

# Spirax Group

An introduction

# Group Structure



54%\*



Solutions for the control and management of steam systems

23%\*



Critical heating applications for industrial processes and ultra-critical heating applications for industrial equipment

23%\*



Solutions for the control and management of biopharm and industrial fluid paths

\* of 2023 Group revenue

# Steam Thermal Solutions

## Products



## Packages



**A one-stop shop for plant-wide applications of industrial and commercial steam systems**



### Steam uses:

Heating and curing, cleaning, sterilisation, hot water generation, space heating and humidification



### Benefits of steam:

High energy content, easy to control, environmentally safe, clean and sterile



### Products:

Steam traps, control valves, condensate recovery pumps, strainers, separators, flow meters, boiler controls and pre-fabricated engineered packages



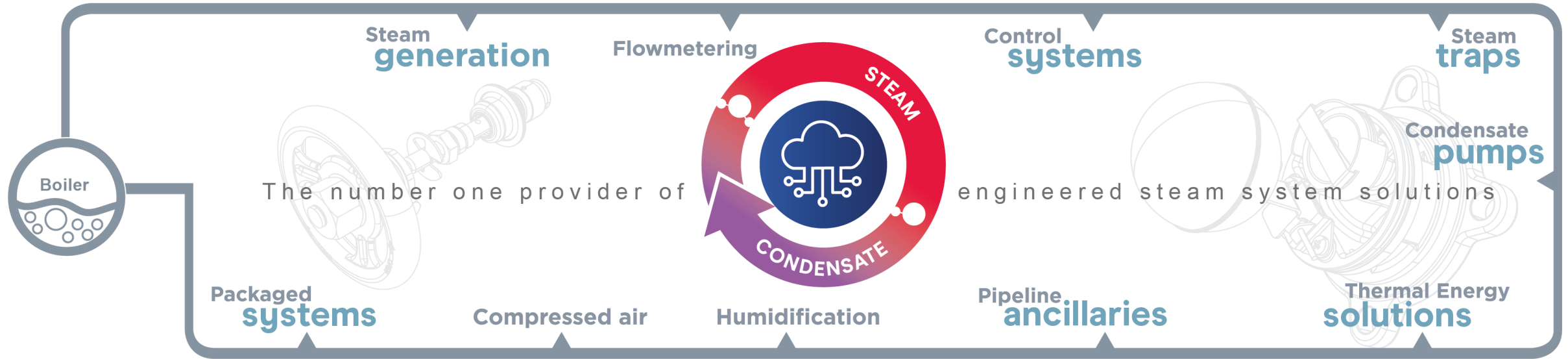
### Delivering:

Improved process efficiency and product quality; reduced CO<sub>2</sub> emissions, energy and water use, waste and maintenance downtime; compliance with industry standards

	EMEA	Asia Pacific	Americas
<b>Steam Thermal Solutions Competitors</b>			
Armstrong International (USA) <i>Private</i>	●	●	●
ARI Armaturen (Germany) <i>Private</i>	●	○	○
Forbes Marshall (India) <i>Private</i>	●	●	○
TLV (Japan) <i>Private</i>	●	●	●
Valsteam Adca (Portugal) <i>Private</i>	●	○	●
Other product specialists: Emerson (USA): <i>NYSE</i> ; Samson (Germany) <i>Private</i> ; Flowserve (USA): <i>NYSE</i> ; Endress + Hauser (Swiss) <i>Private</i> ; Yokogawa (Japan) <i>Nikkei</i> ; Watson McDaniel (USA) <i>Private</i> ; Ayvaz (Turkey) <i>Private</i>			

# Steam and condensate loop

## Applications overview



Steam Generation

Steam Distribution and Utilisation

Packaged Solutions and Energy Recovery

# Electric Thermal Solutions

## Products



## Packages



Premium engineered electric thermal solutions in sustainable applications



**Uses:**  
electric heating for mission-critical industrial processes, freeze protection for pipes, valves and tanks and component heating



**Benefits of electric solutions:**  
easy to incorporate, install and maintain; high temperatures; efficient; no emissions at point of use



**Products:**  
Industrial Heaters & Systems; Heat Tracing; Component Technologies; Mineral insulated cable



**Delivering:**  
efficient thermal energy management and control solutions for improved industrial processes

### Electric Thermal Solutions competitors

	EMEA	Asia Pacific	Americas
BARTEC (Germany) <i>Private Equity</i>	●	●	○
EXHEAT Limited (UK) <i>Private</i>	●	○	
nVent (USA) <i>Public: NYSE</i>	●	●	●
Thermon Group Holdings Inc (USA) <i>Public: NYSE</i>	●	●	●
Watlow Electric Manufacturing Company (USA) <i>Private Equity</i>	○	●	●

Other product specialists: Minco Products Inc (USA) *Private*; Nibe Industrier AB (Sweden): *Nasdaq Stockholm*; CSI (Controls South East Inc) (USA) *Ametek: NYSE*; F.A.T.I. Srl (Italy): *Private*; Zoppas Industries (Italy): *Private*

# Electric Thermal Solutions

## Electric Thermal Solutions



### Strategic end markets

### Non-strategic end markets

Energy Transition

Materials

Advanced Technology

Health and Nutrition

Various

Critical heating applications of industrial processes



Chromalox and Vulcanic

Ultra-critical heating applications of industrial equipment



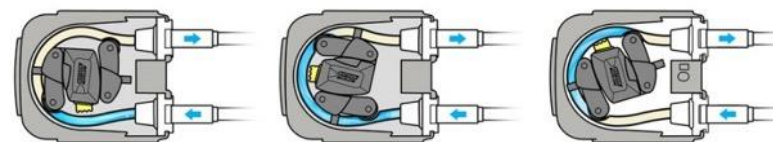
Durex Industries and Thermocoax

# Watson-Marlow Fluid Technology Solutions

## Products



## Packages



## A world leader in fluid technology solutions



**Uses:**  
pumping and fluid control in a broad range of critical applications, from chemical dosing to Biopharm production



**Benefits of peristaltic pump technology:**  
sterile applications (pump does not touch fluid), dirty applications (fluid does not touch pump), sustainable, low-shear, low maintenance and accurate



