

There are significant trends shaping our modern world

Resources are becoming scarce and harder to access, and the pace of change is adding to the demand for new advanced materials

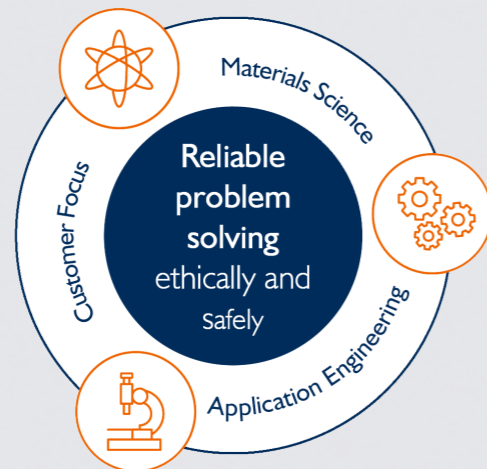
OUR PURPOSE

Our purpose is to use advanced materials to make the world more sustainable, and to improve the quality of life. Our purpose guides our actions: it underpins our work to reduce our environmental impact, informs how we treat our people, and ensures we fulfil our responsibility for good corporate governance.



WHAT WE DO

We engineer components which are highly resistant to chemical and physical wear, corrosion, and extreme temperatures, sitting at the heart of many industrial processes. Our products help customers, especially those operating energy-intensive processes, to reduce energy consumption, emissions and operating costs.



GROUP HIGHLIGHTS

We have a strong balance sheet and expect to deliver attractive growth in earnings through the cycle.

CO₂e emissions reduced by

11.6%
compared with 1H 2023

Organic constant-currency revenue growth* was 8.2%, with

14.9%
growth from our faster growing markets.

Our organic investment programme is on track and we expect this to deliver an acceleration of organic growth in the next four years.

We are well-positioned with our market leading differentiated positions and expect constant-currency* full-year revenue growth to continue to be towards the top end of our financial framework at 4-7%.

FINANCIAL HIGHLIGHTS

ADJUSTED PERFORMANCE	STATUTORY PERFORMANCE	HEALTH, SAFETY & ENVIRONMENTAL PERFORMANCE
Revenue £572.6m HY 2023: £553.9m	Operating profit £66.8m HY 2023: £34.5m	Lost-time accident frequency 0.13 (per 100,000 hours worked) HY 2023: 0.28
Group adjusted operating profit ¹ £71.3m HY 2023: £50.0m	Profit before tax £57.5m HY 2023: £28.4m	Absolute CO ₂ e tonnes 77,000 HY 2023: 87,000
Adjusted EPS ¹ 14.7p HY 2023: 9.9p	Continuing EPS 13.2p HY 2023: 5.2p	
Interim dividend per share 5.4p HY 2023: 5.3p		

¹ Definitions of these non-GAAP measures can be found in the glossary of terms on page 43, reconciliations of the statutory results to the adjusted measures can be found on pages 16 to 20. Throughout this report these non-GAAP measures are clearly identified by an asterisk (*) where they appear in text and by a footnote where they appear in tables.

WHAT DIFFERENTIATES US

Our strategy builds on our strengths and focuses the Group on scalable businesses in attractive markets, and on the development of our three core capabilities in customer focus, application engineering and materials science. To continue the development of our core capabilities we have three execution priorities:



Big positive difference - making sure we govern our business the right way, looking after the environment, looking after our people and operating to high ethical standards.



Delight the customer - we are working to shape our product and service offerings further based on customer needs, with the overall objective of making our business more customer-centric.



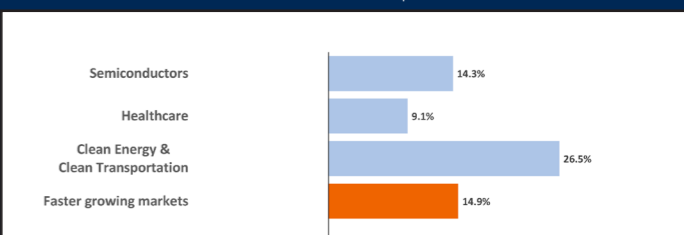
Innovate to grow - many of our customers have an increasing need to reduce their energy consumption and CO₂e emissions, these customers need our help.

