

Investor Introduction 2020

A high-resolution image of the Earth as seen from space, showing the Western Hemisphere. The Americas are visible, with North and South America in the center-right, surrounded by the Atlantic and Pacific Oceans. The sun is visible on the right edge, creating a bright glow and illuminating the Earth's surface.

POWERING THE WORLD'S CRITICAL SYSTEMS

—○ WHAT WE DO?

We power:

- Electronic systems with our low voltage products; and
- Processes with our high voltage or radio frequency (RF) power converters.

We power mission critical systems in:

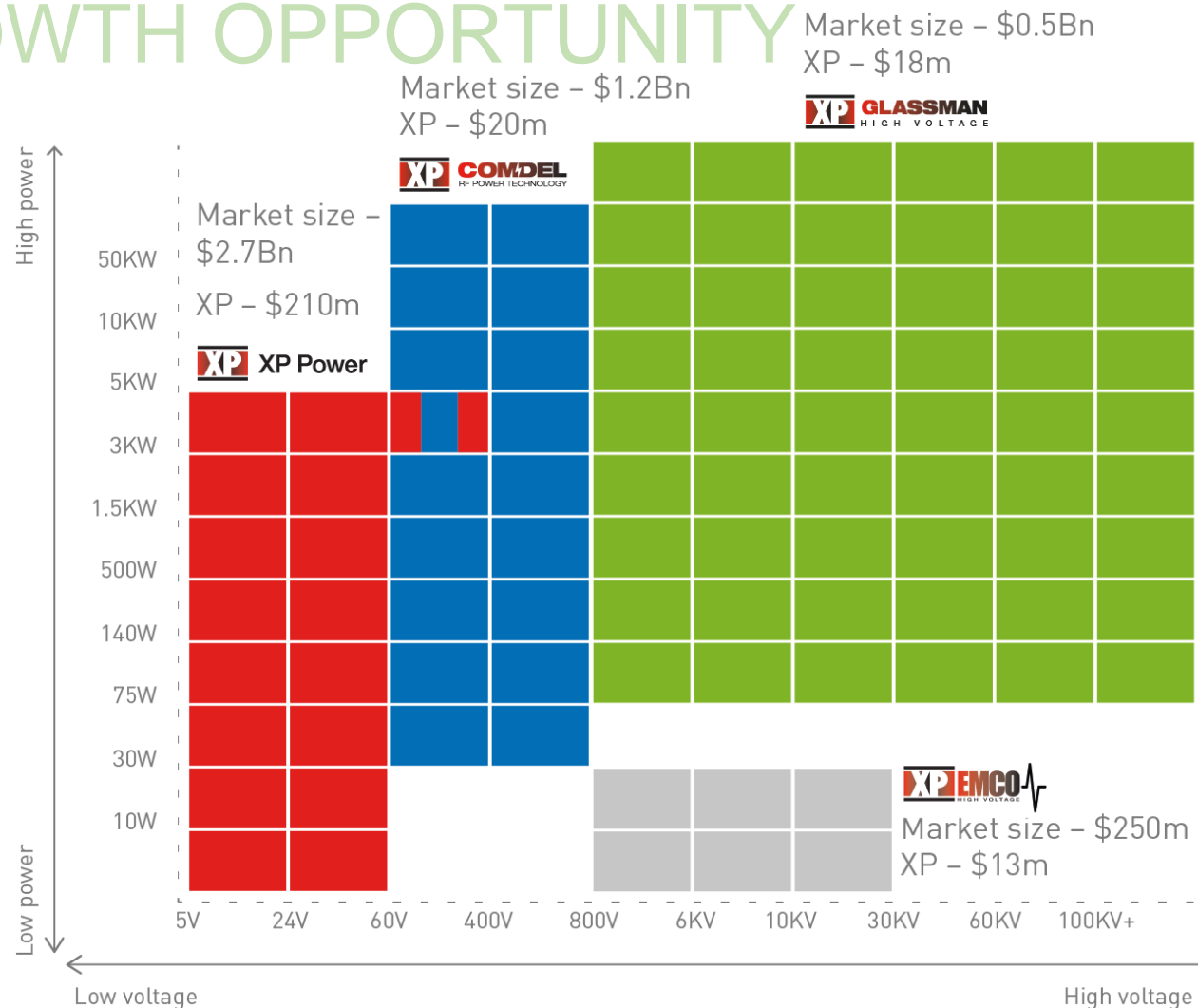
- Healthcare
- Semiconductor Manufacturing Equipment
- Industrial Technology

