

JAMES CROPPER



SHAPING TOMORROW TODAY

CAPITAL MARKETS DAY

18 JUNE, 2025

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The background of the slide is a photograph of an industrial facility. Large rolls of dark, possibly black or dark blue, material are being processed by machinery. The machinery is painted a vibrant blue, creating a strong color contrast. The scene is well-lit, showing the intricate details of the industrial equipment.

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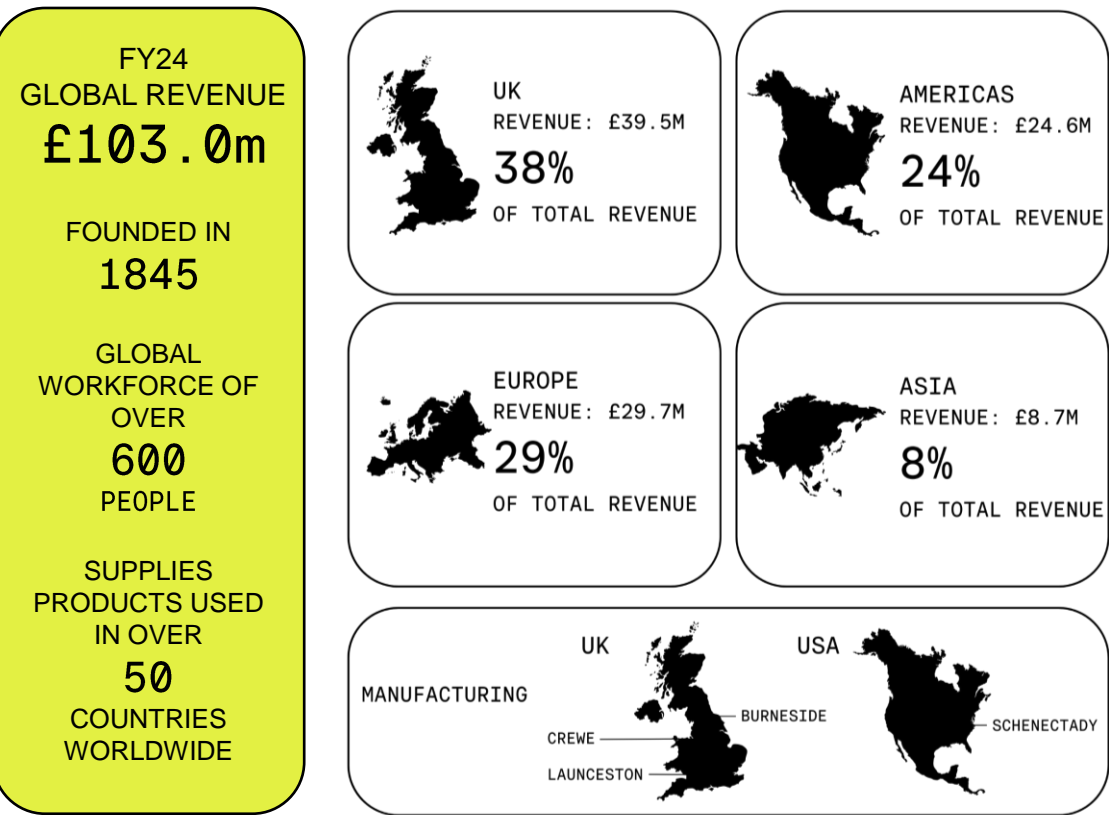


WHERE WE STAND TODAY

DAVID STIRLING, CEO
ANDREW GOODY, CFO

JAMES CROPPER AT A GLANCE

James Cropper plc is globally recognised for its specialist capabilities in the design and manufacture of advanced materials and paper products.

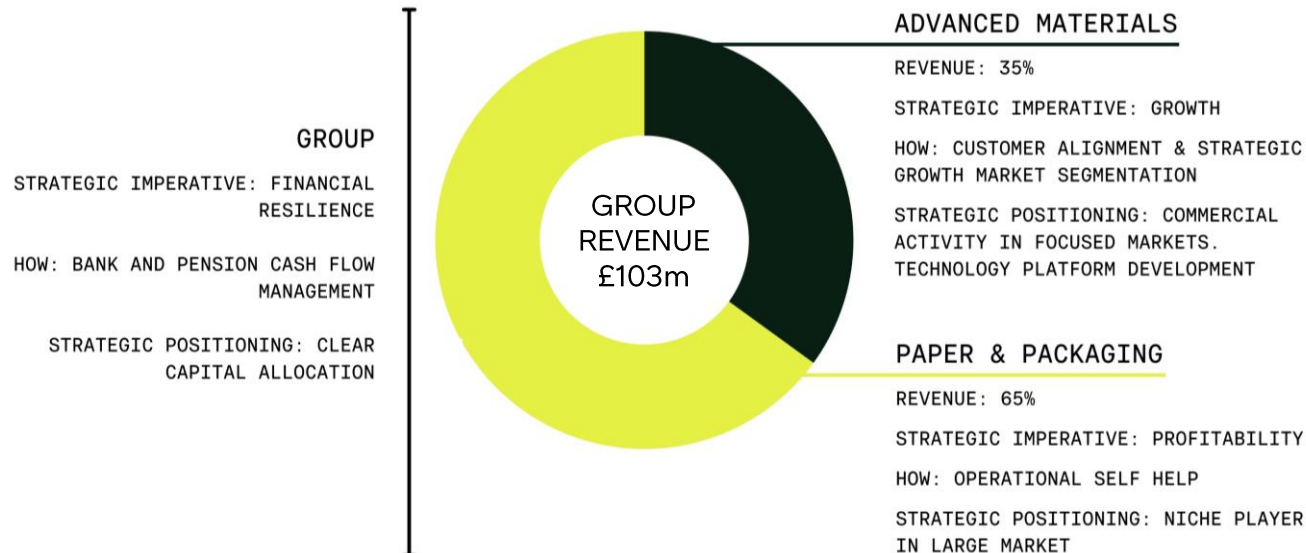


JAMES CROPPER PLC: GROUP VIEW

James Cropper PLC operates through two divisions, supported by a central Group function that provides strategic management and governance.

The Group's technology continuum is rooted in fibre expertise, enhanced by specialised capabilities in electrochemistry and colour, enabling differentiated value across both divisions.

