

# Acquisition of Adaptas

15 November 2021

For information on our Cautionary Statement, please refer to the slide below

**Breakthrough  
Engineering**  
for a better  
world.

# Cautionary statement

*By attending (whether in person, by telephone or webcast) this presentation or by reading the presentation slides, you agree to be bound by the limitations and conditions set out in this Cautionary statement.*

*This presentation is for your information only and contains forward-looking statements and forecasts. These may relate to the future demand and markets for IMI plc's products and services, research and development relating to new products and services, financial condition and results, operations and businesses of IMI plc. You can identify these forward-looking statements and forecasts by the fact that they do not relate only to past or current facts. In particular, they include all matters anticipated, believed, estimated, expected, intended, projected, planned and targeted and the use of similar words including "may" and "will", in connection with the discussion of future events.*

*These forward-looking statements and forecasts involve risk and uncertainty because they are based on many assumptions regarding present and future business strategies, as well as events and circumstances occurring in the future operating environment. There are many factors that could cause actual results, developments or outcomes to differ materially from those expressed or implied by these forward-looking statements and forecasts, including factors outside of IMI plc's control. Past performance cannot be relied on as an indication of future performance.*

*Outside of the UK, the distribution of this presentation may be restricted or prohibited by law. Recipients should inform themselves and follow any such restrictions as failure to do so may constitute a violation of laws. Investors should therefore not place undue reliance on forward-looking statements and forecasts in connection with any contract, commitment, investment decision or otherwise.*

*Whilst care has been taken, no representation or warranty, express or implied, is given regarding the accuracy of the written information or oral statements contained in this presentation and no liability is accepted by IMI plc or any of its directors, members, officers, employees, agents or advisers for any such information, statements or opinions. IMI plc does not undertake any obligation to update or revise any forward-looking statement or forecast to reflect any change in circumstances or in IMI plc's expectations. Readers should consult any additional disclosures IMI plc makes.*

# Acquisition of Adaptas Solutions

*Fully aligned with IMI's Purpose and Vision*



Purpose:

**Breakthrough Engineering**  
for a better world.

Leading provider of **mission critical** components for mass spectrometry analytical devices serving the **life science** industry

Vision:

**IMI will create tremendous value by solving key industry problems in attractive markets and working with the best.**

**Working alongside** global analytical device manufacturers throughout the product development cycle

# Adaptas overview

*Holds differentiated position in attractive market, with \$83m revenue expected in FY21*

## Operates in the highly attractive Life Science market

- *Adaptas' addressable mass spectrometry market today - \$300m+*
- *Market growth rate of mid single digit CAGR*

## Develops customised technical solutions (% revenues)

### Mass Spectrometry

Components (62%)



Multipliers



Filaments



Power supplies

Subsystems (33%)



Product development



Manufacturing & assembly

### Fluid handling and lab automation

(5%)



Rotary shear valves



Syringe pumps



Motion control

## Enjoys deep relationships with key global analytical instrument manufacturers



## Supports multinational OEMs with global footprint



# Synergy with IMI Precision Engineering

## Increases exposure to Life Science

IMI Precision revenue<sup>1</sup>

Category	Current (%)	+ Adaptas (FY21) (%)
Industrial Automation	44%	42%
Precision Fluid OEM	23%	22%
Transportation	24%	22%
Other	9%	8%

- Increase Precision Fluid OEM to 28% of the division
- Increase Life Science exposure by 60%

## Drives revenue growth

- Adaptas has delivered organic growth of 10%+ CAGR from FY19 to FY21
- Robust project pipeline and future commercial synergies will support Adaptas' growth above IMI Precision Engineering targets

## Supports margin targets

- Adaptas is forecast to deliver Adjusted EBIT margin<sup>2</sup> of c.17% in FY21
- Will support IMI Precision's stated margin targets (20%+ through the cycle) through a combination of growth and cost synergies

Note 1: Last 12 months to 30 September 2021  
 Note 2: IFRS basis

# Transaction details

- Transaction EV of \$271m (£202m)
  - *Represents a multiple of approx. 16x est. adjusted EBITDA 2021*
- Expected 2021 financial performance:
  - *Revenue - \$83m; Adjusted EBITDA - \$17m (21%); Adjusted EBIT - \$14m (17%)*
- Plan to fund through core bank group
  - *Proforma leverage (December 2021) of c. 1.5x*
  - *Target to term out over 2-3 years*
- Our plan delivers in excess of IMI cost of capital by year 3
  - *Immediately enhancing to Adj. EPS*
- Closing expected to take place before 31 December 2021
  - *Subject to customary merger filings*

# Summary

- ✓ **Breakthrough Engineering for a better world**
- ✓ **Attractive high growth markets**
- ✓ **Great fit with IMI Precision Engineering**
- ✓ **Meets or exceeds our financial targets**

# Q&A