MARKET CONTEXT

We have a strategy based on building deep expertise in materials, markets and customer needs, and that translates into leading, differentiated positions across our markets.

GROWTH MARKETS

We are specifically targeting four faster growing markets: semiconductors, healthcare, clean energy and clean transportation.



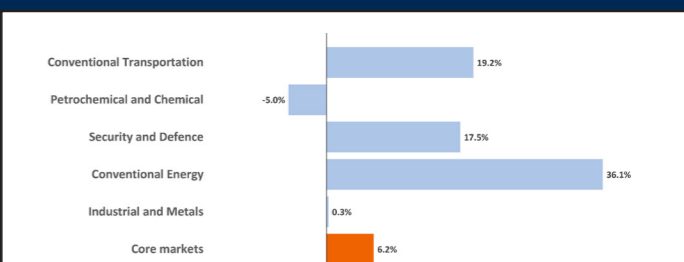
Our faster growing markets were up 15% in the first half with strong growth in each of those markets.

- Semiconductors was up 14% on the prior year
- Healthcare was up 9%
- Clean energy and transportation was up 27%

We have seen underlying revenue growth in both our core and faster growing markets.

CORE MARKETS

Our core market portfolio is diversified and differentiated. Our core markets make up 80% of Group revenues.



Moving to the core, transportation grew 19% with aerospace again the driver.

- Chemical and petrochemical sales were down 5% with lower aftermarket seals and bearing volumes
- Security and defence grew 18%
- Industrial and metals sales were flat

Our investment in semiconductor capacity, where we continue to see strong demand and have attractive growth opportunities, along with our simplification programme, are both on-track.

At Morgan we are committed to a sustainable future

Our aim is to ensure that our products and manufacturing processes are designed, built and managed in a way that enhances their value to society and our environment.

ESG COMMITMENTS

We have stretching environmental goals that we are working hard to achieve. We are improving social factors to keep our people safe and we are looking to provide meaningful work that contributes to an improved society and enables the communities where we operate to thrive. We have robust governance processes across our business and operate to high ethical standards.

Our five ESG improvement objectives and targets show what we are focused on improving as a Group.

OUR ASPIRATION	OUR 2030 GOALS
A CO ₂ net zero business by 2050 ¹	50% reduction in Scope 1 and Scope 2 CO ₂ emissions
Use water sustainably across our business	30% reduction in water use in high and extreme stress areas ²
Improve efficiency of our processes at all manufacturing sites to reduce waste	30% reduction in total water usage ²
OUR ASPIRATION	OUR 2030 GOALS
Zero harm to our employees	0.10 lost time accident rate
Our employee demographics will be inclusive and reflective of the communities in which we operate	40% of our leadership population will be female
A work environment where all employees are valued and can do their best work	Top quartile engagement score

1. Excludes indirect emissions generated by our supply chain, distribution network and employee travel.
2. Reduction targets shown are compared to a 2015 baseline.

SBTi

We are proud to confirm that our carbon reduction targets have been approved by the SBTi:

- Morgan commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2015 base year*.
- Morgan also commits to increase active annual sourcing of renewable electricity from 0% in 2015 to 80% in 2025 and 100% by 2030.
- Morgan further commits to reduce absolute scope 3 GHG emissions 15% by 2030 from a 2019 base year.

This demonstrates our commitment to decarbonisation and transparency across our business.



*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.