No direct exposure to consumer electronics or
high-volume low margin applications

PRODUCT PORTFOLIO

SIGNIFICANT GROWTH OPPORTUNITY

- Acquisitions in high voltage (EMCO and Glassman) and Radio Frequency (RF) power expand our addressable market from \$2.7Bn to \$4.7Bn
- One of few companies in the world who can provide solutions right across the power and voltage spectrum
- Can use our engineering services capabilities to combine different products to give the customer a complete solution
- Presents significant long-term growth opportunity



—○ OUR STRATEGY IS DELIVERING

- ✓ Develop a market leading range of competitive products
- ✓ Target accounts where we can add value
- ✓ Vertical penetration of target accounts
- ✓ Build a Global Supply Chain which balances high efficiency with market leading customer responsiveness
- ✓ Lead our industry on sustainability matters
- ✓ Make selective acquisitions in identified strategic markets to expand our product offering



Consistent application of a winning strategy has meant that XP has been able to continue to invest in product development, hiring talent and expanding manufacturing capacity during the COVID-19 pandemic

○ KEY GROUP CHARACTERISTICS

- **Strong customer relationships** - Preferred or approved suppliers at numerous blue-chip companies
- **Significant barriers to entry** – Product is designed in, safety critical, regulatory approvals, traceability of components
- **Exposed to high growth markets** – Semifab, Healthcare and high growth niches in industrial technology (smart grid, robotics, analytical instruments, 3D printing, test and measurement)
- **Revenue Annuity** – Once designed in programme lifecycles are 7 to 8 years on average
- **Global Footprint** – Engineering close to customers' design teams but multisite (China and Vietnam) low cost manufacturing – resilient supply chain
- **Green Products** – ultra high efficiency and low stand-by power over much of the portfolio

○ FINANCIAL INVESTMENT CASE

- **Organic revenue growth** – Consistent growth over the cycle delivering market share gains. Aiming for high single digit growth.
- **Attractive margins** – Aiming to consistently deliver >20% operating margins on high 40's gross margin
- **Cash generation** – high conversion of profit to cash due to high margins and low capital intensity
- **Dividends** – Cash generation funds a growing and impressive track record
- **Acquisitions** – On top of organic growth funded by cash generation