**Products:**  
speciality positive displacement pumps, automated filling machines, tubing, hoses and fluid path components



**Delivering:**  
accurate, safe, efficient, sterile, low maintenance solutions for the fluid path

	EMEA	Asia Pacific	Americas
<b>Watson-Marlow</b>			
Antylia Scientific (previously Cole Parmer) (USA) <i>Private Equity</i>	○	○	●
Verder (Netherlands) <i>Private</i>	●	○	○

Other pump types and fluid path components: Moyno / Mono (USA) *National Oilwell Varco: NYSE*; Wilden (USA) *PSG Dover; NYSE*; Abaque (France) *PSG Dover, NYSE*; Waukesha (USA) *Private Equity*; Fristam (Germany) *Private*; Warren Rupp/Pulsafeeder (USA) *IDEX: NYSE*; Prominent/Boysen (Germany) *Private*; Saint-Gobain Bioprocess Solutions (France) *Saint-Gobain: Euronext Paris*; Longer (China) *Halma PLC: FTSE*; CPC (USA) *Dover, NYSE*

# Watson-Marlow Fluid Technology Solutions

Ten brands offering an unrivalled breadth of services for the fluid path



Low-flow peristaltic metering pumps (acquired in 1990)



Precision pump and transfer tubing



High-flow industrial hose pumps (acquired 1996)



Aseptic filling (acquired 2008)



Sinusoidal pumps (acquired 2009)



Biotechnology tubing connection systems (acquired 2014)



Stainless steel tank bottom and in-line valves for Biotechnology (acquired 2015)



PTFE-lined flexible hoses (acquired 2016)



# Unique global coverage

**37 manufacturing units in 16 countries**

### EMEA

UK (x4)  
France (x7)  
Germany (x4)  
Spain (x2)  
Italy  
Netherlands  
Denmark  
Sweden

### Americas

USA (x6)  
Argentina  
Brazil (x2)  
Mexico (x2)