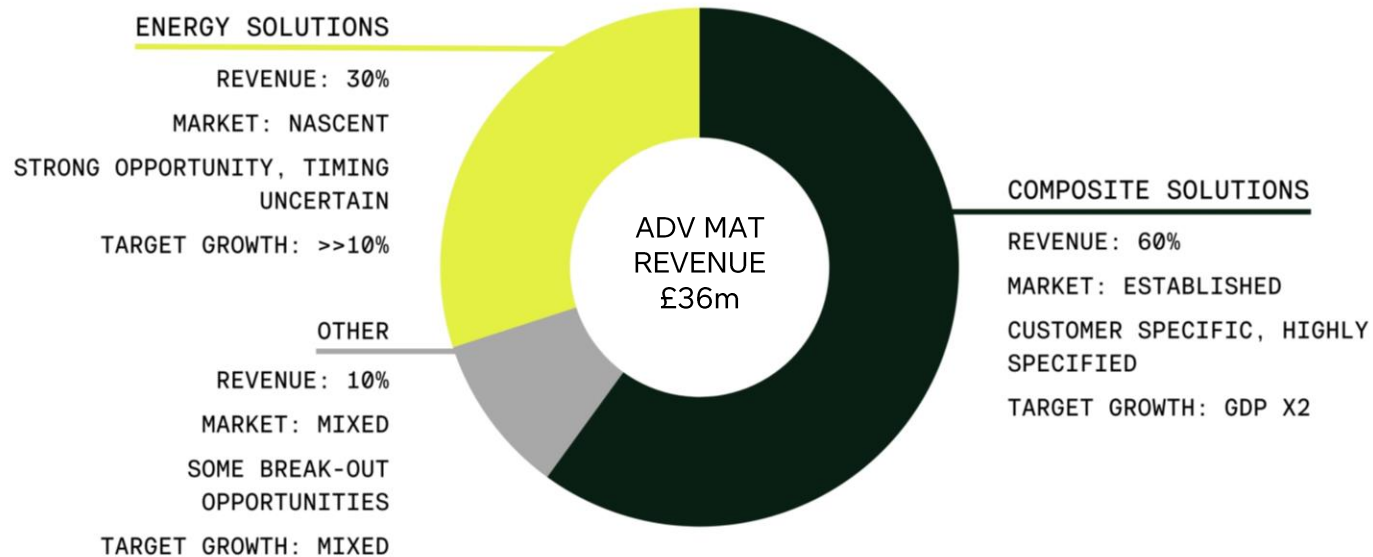
Operational support from Group is allocated across divisions—two-thirds to Paper and one-third to Advanced Materials. Central Group costs are not allocated.



STRATEGIC POSITIONING: ADVANCED MATERIALS

Advanced Materials is a technical solutions provider, developing and delivering highly specified materials for diverse industrial applications. The company's strength lies in deep know-how, bespoke fibre manufacturing (with available capacity) and coatings technology, and long-standing customer relationships, typically as a Tier 3–5 supplier within OEM supply chains.

Measuring progress in this division is inherently challenging due to long, complex specification cycles and unpredictable timeframes. Forecasting and performance evaluation have a higher degree of uncertainty.



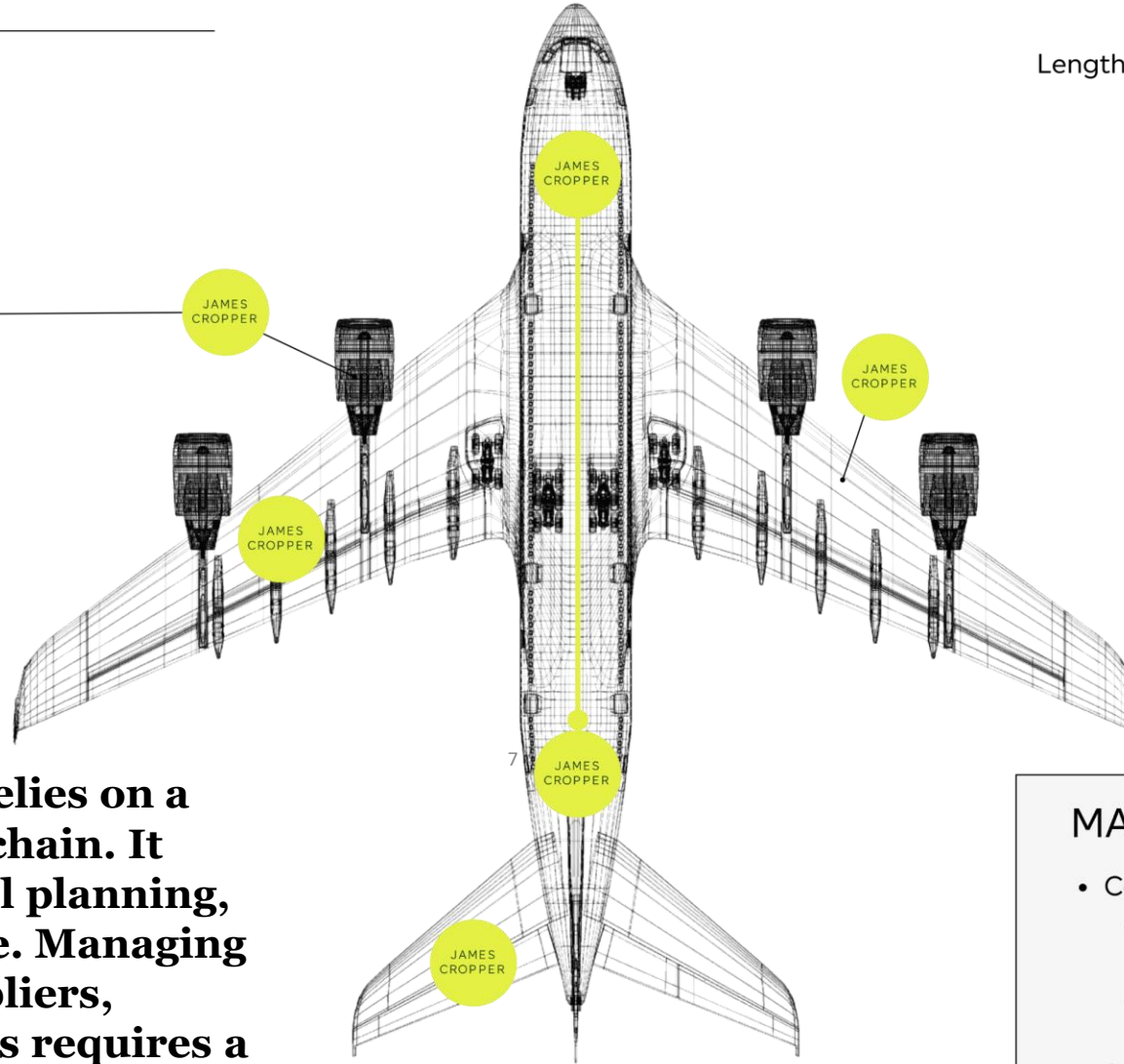
KEY MARKETS

- AEROSPACE
- DEFENCE
- CONSTRUCTION
- HYDROGEN
- INDUSTRIAL

COMMERCIAL AEROSPACE

PRODUCT APPLICATIONS

- Adhesive carriers
- Surface finish
- Galvanic corrosion
- Fire protection
- EMI shielding



“The aerospace industry relies on a complex and wide supply chain. It requires reliability, careful planning, and regulatory compliance. Managing the global network of suppliers, components, and materials requires a well-coordinated approach.”

