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## **Acquisition of Adaptas Solutions**

Fully aligned with IMI's Purpose and Vision



Adaptas<sup>™</sup> 

Adaptas

Adaptas

Adaptas

### **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** Fluid handling and lab automation Components Subsystems (62%)(33%)(5%)Multipliers **Filaments** Power Product Manufacturing Syringe Motion Rotary shear & assembly supplies development valves pumps control

## Enjoys deep relationships with key global analytical instrument manufacturers











Waters<sup>™</sup>

## Supports multinational OEMs with global footprint



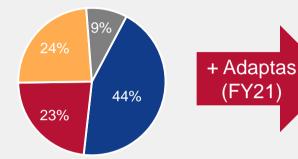


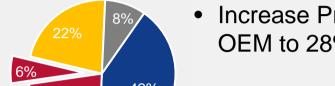
## Synergy with IMI Precision Engineering





Other





22%

 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