### Asia Pacific

China (x2)  
Australia  
India  
Japan

**Direct presence**

**66**

Countries

**Indirect presence**

**98**

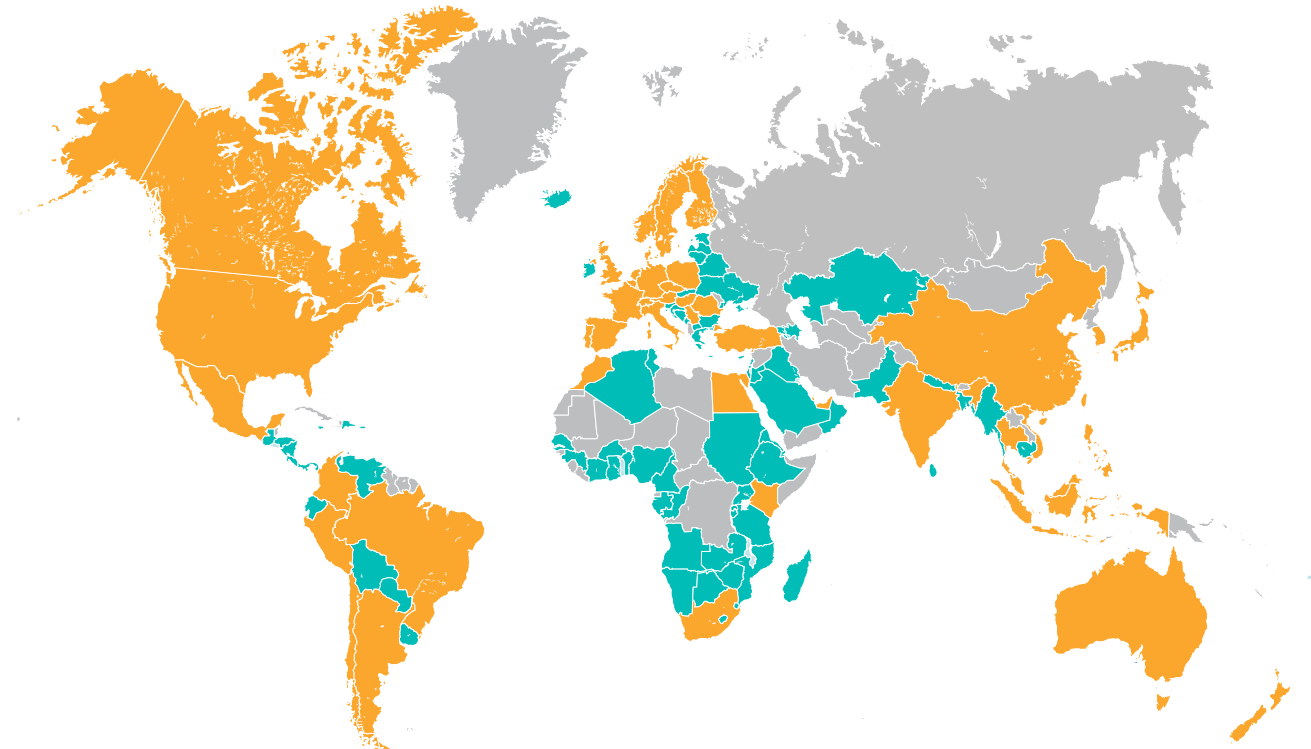
Countries

**Serving customers in**

**164**

Countries

**c.10,000 employees**  
**c. 2,100 direct sales and service engineers**



# A compelling investment case

## Critical products supporting customers' critical processes

Leading player in fragmented niche markets

Unique direct sales model and strong customer insight

Self-generated growth with pricing based on customer economics

Sales funded from Opex budgets with low average invoice size

Resilience driven by geographic, sector and customer diversity

Growing addressable market

## Strong financial track record

Organic growth > 2x IP

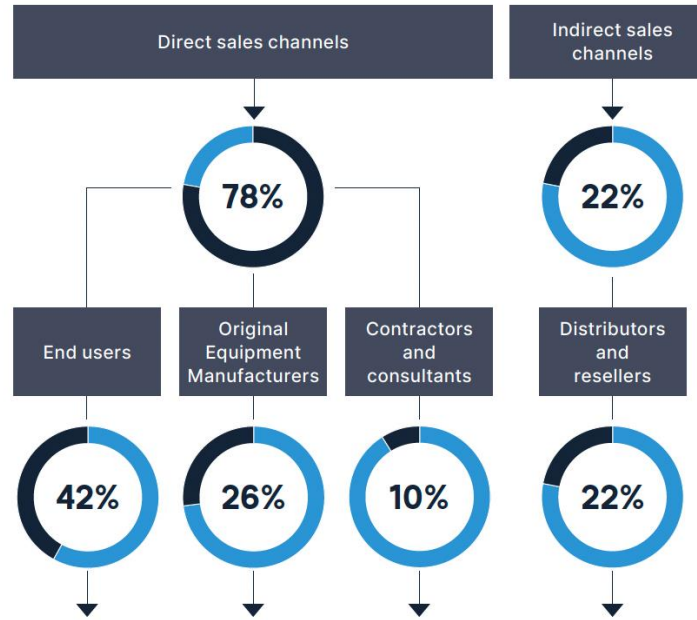
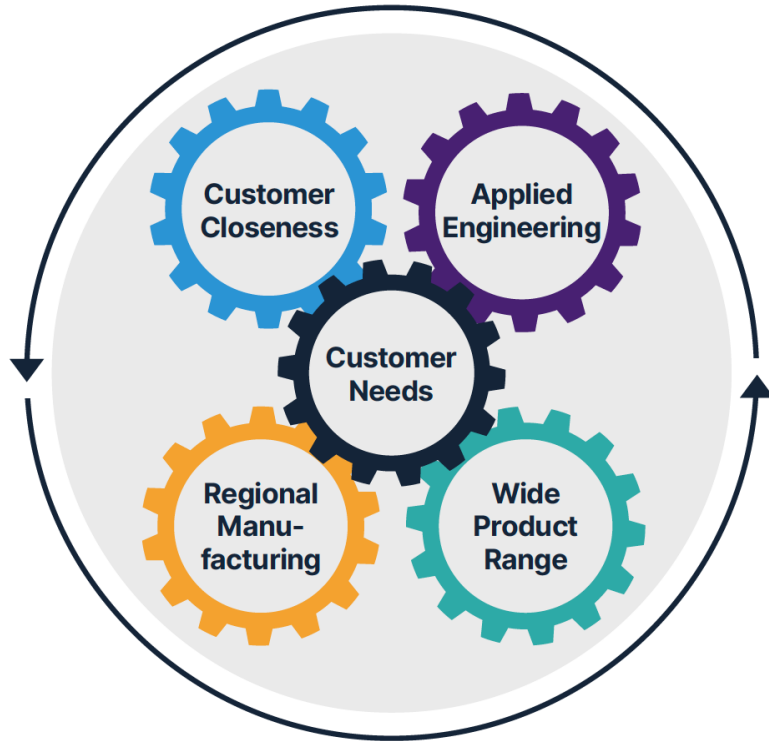
Attractive stable margins

Strong cash generation

Earnings and dividend growth

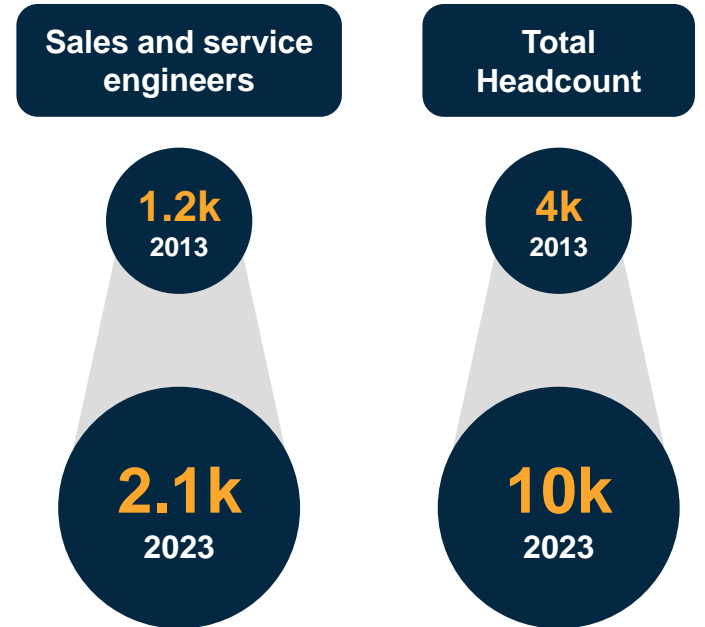
Delivering long-term compounding growth with stable margins

# Direct sales model based on customer needs and economics



**End users of our products and services**

Industrial and commercial steam, electrical process heating and peristaltic and niche pump users, across a wide range of markets, purchasing from us directly, specifying our products, or buying from distributors.