— Laxfreight, Aerospace Supply Chain Management

SPECIFICATION CYCLE

Lengthy specification cycles spanning over 4 - 10 years

James Cropper Advanced Materials

Pre-Preg Manufacturer

Carbon Fibre Manufacturer

Carbon Fibre Pre-Preg Production

Carbon Fibre Part Production

Airframe Manufacturing

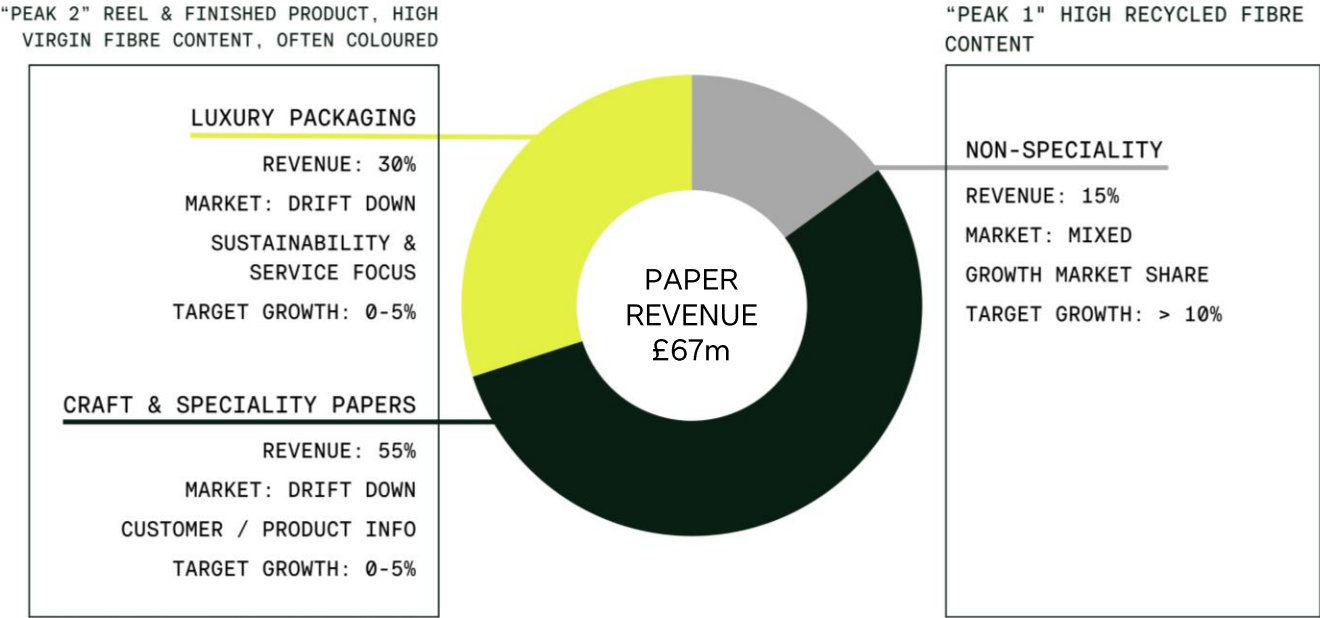
MARKET TRENDS

- Cost is a primary driver
 - Incorporating lightweight materials has a direct correlation to efficiency
 - Process improvement/Faster
- Sustainability
 - Recyclability & Reuse
- Proven material data is key to adoption

STRATEGIC POSITIONING: PAPER AND PACKAGING

Paper & Packaging is a well-established speciality paper supplier with deep expertise in fibre innovation—including recycled blends—and colour.

James Cropper utilises mature plant technology which enables a level of flexibility that supports customised production, complemented by strong finishing capabilities. Available capacity exists . The business benefits from close customer relationships, often with visibility through to brands.



KEY MARKETS

- UK & EUROPEAN CRAFT PAPERS, ART & BOOKBINDING, SPECIALITY DISPLAY & PRINT
- PACKAGING PAPERS FOR PREMIUM AND “MASSTIGE” BRANDS WITH QUALITY AT MID-RANGE VOLUMES
- RECYCLED FIBRE (RCF) PAPERS AND CARD

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DECISIONS THAT DEFINED US



HOW WE GOT HERE



Group

Positive outlook for Advanced Materials growth and Paper recovery focused the Group on investing for growth, leading to an increase in leverage.

Investments were primarily longer-term in nature and linked to specific market segments or customers.



Advanced Materials

Advanced Material is primarily a portfolio of "one solution, one customer" with development of technology solutions rather than scalable technology platforms.

40% of business, including the acquired Hydrogen Electrolysis coatings business, is in industries which can be termed "nascent" including pilot-scale developments.



Paper & Packaging

The Paper & Packaging is a historied business which has repositioned itself multiple times against a backdrop of changing markets. Strength in bespoke colour and finishing processes led to positioning in luxury packaging, craft and graphic markets.

A restructuring (next slide) in FY24 "cut the tail" off the product/customer portfolio to minimise lower priced business.

FY24 PAPER RESTRUCTURE

OVERVIEW

A paper and packaging strategy and restructuring plan to right-size the business unit and focus on the more profitable customers including specifically luxury packaging. A 15% reduction in headcount delivering costs savings of £2.5m pa

OUTCOME

A more fragile business model, with concentrated exposure to a limited number of segments. The lower-priced products which were eliminated have 2 distinct advantages: they use a high percentage of recycled fibre (which is a normal processing waste in paper) and their markets are large and relatively price-elastic, allowing swing volume to balance asset utilisation.

LESSONS LEARNED

- Fixed costs are high and need to have the right customer portfolio to manage operational gearing / improve asset utilisation in general and over any market-cycles in particular.
 - Balanced mill model in the short term to include "Peak 1" product lines which will dilute average selling price but increase absolute margin. Metrics throughout the business aligned to this.
 - Margin management not price management: materials (pulp and additives) largest cost component before labour & energy.
-