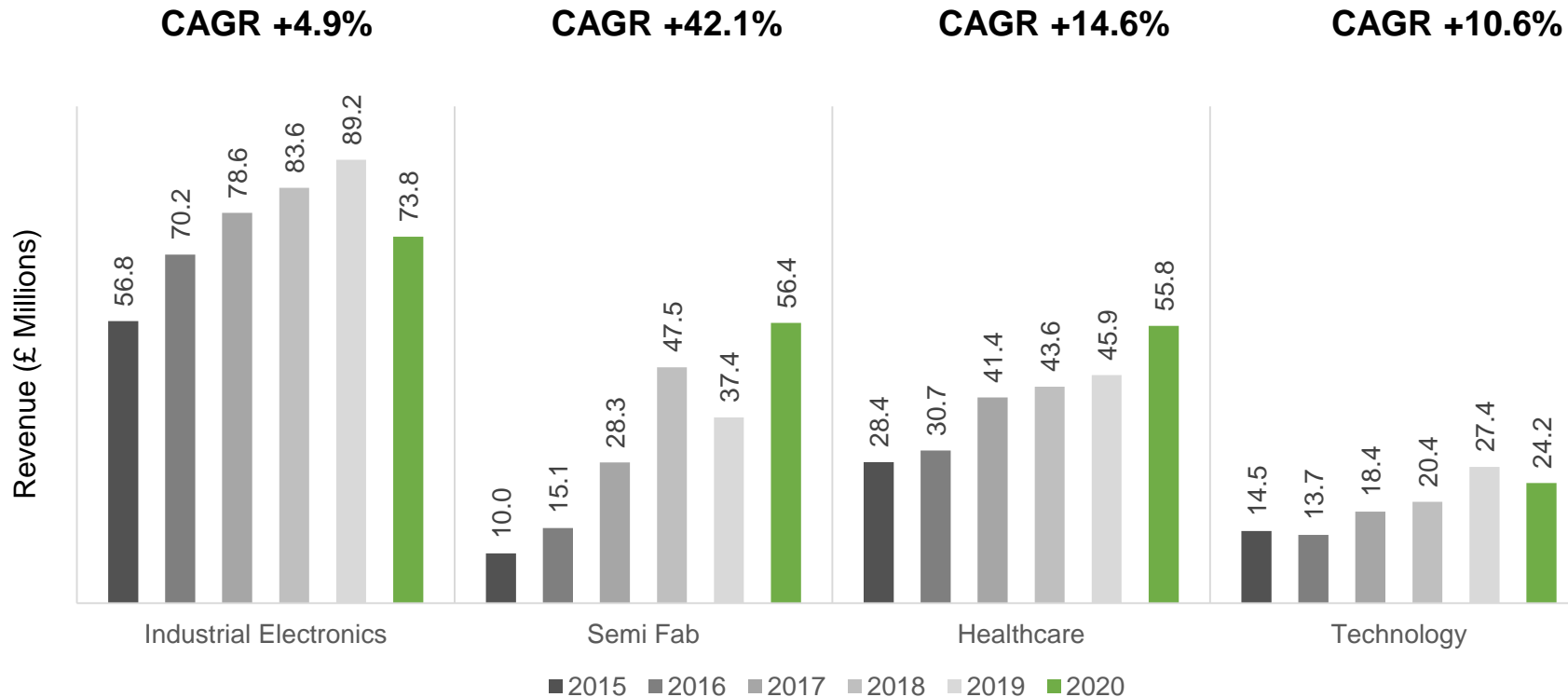
Mid to high single digit revenue growth possible with faster bottom line given margin accretion

Investor Introduction 2020 - Appendices

A high-resolution image of the Earth as seen from space, showing the curvature of the planet, blue oceans, white clouds, and brown/green landmasses. The sun is visible on the right side, creating a bright glow and illuminating the Earth's surface.

POWERING THE WORLD'S CRITICAL SYSTEMS

REVENUE BY SECTOR



High level Trends

- Increased connectivity of the power converter to the customer's equipment
- Higher power
- Higher engineering services content (customisation)
- Industrial revolution 4.0
- Increased legislation

Note:
2020 is annualised H1 2020 performance

SELECTED CUSTOMERS

TOP 30



Top 30 customers account for 57% (1H 2019: 49%) of revenue (largest customer <14%)

XP POWER CONVERTERS EVERYWHERE

Technology

- High end computing
- Broadcast
- Displays
- Communications
- Security

Trends

- Higher power
- Higher engineering services content
- Increased connectivity of the power converter to the customer's equipment