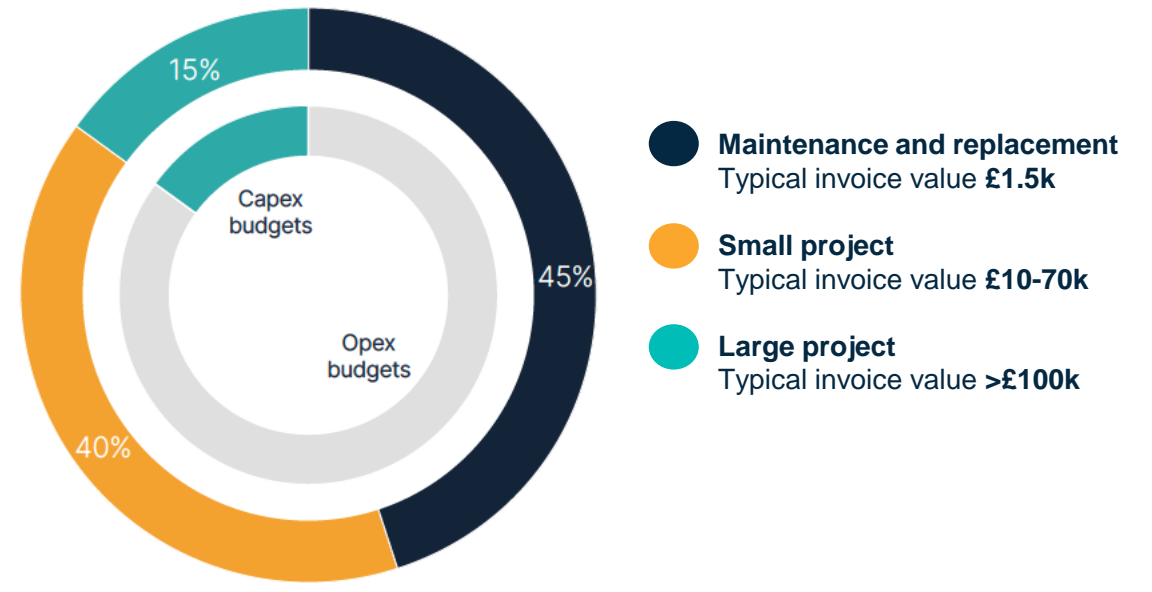
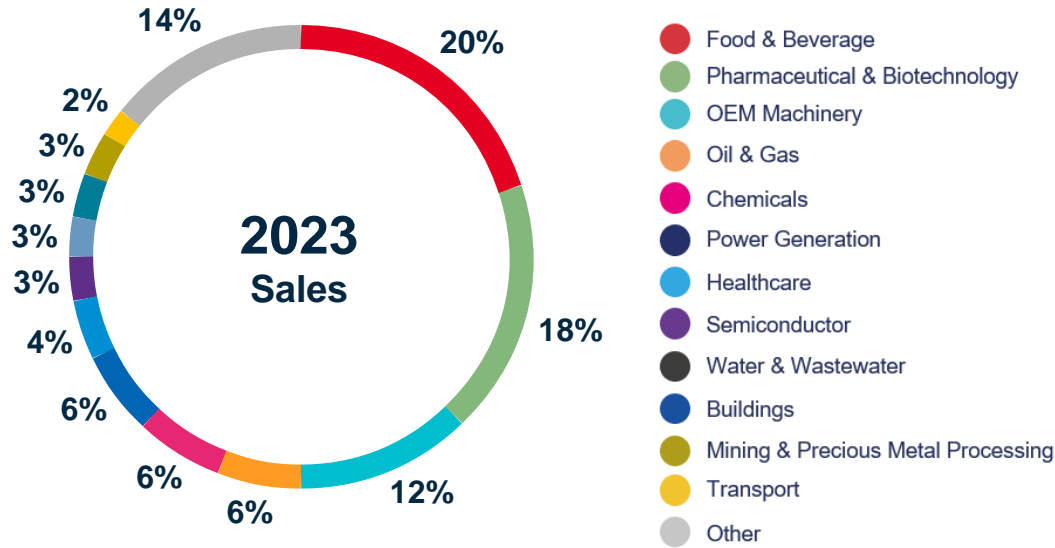


**A strong and sustainable competitive moat**

# Diverse markets, opex funded sales, self-generated solutions

**60% of Group revenue derived from defensive, less cyclical end markets**

**85% of Group revenue generated from annual maintenance and operational budgets**



**40% of Group revenue self-generated**

Where there is little visibility of end user industry sector (primarily in sales via distributors), sales have been allocated across industries on a pro-rata basis. In 2023 these 'unknown' sales accounted for 15% of total revenue. OEM sales to identifiable industries have been allocated to those industries. Sales to OEM customers accounted for 26% of Group revenue in 2023.

*Solution and project sales from identifying our customers' unrecognised needs and solving their difficult process challenges.*

# Global leader in niche markets and specialist applications



Food & Beverage

## Food & Beverage

Steam is used for blanching, cooking, baking, packaging, cleaning and sterilising. Electric heating elements are used in commercial food equipment. Pumps are used to meter ingredients, deliver food to process lines and handle process waste.



Pharmaceutical & Biotechnology

## Pharmaceutical & Biotechnology

Our peristaltic pumps, valves and single-use components enable precise flow control and fluid isolation. Clean steam reduces the risk of product and process contamination. Electrical heating is used in a wide range of process heating applications.



OEM Machinery

## OEM Machinery

Original Equipment Manufacturers (OEMs) are companies that build and supply machines for use in industry. Our activities with OEMs vary from simple product supply to advising on machine performance improvements and process plant design.



Oil & Gas

## Oil & Gas

Electrical heating products reduce fluid viscosity, deliver freeze protection and help separate natural gas, crude oil and water during extraction. Our steam products enable optimum steam system performance and reduce energy use during oil and gas production.



Chemicals

## Chemical

Steam and electricity are widely used as an energy source in chemical production and product processing, while our pumps are used to safely and accurately transfer and dose critical chemical components.



Power Generation

## Power Generation

Electrical heating technologies are widely used to optimise power generation. Steam turbines transfer chemical energy in fuel into electrical energy and steam is used to distribute and re-use waste heat formed during the power generation process.



Healthcare

## Healthcare

Steam is used in hospitals and clinics for space heating, hot water production, humidification and sterilisation. Pumps and associated equipment are used in the manufacture of products for the Healthcare industry.



Water & Wastewater

## Water & Wastewater

Peristaltic pumps are used to dose chemicals during water treatment processes and to transfer viscous and abrasive slurries. Electric heating solutions provide freeze protection, temperature maintenance and space heating in water treatment plants.



Buildings

## Buildings (HVAC)

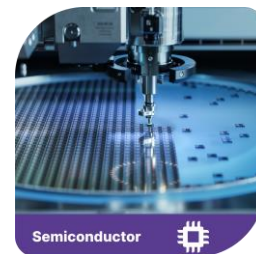
Steam is used to provide space heating, humidification and hot water in public and private buildings, while our electrical products are used for hot water and heat generation, snow melting, gutter and roof de-icing, and frost-heave prevention.



Mining & Precious Metal Processing

## Mining & Precious Metal Processing

Peristaltic pumps reduce water, energy and chemical use and increase productivity while moving and processing abrasive ores and slurries. Electrical heating is used for temperature maintenance and space heating for workers.