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NEXT STARTS NOW

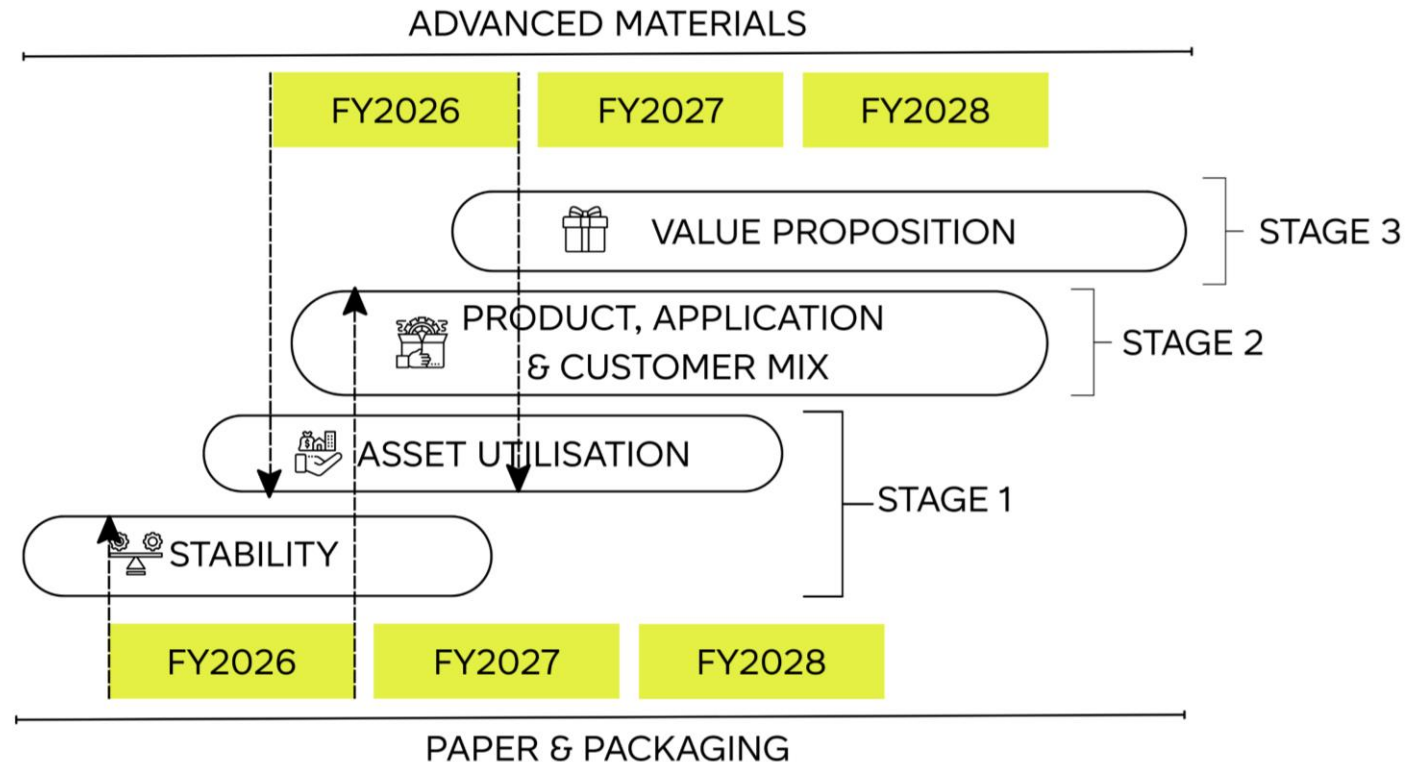


STRATEGIC JOURNEY: OUTLINE

Similarities in asset intensity and B2B supply-chain structure allow comparison using the same framework.

Advanced Material is well-placed operationally to make a **technical** and **commercial** journey with asset utilisation upside possible.

Paper is **operationally immature** with **low asset utilisation**. This sets the short-term priorities with enhanced quality and service supporting increased sales with a change in mix and value proposition over the medium-term horizon.



CROSS DIVISIONAL SYNERGIES THROUGH TECHNICAL PLATFORMS

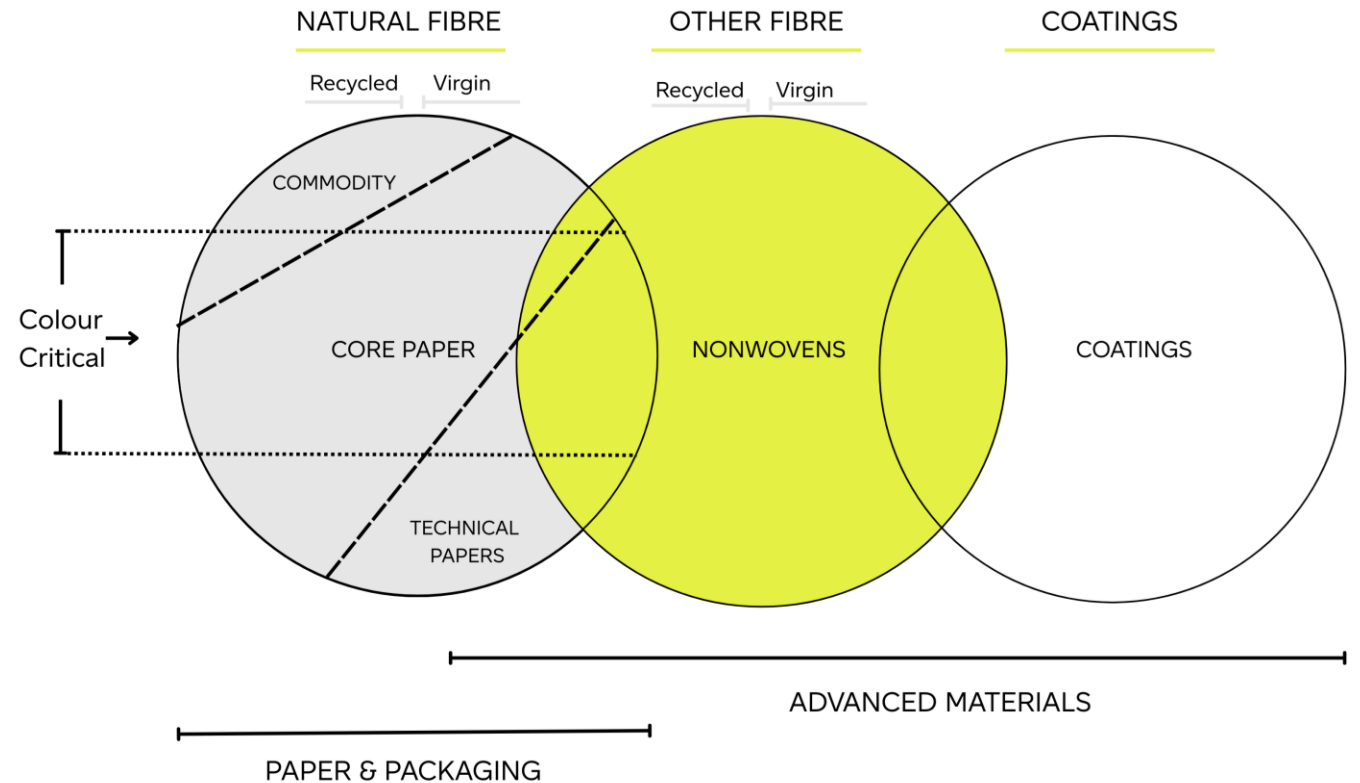
The business is underpinned by a set of shared technical platforms that create synergy across divisions, enabling it to serve a diverse range of markets with tailored strategies.

PAPER & PACKAGING

- Three peaks of value creation.
 - Commodity - Market Positioning
 - Core – Quality & Service
 - Technical Papers (Future) - Development
- Positioned closer to Tier 2, more direct customer access.
- Shorter sales cycles and greater commercial agility.

ADVANCED MATERIALS

- Positioned at Tier 3-5, deeply embedded in complex supply chains.
- Operates in focused, high specification niches.
- Growth through adjacency, expansion and application/replication.
- Long development cycles but high barriers to entry and strong defensibility.



ADVANCED MATERIALS ECOSYSTEM

NONWOVEN CAPABILITY

FIBRE TYPES

- CARBON
- ARAMID
- GLASS
- FINE GLASS
- POLYESTER
- FINE POLYESTER
- HYBRID FIBRES

BINDER TYPES

- NICKEL COATED CARBON
- COPPER COATED CARBON
- THERMOPLASTICS – PEI, PEEK, POLYAMIDE, PPS, POLYIMIDE
- RECYCLED CARBON
- CELLULOSE

BINDER TYPES

- PVOH
- CROSSLINKED STYRENE ACRYLIC
- (CROSSLINKED) POLYESTER
- POLYIMIDE
- OTHERS AVAILABLE ON REQUEST

AREAL WEIGHT: 2 g/m² to 300 g/m²

ELECTROCHEMICAL MATERIALS - CAPABILITY

RESILLION™ COATING TECHNOLOGY FOR

- POROUS TRANSPORT LAYERS (PTLS) - SINTERS & FELTS
- BIPOLAR PLATES (BBPS), FOILS & CELL SEPARATORS
- MACRO POROUS LAYERS (MPLS)

