

03 March 2025

Senior plc
Investor Event
Experts in Fluid Conveyance and Thermal Management

Senior plc ("Senior" or the "Group"), an international manufacturer of high technology components and systems, will today host an investor event for analysts and institutional investors in London. The presentation and a recording of the event will be available on Senior's investor relations website from later today.

David Squires, Group Chief Executive Officer, and Bindi Foyle, Group Finance Director, will host the event. The event will focus on the delivery of strategy, the prospects for Senior as a pure play fluid conveyance and thermal management ("FCTM") business, and will outline new financial targets for the FCTM business.

Senior is committed to a sale of our Aerostructures business and are making good progress. There is good buyer interest, we are now at an advanced stage of a sale process with a small number of parties, and negotiations are progressing positively. We are focused on completing the sale process and maximising value for shareholders and will update the market in due course.

This is in line with our strategy is to position Senior as the market leading pure-play FCTM business focused on custom-designed products and systems with rich IP content. As a pure-play FCTM business, the Group will benefit from structurally higher operating margins and returns alongside a stronger cash generative business model that is well-positioned for growth, outperforming attractive and resilient structurally growing end markets.

At today's investor event, Senior will set out, new and improved medium-term FCTM financial targets, underpinned by its strategy, aiming to outgrow end markets by 50% through the cycle:

- **Group adjusted⁽¹⁾ operating margin** - achieve at least double-digit margins in the medium term
- **Aerospace adjusted⁽¹⁾ operating margins** - at least mid-teens in the medium term
- **Flexonics adjusted⁽¹⁾ operating margins** - 10%-12% in the medium term
- **Cash conversion⁽²⁾ target** - greater than 85% through the cycle
- **Return on capital employed⁽³⁾** - realise 15-20% ROCE in the medium term
- **Leverage⁽⁴⁾** - 0.5x to 1.5x over the medium term

These targets are supported by an expectation of mid-single digit organic revenue growth through the cycle.

Updated capital allocation policy

Senior's capital allocation policy aims to position the Group's portfolio to maximise returns, prioritising organic growth and a progressive dividend policy:

- **Organic growth**
 - **R&D investment** - continue to invest 2%-3% of revenue into R&D
 - **Capital expenditure** - is expected to be 1.1x depreciation over the medium-term, in support of growth projects where contracts have been secured
- **Dividends** - continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions, and dividend cover, maintaining earnings cover of 2.5x-3.5x
- **Leverage** - maintain strong balance sheet by targeting net debt to EBITDA of 0.5x to 1.5x
- **Return of capital** - return excess cash to shareholders
- **Value accretive bolt-on M&A** - maintain disciplined approach to additions to our portfolio

Post-event recording and presentation

For those unable to attend the in-person event, there will be a post-event recording available which can be accessed from 3 March 2025 using the following webcast link: <https://www.investis-live.com/senior->

A copy of all the presentation materials will be made available on the Group's investor relations website on 3 March 2025.

Disclosures

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of UK domestic law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR").

Upon the publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain.

This announcement contains forward-looking statements based on current expectations and assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from future results or developments expressed or implied from the forward-looking statements. Each forward-looking statement speaks only as of the date of this document. Senior plc accepts no obligation to revise or update these forward-looking statements publicly or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

Notes

- (1) Adjusted operating profit divided by revenue. We measure an adjusted basis, which excludes items that do not directly reflect the underlying trading performance in the period.
- (2) Operating cash flow divided by adjusted operating profit. Operating cash flow is net cash from operating activities after investment in capital expenditure, but before interest and tax.
- (3) Return on capital employed (ROCE) is the Group's adjusted operating profit divided by the average of the capital employed at the start and end of the period, capital employed being total equity plus net debt.
- (4) Leverage is net debt excluding capitalized leases divided by EBITDA. EBITDA is adjusted profit before tax and before interest, depreciation, amortisation and profit or loss on sale of property, plant and equipment, calculated on a pre-IFRS 16 basis.

About Senior

Senior is a FTSE 250 international engineering and manufacturing Group with operations in 12 countries. It is listed on the main market of the London Stock Exchange (symbol SNR). Senior's Purpose is "we help engineer the transition to a sustainable world for the benefit of all our stakeholders". Senior designs and manufactures high technology components and systems for the principal original equipment producers in the worldwide aerospace & defence, land vehicle and power & energy markets. Further information on Senior plc may be found at: www.seniorplc.com

Further information

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