Semiconductor

## Semiconductor

Electrical products are used in printing production processes to ensure thermal uniformity which is critical during the chemical production process; clean and pure steam generators supply the humidification system to ensure the air is not too dry or wet.

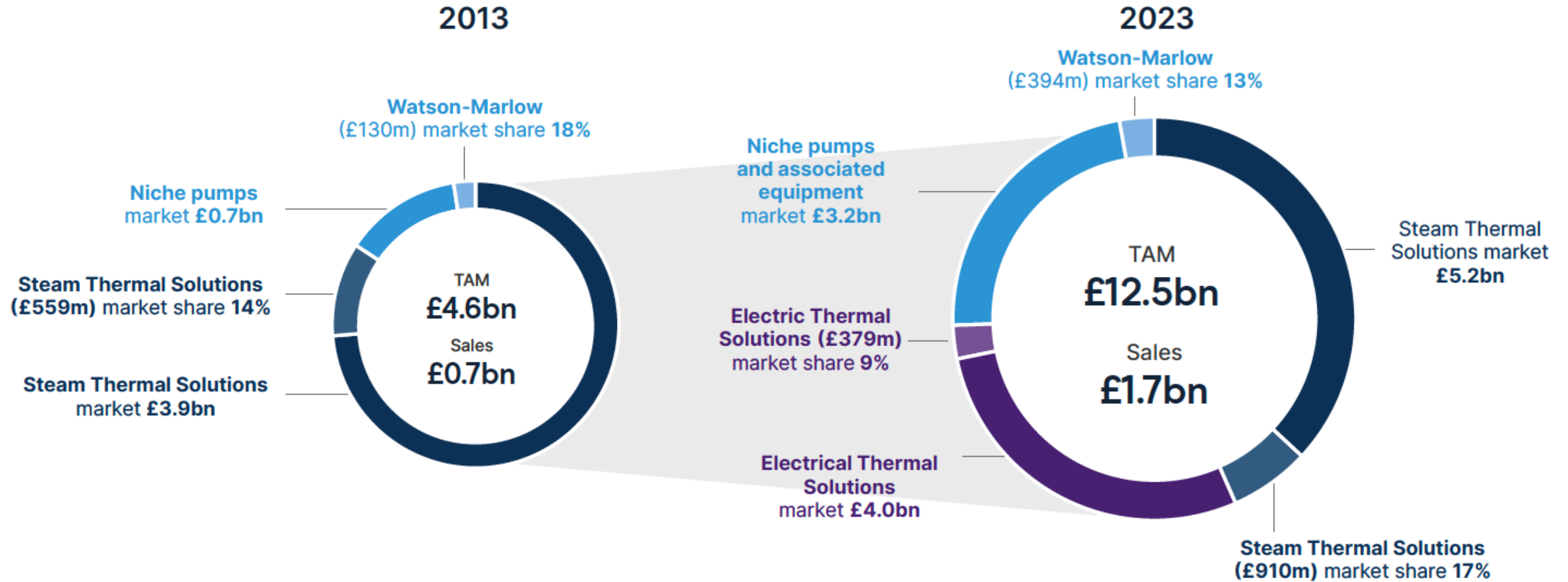


Transport

## Transport

Electrical heating components provide freeze protection and defrost for engines, rotating equipment, mechanical systems and fluid delivery. PTFE lined hoses are used for braking, cooling, transmission and steering systems. Our steam heat exchange and recovery solutions are used on cruise ships.

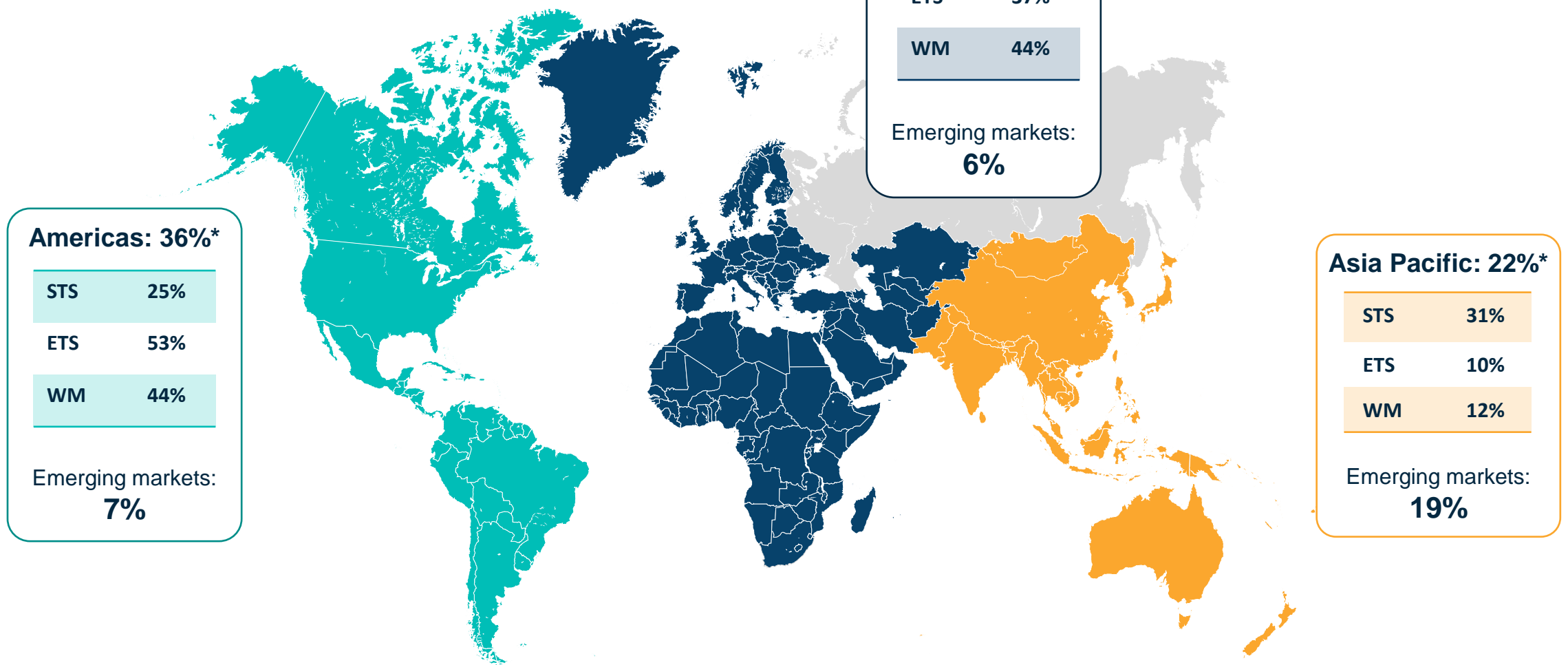
# Growing our addressable market



- Steam Thermal Solutions market
- Electric Thermal Solutions market
- Watson-Marlow Fluid Technology Solutions market