Semifab

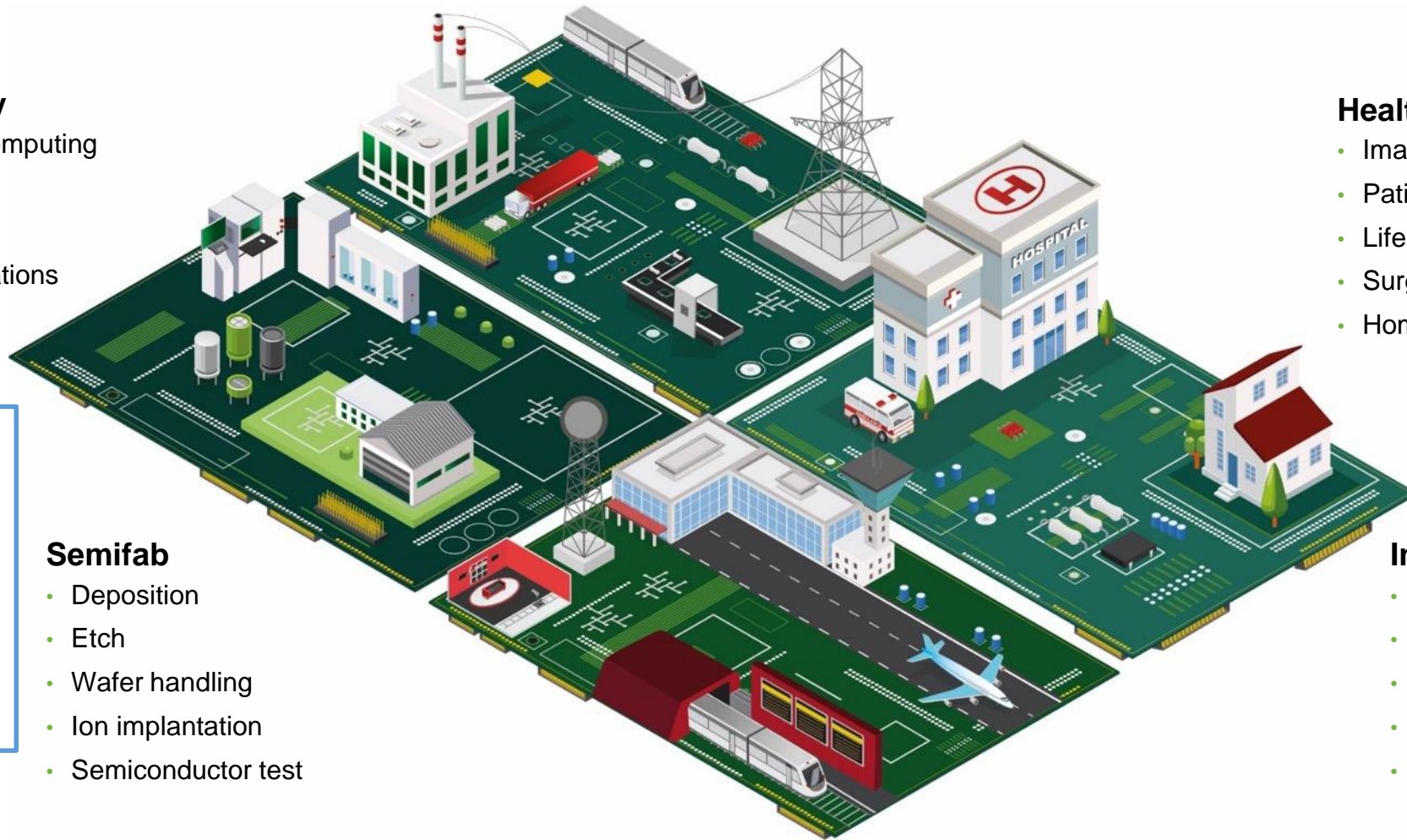
- Deposition
- Etch
- Wafer handling
- Ion implantation
- Semiconductor test