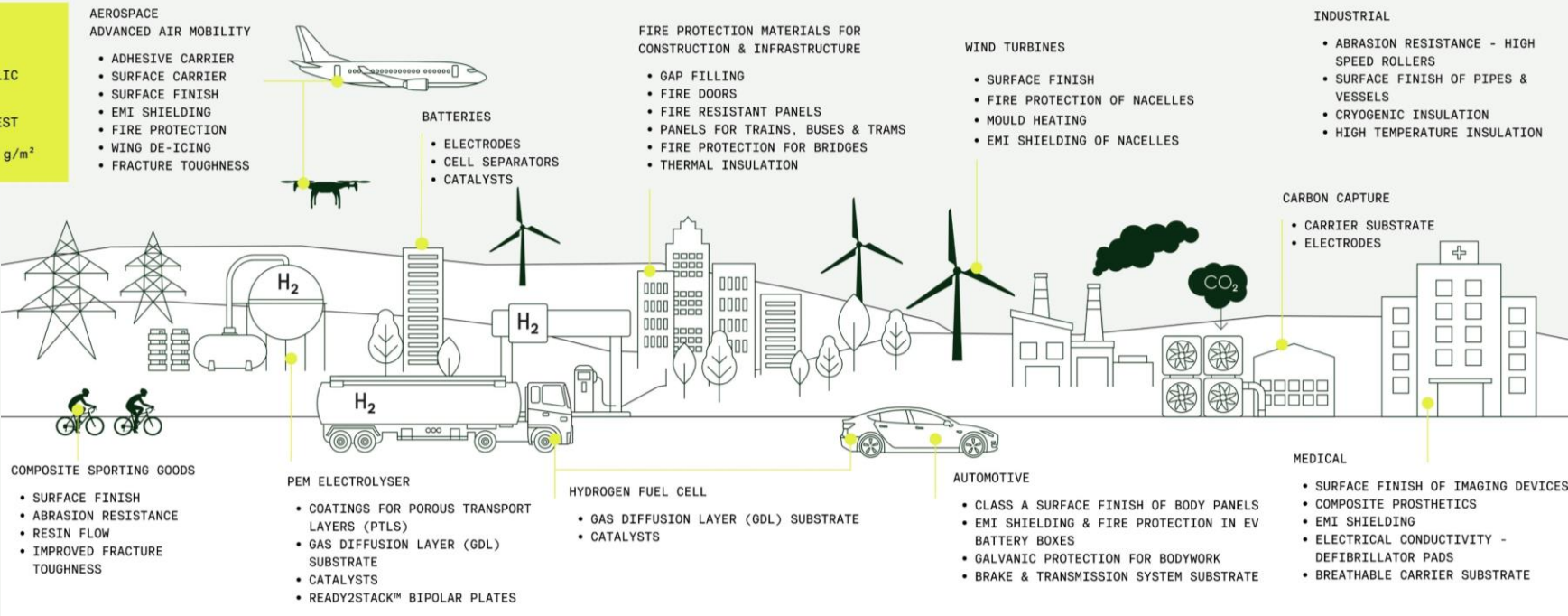
THE COATING IS FORMULATED TO MEET SYSTEM REQUIREMENTS

CATALYSTS

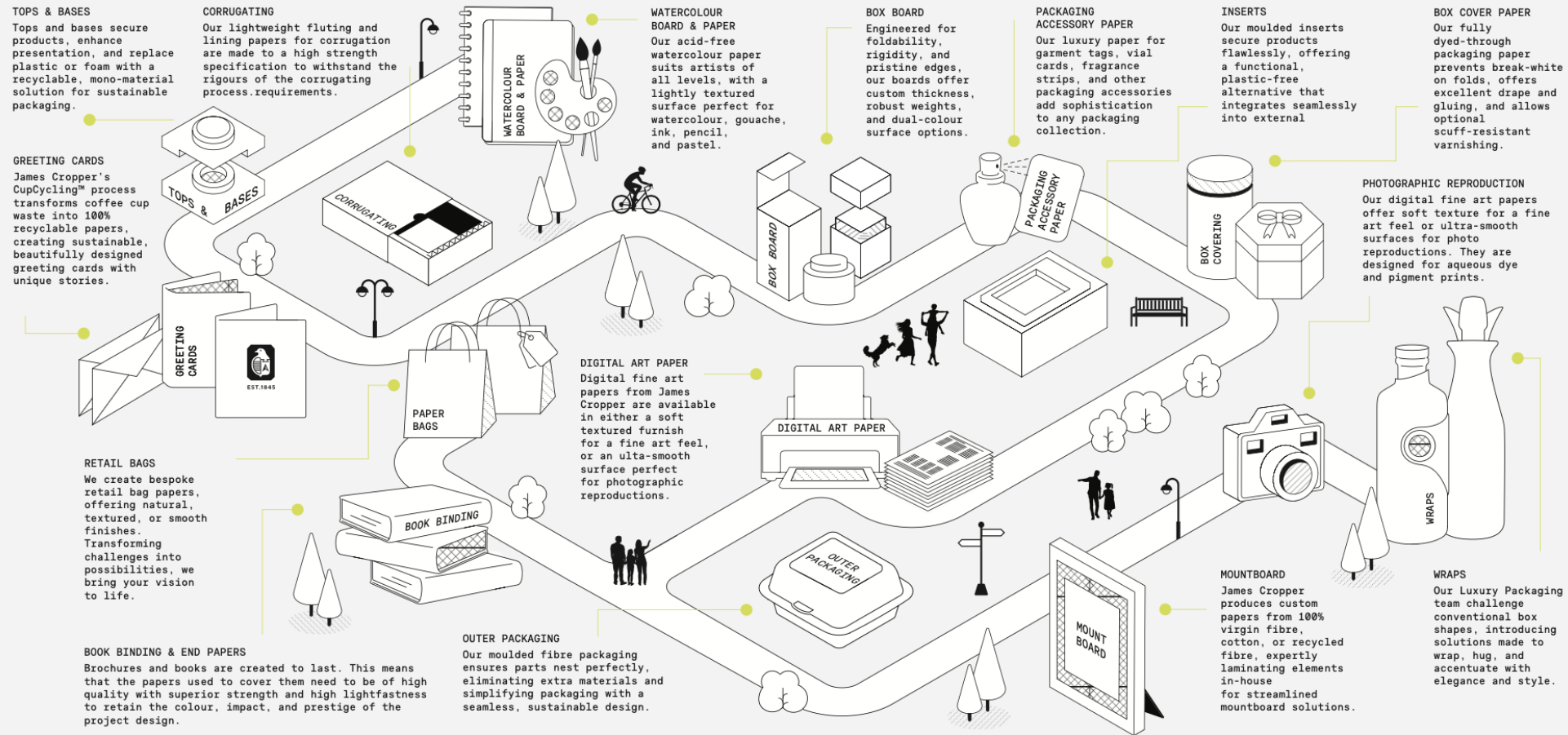
- PLATINUM ON CARBON
- IRIIDIUM OXIDE
- IRIIDIUM RUTHENIUM OXIDE