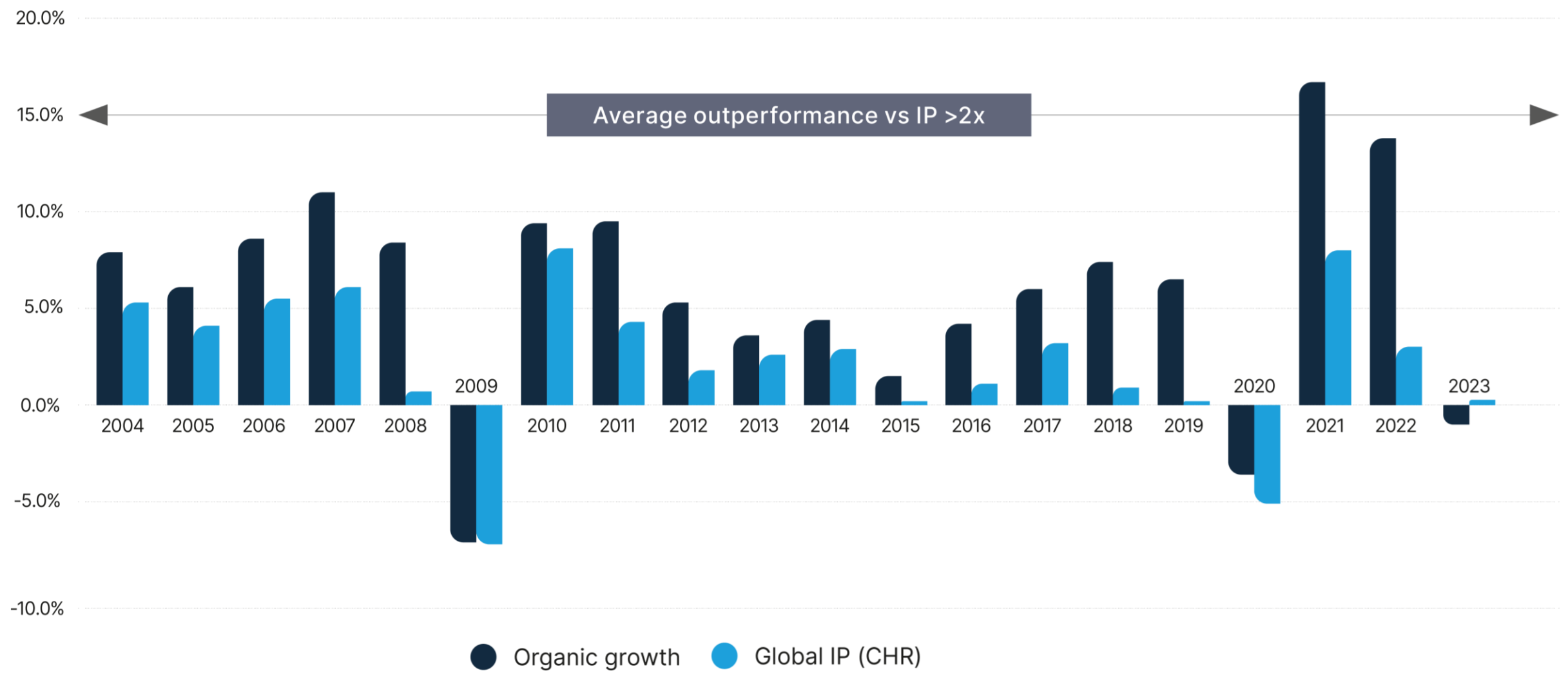
Source: Based on internal estimates

# Balanced geographic exposure



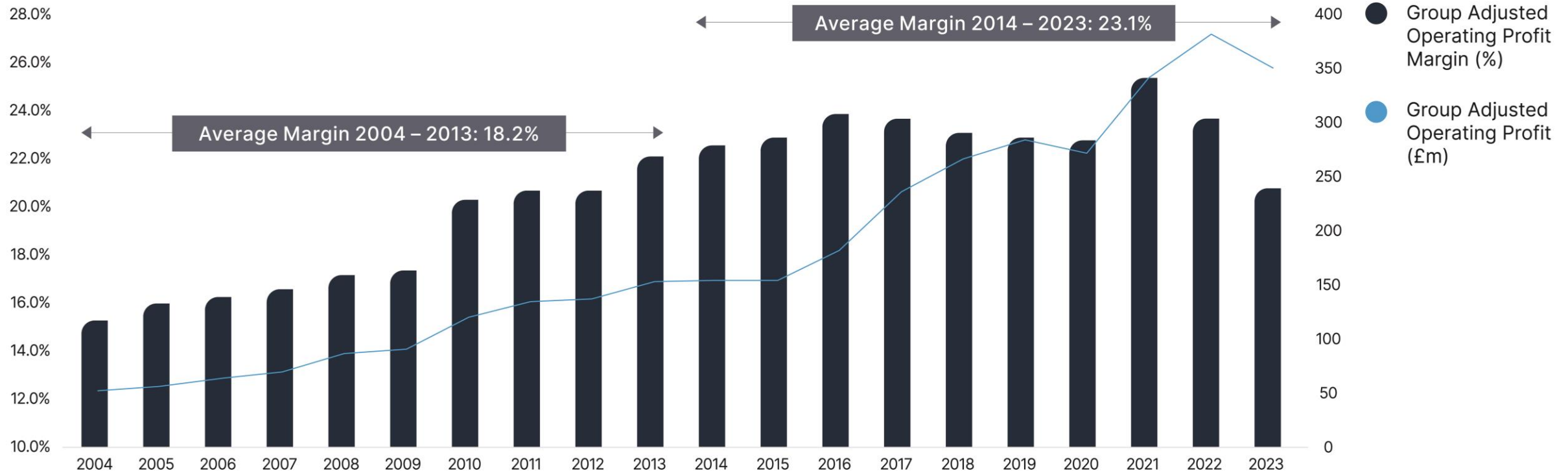
\* 2023 sales by destination

# Consistently outperforming Industrial Production growth

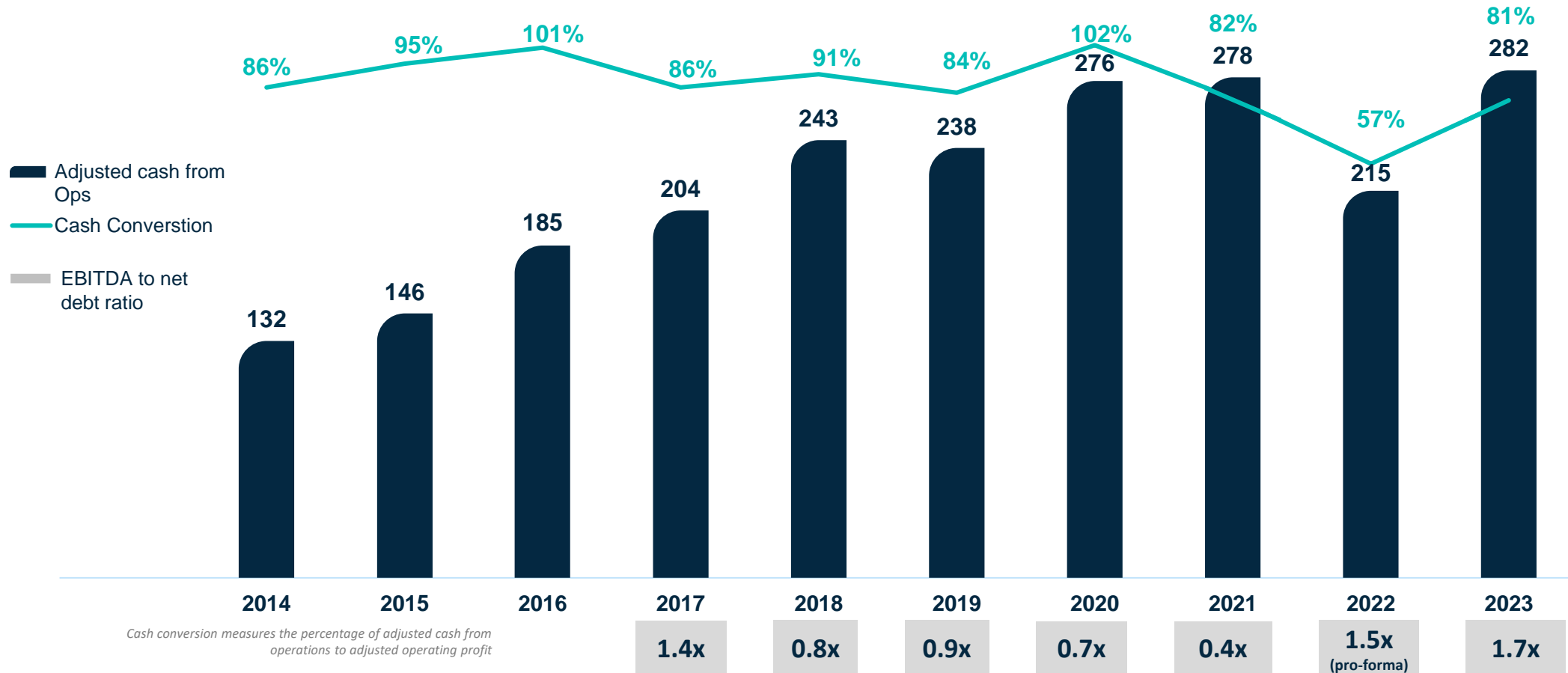




# Track record of growth and margin expansion



# Strongly cash generative



# Capital allocation policy

Return on capital employed\*  