Healthcare

- Imaging
- Patient monitoring
- Life science
- Surgical tools
- Home healthcare

Industrial

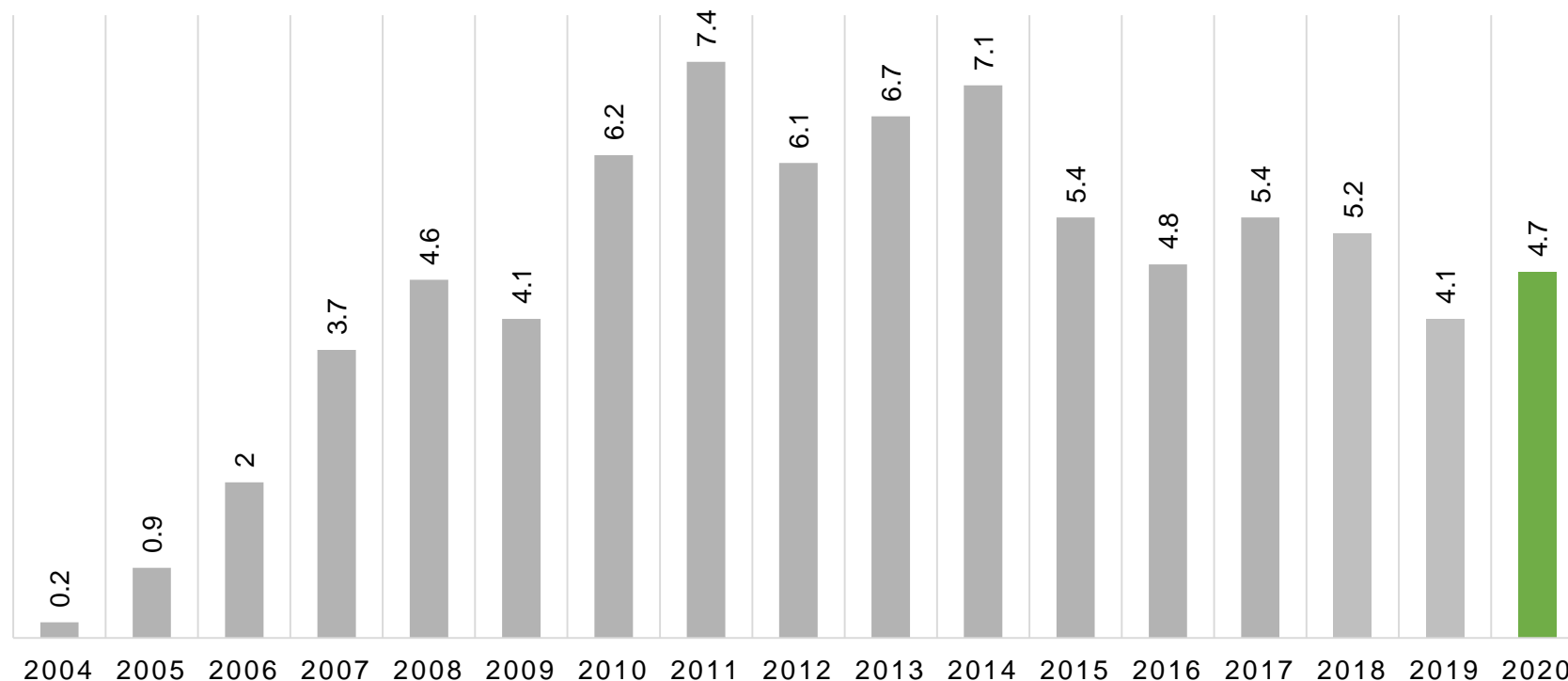
- 3D printing
- Process control
- Test and measurement
- Smart grid
- Transport



TYPICAL PRODUCT LIFE CYCLE

- Substantial revenue annuity
- Design in cycle typically 18 months (longer in healthcare)
- 2009 and 2012 dips due to market downturn and not typical

REVENUE HISTORY ECM40/60 SERIES (£ MILLIONS)



*2020 annualised



POWERING THE WORLD'S CRITICAL SYSTEMS