ADDITIONAL PROCESSES

- POWDER SCATTER
- LAMINATION
- SLITTING, SHEETING & CUSTOM SHAPES
- COATING
- PARTICLE PLATING



PAPER & PACKAGING ECOSYSTEM



ADVANCED MATERIALS COMMERCIAL STRATEGY

Balance of Opportunity and Risk

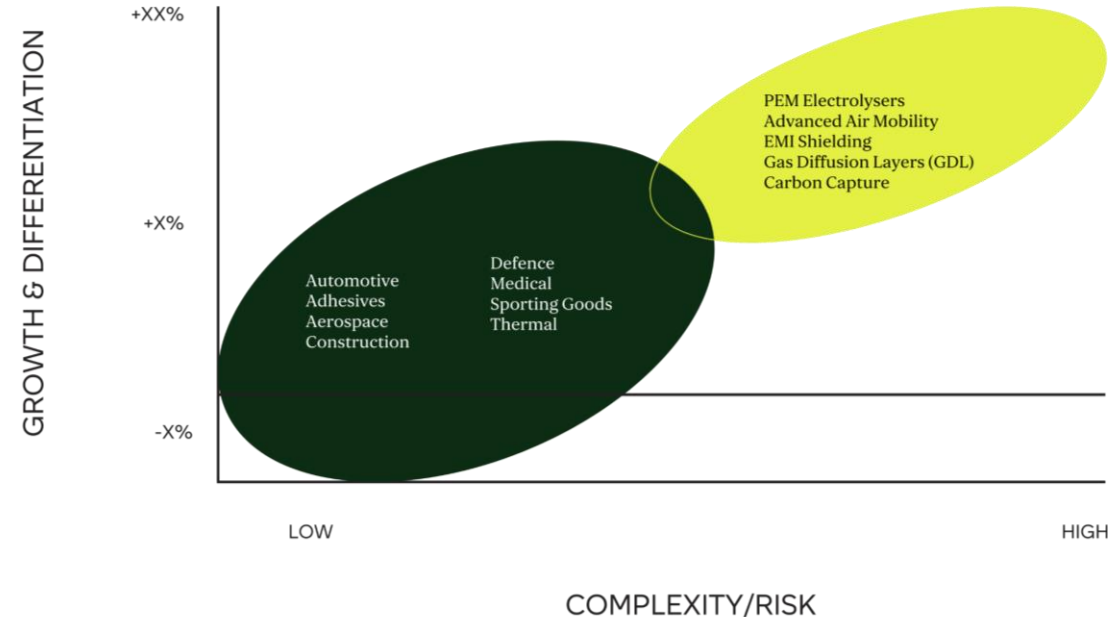
Growth from a portfolio of opportunities with a balance of predictability from established markets and the transformational potential of nascent ones.

Established Markets

- These markets offer predictable demand, long term customer relationships, and proven revenue streams.
- The company continues to invest in operational excellence to retain and grow share in these segments.

Nascent Markets

- Represent significant long-term growth.
- Inherently more volatile, these markets offer first-mover advantage and outsized returns for those who can scale early.
- Opportunity to explore applications in adjacent markets. Supply chains are looking for innovation partners that can co-develop new required technology platforms, thus sustaining James Cropper solutions in for the lifetime of the technology platform.
- Build technology platforms that serve broad market application and develop close relationships with strategic partners to reduce risk and accelerate adoption.



ADVANCED MATERIALS BALANCED APPROACH TO GROWTH

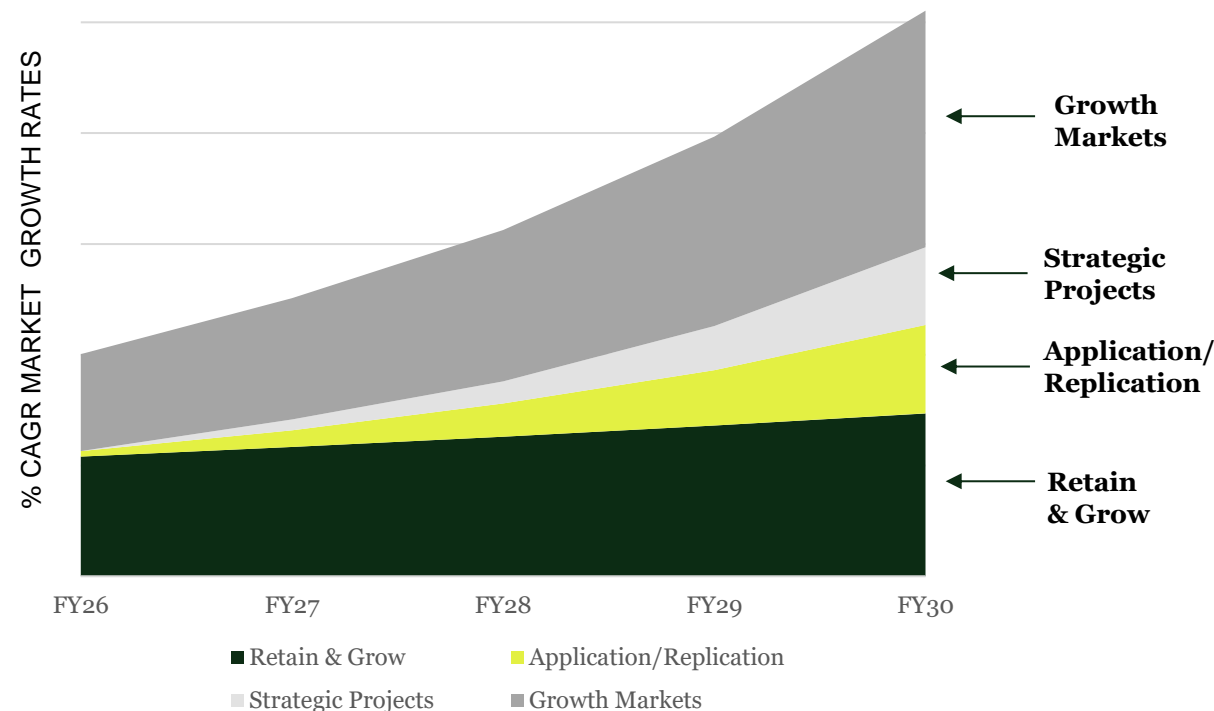
In Advanced Materials, we are leveraging our strong foundations—technical expertise, bespoke fibre and coating capabilities, and deep customer relationships—to drive a focused growth agenda. Historically reactive, the business is now executing a proactive strategy aimed at scaling high-value solutions and accelerating market penetration.

Priorities:

- **Retain & Grow Existing Business:** Strengthen core customer relationships and expand share within strategic accounts to drive stable recurring revenue.
- **Application/Replication:** Scale proven technologies across adjacent customers and use cases to accelerate near-term growth and maximise return on existing capabilities.
- **Strategic Projects:** Commercialise strategic development projects with high-impact potential, supported by dedicated teams and clear execution roadmaps.
- **Growth Markets:** Focus on priority markets where Advanced Materials differentiated capabilities – such as energy density and lightweighting- address critical, unmet needs and unlock long-term value.

This transformation positions Advanced Materials to unlock long-term value in sectors where performance, precision, and innovation are critical.