(ROCE) averaged **>51%**  
p.a. for the last **5 years**.

## 4. Return capital

Special dividends in 2010, 2012 & 2014

## 3. Reduce debt

Net debt 1.7x EBITDA at 31<sup>st</sup> December 2023

## 2. Invest in acquisitions

Strategic targeting with disciplined execution

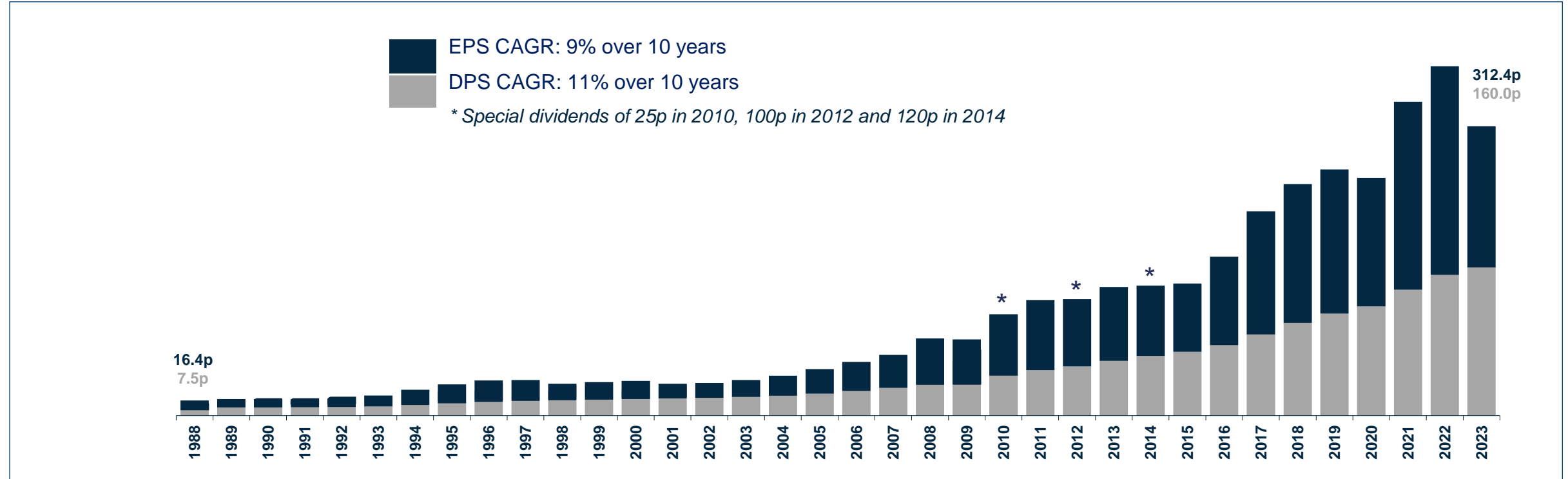
## 1. Invest in growing our business organically