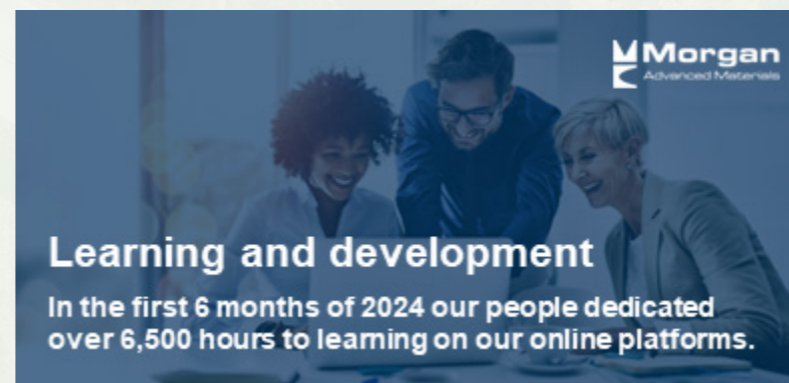
TRANSITION PLAN

Our approach to delivering on our 2030

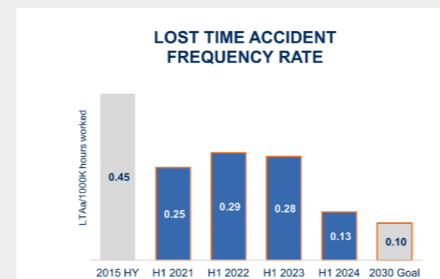
goals and 2050 aspirations is split into three key phases:

- Preparing for the future (0-3 years): Driving process efficiency, reducing water consumption and procuring renewable energy
- Scaling up (3-10 years): R&D focus on low carbon sintering technologies, developing and deploying scope 3 strategy
- Investment in key technologies: Achieving our 2050 ambition through strategic investment in demonstrated low carbon technologies

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SAFETY

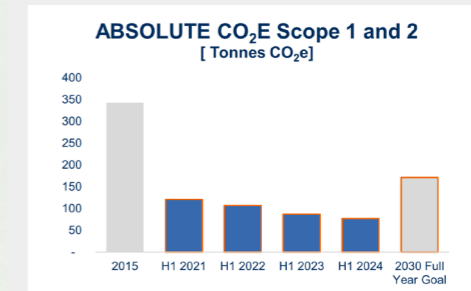


We continue to improve our safety performance, and aspiration of 'zero harm' to all employees, through building a caring and collaborative safety culture and by developing world-class programmes and systems.

In H1 2024 we are delighted to confirm that our LTA rate has reduced from 0.28 to 0.13 from H1 2023 (comparable to baseline of 0.45 in 2015).

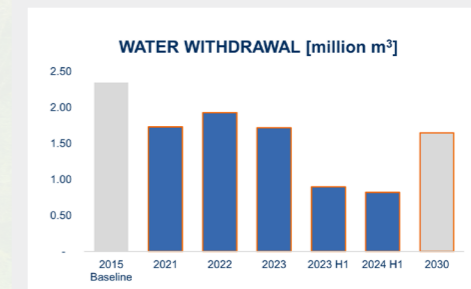
A lost-time accident (LTA) is defined as an accident or work-related illness which results in one or more days of lost time. Calculated as total number of lost-time accidents in the year, multiplied by 100,000 hours worked, divided by total number of hours worked.

CO2



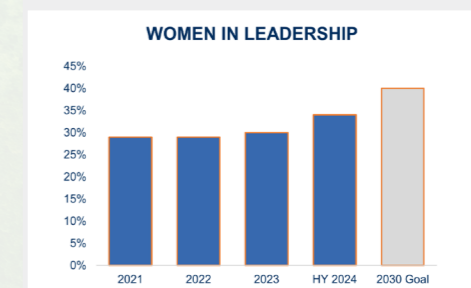
Our absolute scope 1 & 2 CO₂e has fallen by 11.6% in H1 2024 when compared with H1 2023. This is mainly driven by our increasing renewable energy portfolio. We are currently on track to achieve our SBTi target (50% reduction in 2030 vs 2015), but understand that we face a new challenge to maintain savings through driving efficiency as the business grows.

WATER



Our total water withdrawal is 8% lower in H1 2024 when compared with H1 2023, whilst water withdrawal in water stressed areas is 4.4% lower H1 2024 when compared with H1 2023. This change has been driven by improvements in efficiency at high use sites and investment in water recycling systems.

WOMEN IN LEADERSHIP



From a diversity and inclusion perspective our half year position is 34% of our senior leaders being female, a step up from the 30% position we had at the end of last year. We are pleased to see this measure start to move, as it is a reflection of the actions we have been taking in recent years, including ensuring diverse candidate lists, growing our Women@Morgan employee resource group and female mentoring programmes.

"I am very pleased with progress and would like to thank our teams for their continued focus on safety"
Pete Raby, CEO

TO FIND OUT HOW our people work with our communities, please visit our website at: www.morganadvancedmaterials.com/community
TO FIND OUT MORE about our products and services, please visit: www.morganadvancedmaterials.com/whatwedo