ADVANCED MATERIALS MARKET GROWTH



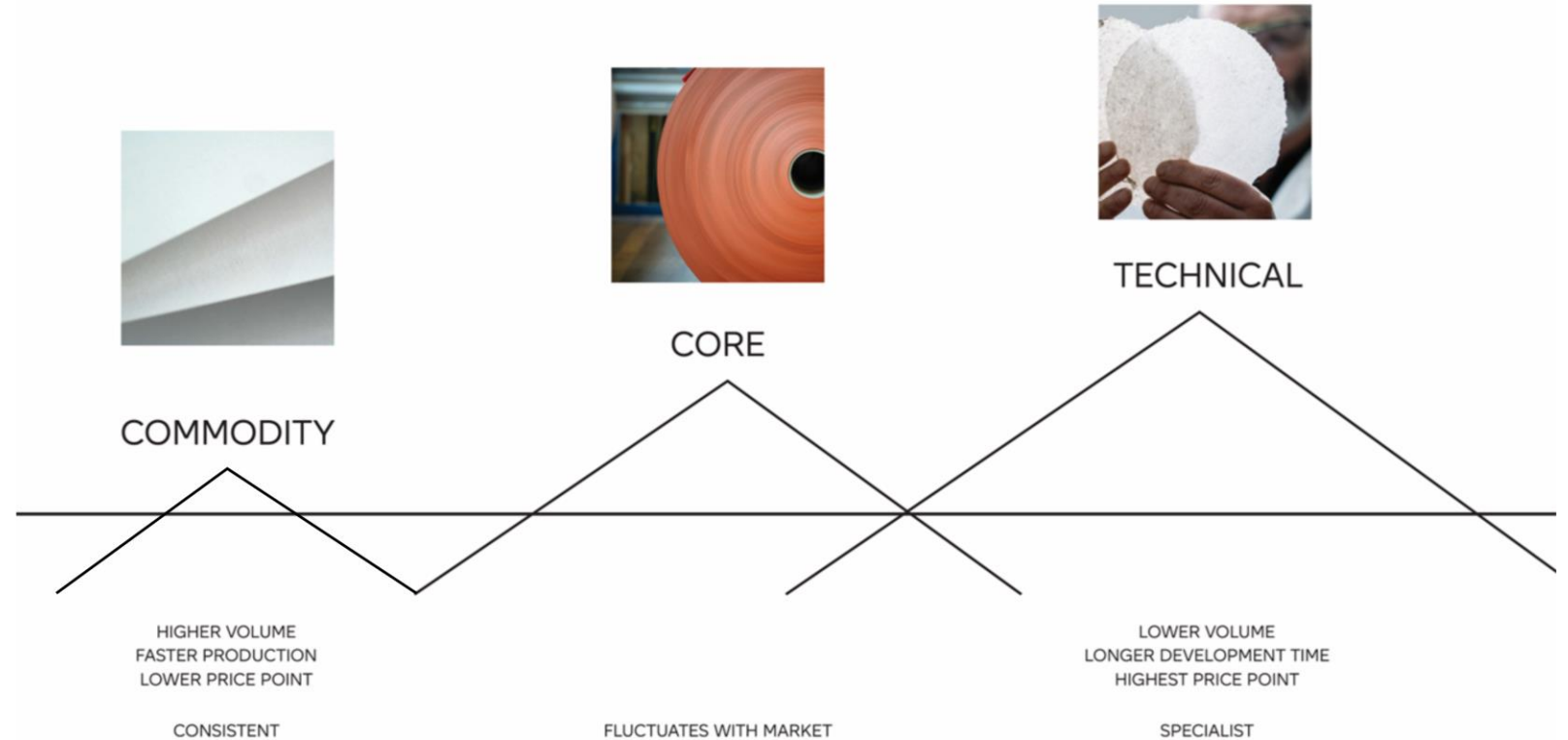
(*graph not to scale)

PAPER & PACKAGING COMMERCIAL STRATEGY

By shifting from a **1 Peak** to a **3 Peak Approach**, the company is aligning the product strategy to operational capability and asset utilisation needs.

- **Core: The business today.** Flexible, market-responsive products that balance performance and commercial value.
→ Ideal for brands seeking differentiation without compromising scalability.
- **Commodity: short-term add** to balance the mill. High-volume, fast-turnaround, high recycled fibre content papers with consistent quality and competitive pricing.
→ By recovering commodity, the company delivers **stability** supporting core business needs with efficiency and reliability.
- **Technical: our future vision.** Specialist papers that bridge the gap between **paper & packaging** and **advanced materials**.
→ These are lower-volume, higher-value solutions engineered for performance and innovation designed to run on James Cropper paper machines while unlocking new technological possibilities.

This approach empowers the organisation to serve a broader spectrum of needs from everyday essentials to cutting-edge applications while driving resilience, relevance, and growth.



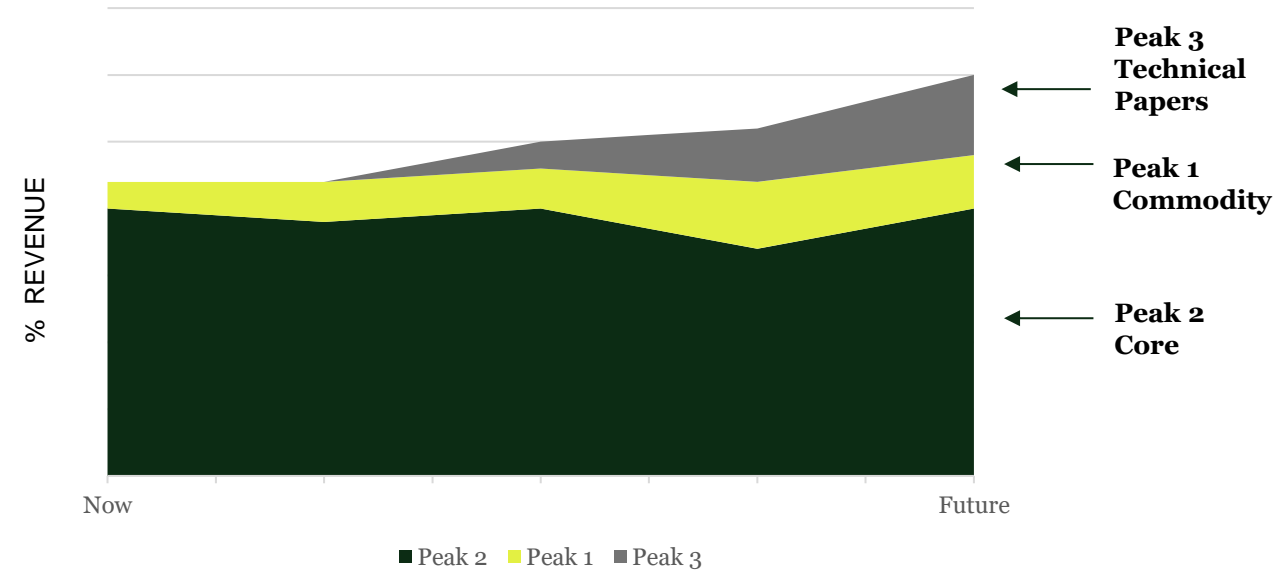
PAPER AND PACKAGING ORGANISING FOR SUCCESS

In Paper and Packaging, the focus is on operational delivery: quality products good service & speed of response. Blending experienced staff with good operational processes and focusing on value-added to the customer. This will solidify Peak 2 customer base and allow flexibility for Peak 1 business development

Priorities:

- **Operational Effectiveness:** better "right first time", improved service, less waste, lower overall cost. Solidify Peak 2 customers.
- **Knowledge Management:** codifying and embedding the know-how of our people into accessible format and processes that drive success.
- **Market Positioning in Peak 1 products:** Use of recycled fibre products, improve asset utilisation and therefore cost-base effectiveness.
- **Organisational Realignment:** Restructuring operational management around different key metrics to streamline decision-making and reporting structures. Colourform as a product line: operationally part of paper, commercially differentiated.

