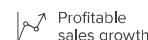


## Key performance indicators

### Performance measures of the Group's progress

#### Link to strategy



Profitable sales growth



Transform the business



Value creation

## FINANCIAL KPIs

During 2022 we continued to monitor our performance and progress using a range of key performance indicators (KPIs), each of which is a non-GAAP measure. In the year, adjusted EBITDA growth and leverage were added to the range as the Board consider them, along with the existing KPIs, to be important measures to track business performance. For further details of how these financial Alternative Performance Measures are reconciled to the nearest corresponding statutory measure, see note 37 on page 166.

2020 and 2021 KPI comparators are as reported in prior years and do not include any restatement for discontinued operations.

### Revenue growth



#### Definition

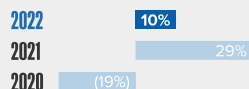
Annual organic growth in sales at like-for-like exchange rates.

#### 2022 Commentary

Group organic growth ahead of expected medium term targets, driven by exceptional H1 performance in A&F, and growth across all three sub-segments in PM. Some industry destocking in A&F in Q4.

#### Performance

10%



### Adjusted operating profit growth



#### Definition

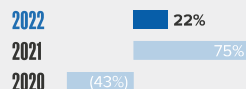
Annual organic growth in operating profit, adjusted for exceptional and acquisition related items, at like-for-like exchange rates.

#### 2022 Commentary

Adjusted operating profit increased to \$235m reflecting strong pricing and mix fully offsetting inflation, as well as strategic projects being delivered ahead of schedule.

#### Performance

22%



### Adjusted EBITDA growth



#### Definition

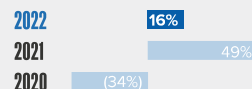
Net income from continuing operations before interest, tax, depreciation, amortisation and impairments, excluding exceptional and acquisition related items.

#### 2022 Commentary

Adjusted EBITDA increased to \$283m reflecting strong pricing and mix fully offsetting inflation, as well as strategic projects being delivered ahead of schedule.

#### Performance

16%



### Adjusted earnings per share growth



#### Definition

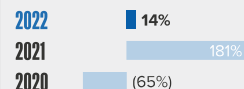
Annual growth in reported EPS from continuing activities, excluding exceptional and acquisition related items.

#### 2022 Commentary

Adjusted EPS increased 14% to 8.2c, reflecting strong trading performance and delivery of strategic project savings. A further reduction in effective tax rate, with some offset from higher interest charges.

#### Performance

14%



### Adjusted free cash flow



#### Definition

Cash generated from continuing activities less capital expenditure, interest, tax, dividends to minority interests and other items, and excluding exceptional and discontinued items, acquisitions, and UK pension recovery payments.

#### 2022 Commentary

Strong cash flow underlines operating profit growth, alongside disciplined approach to working capital and capital expenditure.

#### Performance

\$114m



### Leverage



#### Definition

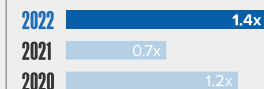
Multiple of Net Debt (excluding leases) to EBITDA calculated on a pro forma basis (includes the full year impact of acquisitions).

#### 2022 Commentary

Pro forma leverage remains comfortably within the 1-2x target range following the Texon acquisition, underpinned by strong free cash flow.

#### Performance

1.4x



### Adjusted return on capital employed (ROCE)



#### Definition

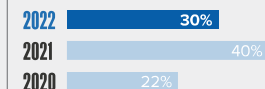
Pre-exceptional operating profit from continuing operations for the year divided by capital employed (property, plant and equipment, acquired intangibles, right of use assets and lease liabilities plus net working capital) at year end.

#### 2022 Commentary

Strong operating profit performance alongside a continued well controlled asset base. Capital employed has increased in the year largely as a result of the newly acquired acquisition intangible assets.

#### Performance

30%



## Key performance indicators cont.

\* disposed businesses (Brazil/Argentina) have been excluded to create a like for like comparison between 2018 baseline and 2022 performance

### 2022 SUSTAINABILITY KPIS

2022 saw the maturation of our highly ambitious 2019-2022 sustainability targets which span across the five pillars of our sustainability strategy. We take great pride in the results delivered in 2022, and have now set our focus on the next chapter of our journey which will span 2023-2026.

