP engines ramps up, Bodycote will benefit

Revenue per Engine Expansion

CFM 56 vs. LEAP

- Bodycote content on LEAP is three times that on CFM 56
- Additionally, as the aftermarket for LEAP develops over time it leads to an increasing rate of revenue growth for Bodycote



Summary

Improving share in a growing market

- Passenger kilometres growing consistently at c6% per annum
- Massive demand for new aeroplanes over next 20 years
- Bodycote has an enhanced position on key new platforms
- This will boost revenues initially from new aeroplane sales
- Over time, this will be further boosted by growing aftermarket sales on these new platforms

CAPITAL MARKETS DAY

2019