PAPER & PACKAGING: REVENUE MIX EVOLUTION
(ILLUSTRATIVE ONLY)



Peak 2 business variations offset by Peak 1 "filler" and, over time, growth from both these and Peak 3 technical products

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KEY FINANCIALS



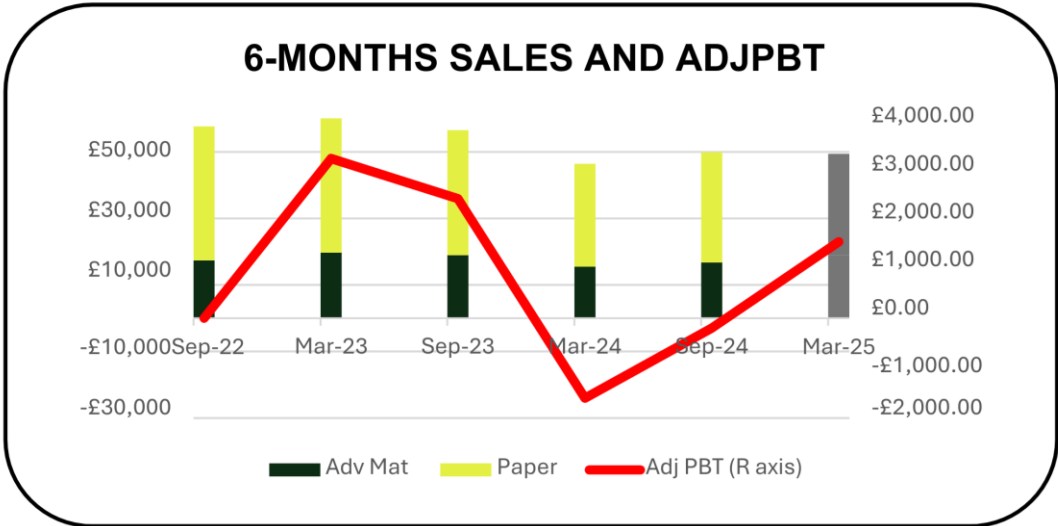
GROUP PERFORMANCE

FY2025

Revenue and EBITDA at similar levels to prior year. EBITDA performance has varied considerably across the six-monthly reporting periods with revenue being the main determinant of profitability.

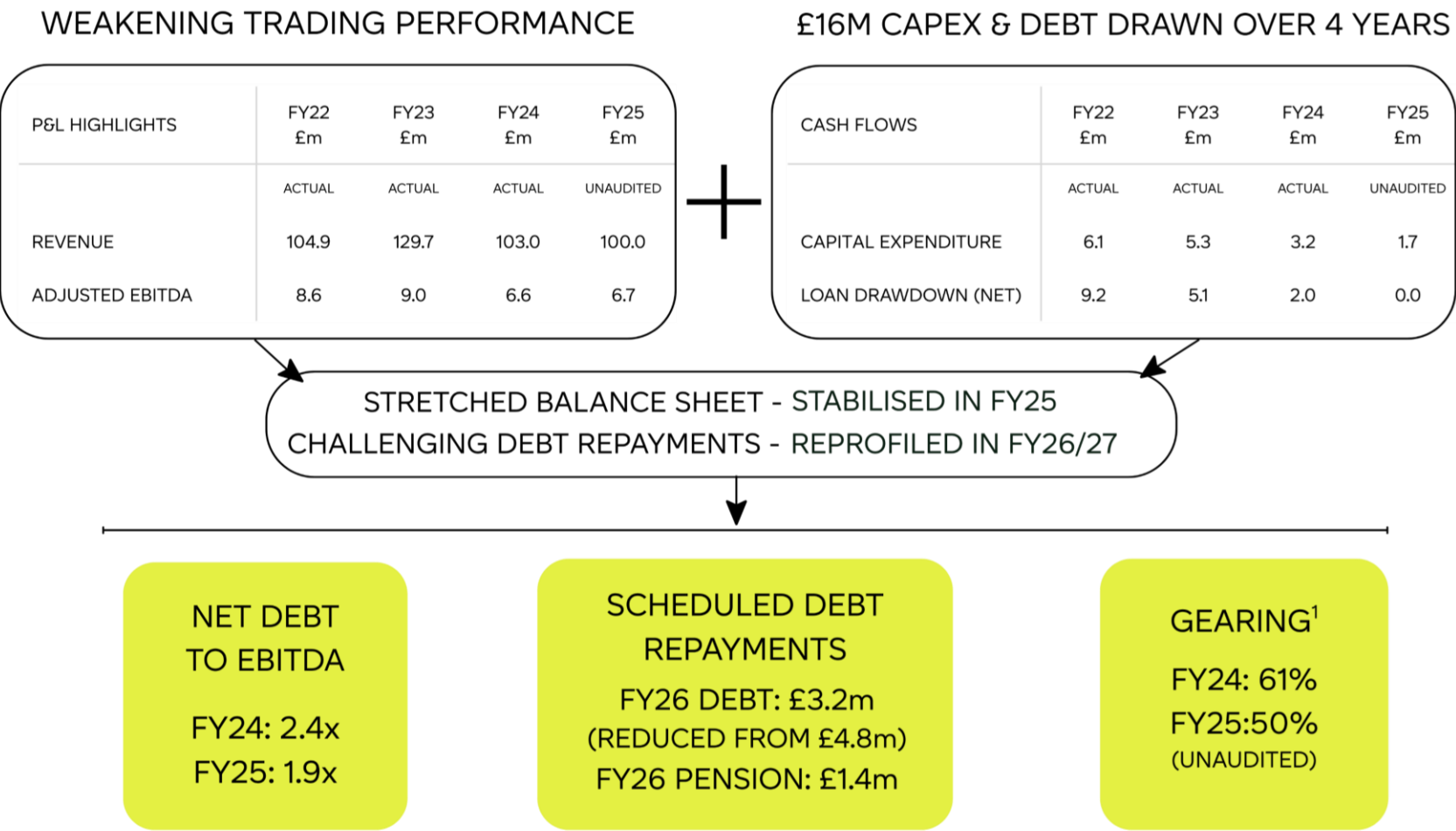
Both business units are characterised by high fixed costs and operational gearing. Revenue performance is therefore critical in delivering operating income.

With little growth and managed capital expenditure, cash conversion has driven a reduction in gearing.



*Information for 6 months to March 2025
based on Shore Capital analyst note

CAPITAL MARKETS DAY - BALANCE SHEET & LIQUIDITY BACKDROP



BALANCE SHEET, LIQUIDITY, CAPITAL ALLOCATION PRIORITIES

1. Maintain capex, working capital and cash management disciplines from FY25.
2. Embed leverage within target range of $< 2\times$ EBITDA.
3. Intent to reinstate dividends subject to trading performance and leverage.
4. Support growth funding for Advanced Materials subject to trading performance, outlook and leverage.
5. Deliver long-term Pension Fund deficit (c£15m) elimination strategy.



EXECUTIVE SUMMARY



FINANCIAL STABILITY

Debt repayment reprofiled to provide greater financial headroom.

Intent to reinstate dividends, subject to financial performance and leverage.

Clear capital allocation policy in place. Limited Investment in growth capital required.

GROWTH

Balance of established and nascent markets. High opportunity/high uncertainty in nascent markets.

5 focus market segments with further opportunity from replication of existing solutions and adjacent markets.

PROFITABILITY

Operational effectiveness and cost base to deliver stability.

Improved utilisation of existing capacity through 2-Peak model.

Longer term development of 3-Peak model , leveraging flexible older assets, to improve value proposition.

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Q&A

THANK YOU FOR JOINING US

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