Water Intensity*	Energy Intensity*	Effluent quality	GPTW <sup>®</sup> certification	Waste %*	Sales of recycled material	Recordable accident rate (RAR)
<p>Target of 40% reduction by 2022 against our 2018 baseline</p> <hr/> <p><b>Definition</b> Litres of water used per kilo of finished production.</p> <hr/> <p><b>2022 commentary</b> We reduced our water intensity to 52.8 Ltrs/Kg versus our 2018 baselines of 85.2 Ltrs/Kg. This significant progress was delivered through multi-site optimisation of dye process parameters and comprehensive leak remediation programmes.</p>	<p>Target of 7% reduction by 2022 against our 2018 baseline</p> <hr/> <p><b>Definition</b> kWh of energy used per kilo of finished production.</p> <hr/> <p><b>2022 commentary</b> Our energy intensity reduced to 8.2kWhr/Kg from our 2018 baseline of 9.09kWhr/Kg. Smart Energy metering rollout was advanced which delivered new actionable insights yielding energy intensity reductions. Focus was given to our Energy Basics programme, sharing best practice energy management across sites.</p>	<p>Target of 100% ZDHC (Zero Discharge of Hazardous Chemicals) compliance by 2022</p> <hr/> <p><b>Definition</b> Percentage of effluent that is compliant to ZDHC Foundational standards for effluent and sludge.</p> <hr/> <p><b>2022 commentary</b> Further improvements in effluent quality, achieving 92% ZDHC compliance versus an 82% compliance in 2021.</p>	<p>Target of 80% by 2022</p> <hr/> <p><b>Definition</b> Percentage of employees in Coats units that have a Great Place To Work (GPTW<sup>®</sup>) or equivalent certification.</p> <hr/> <p><b>2022 commentary</b> Post pandemic we have seen a mass acceleration of Great Place to Work certification covering 86% of employees in 2022, up from 83% in 2021, and from 6% in 2020.</p>	<p>Target to reduce waste by 25% by 2022 from a 2018 baseline</p> <hr/> <p><b>Definition</b> Waste generated across our end to end supply chain as a % of finished goods produced.</p> <hr/> <p><b>2022 commentary</b> 2022 saw significant acceleration of our waste management programmes globally with us achieving a massive improvement in delivery and full achievement of our target. Circularity of packaging waste and reduction in effluent sludge generation played a significant part in this delivery.</p>	<p>Target is for 100% by 2024</p> <hr/> <p><b>Definition</b> Percentage of premium product sales that are made with recycled material.</p> <hr/> <p><b>2022 commentary</b> We continue to make strong progress in this area, steadily increasing supply by broadening our supplier base.</p>	<p><b>Definition</b> No. of recordable work related injuries and illnesses per 100 full-time employees per year.</p> <hr/> <p><b>2022 Commentary</b> Persistent focus on preventative measures such as training and hazard identification and remediation helped deliver 11% reduction in recordable incidents in the year.</p>
<p><b>Performance</b></p> <p>2022 <b>38%</b></p> <p>2021 24%</p> <p>2020 14%</p>	<p><b>Performance</b></p> <p>2022 <b>10%</b></p> <p>2021 7%</p> <p>2020 3%</p>	<p><b>Performance</b></p> <p>2022 <b>92%</b></p> <p>2021 82%</p> <p>2020 74%</p>	<p><b>Performance</b></p> <p>2022 <b>86%</b></p> <p>2021 83%</p> <p>2020 6%</p>	<p><b>Performance</b></p> <p>2022 <b>25%</b></p> <p>2021 1%</p> <p>2020 3%</p>	<p><b>Performance</b></p> <p>2022 <b>23%</b></p> <p>2021 19%</p> <p>2020 13%</p>	<p><b>Performance</b></p> <p>2022 <b>0.40</b></p> <p>2021 0.45</p> <p>2020 0.59</p>