Investing in our strategy drives growth and margin progression

\* Return on Capital Employed excludes the impacts of acquisitions, disposals and leases.

# Delivering shareholder value

## 56-year track record of growth



Note: Figures exclude non-operating and exceptional items

# Environmental and social progress

## Key strategic targets:

- Net zero (scope 1 and 2) GHG emissions by 2030, with an interim target of 50% reduction by 2025 (vs. 2019 baseline)
- 20% reduction in Group energy use from plant, equipment and building assets by 2025 (vs. 2019 baseline)

## Progress in 2023\*

**Scope 1&2  
emissions 6% lower**  
**(45% lower than  
2019 baseline)**

**Energy use  
8% lower**  
**(14% lower than  
2019 baseline)**

**Water consumption  
20% lower**  
**(12% lower than  
2019 baseline)**

**135 Biodiversity  
projects completed**  
**(2022: 78)**

**Gender balanced  
Executive team**  
**(44% female in 2024)**

\* Excluding acquisitions

# Helping our customers on their sustainability journey

Annual estimated customer CO2 energy and water savings from a select range of product categories in 2023



**16.6m**  
Tonnes of CO<sub>2</sub>  
per year



**226m**  
GJ per year  
of energy



**87.1m**  
m<sup>3</sup> per year  
of water

*The equivalent of:*



**675m**  
mature trees  
absorbing CO<sub>2</sub>



**2.08m**  
People's annual average  
energy consumption (UK)



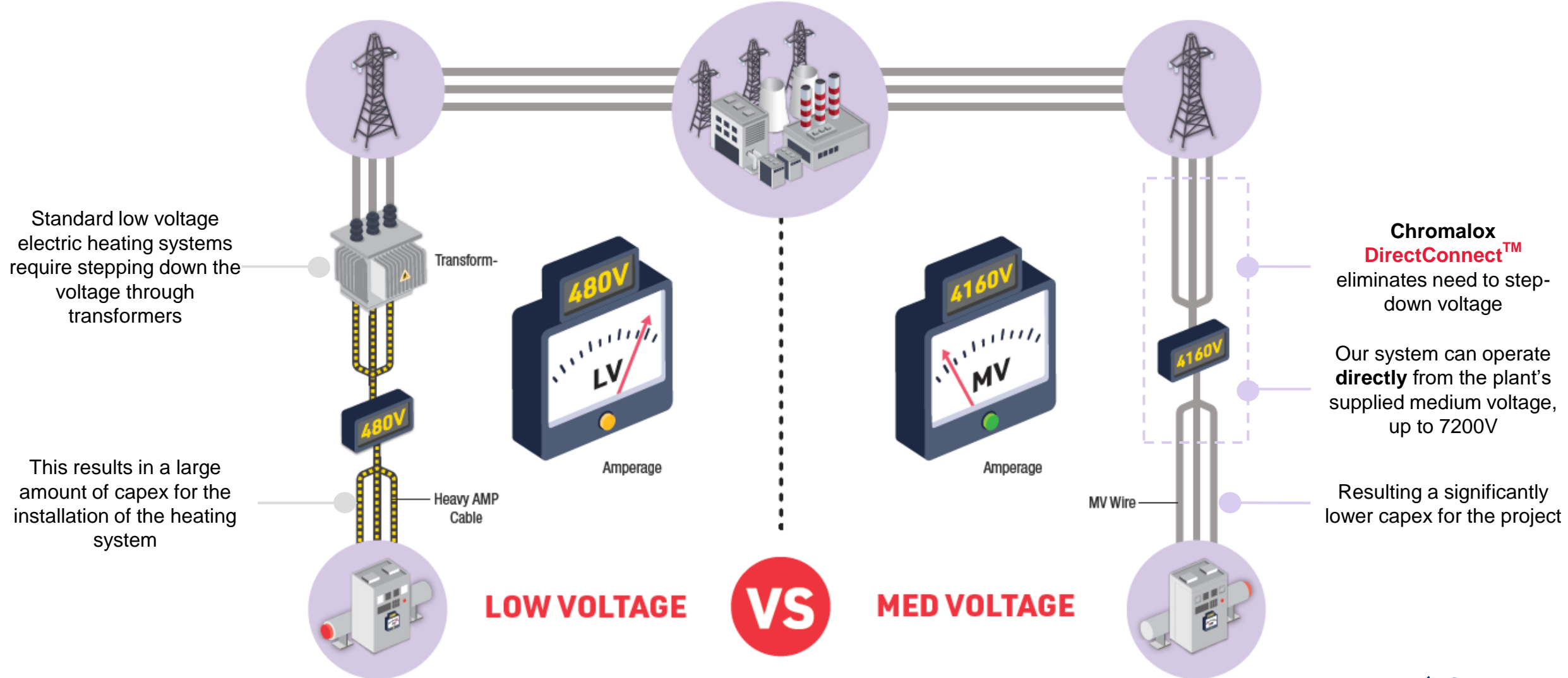
**34,900m**  
Olympic-sized  
swimming pools of  
water

# Appendices



# Direct Connect Medium Voltage Technology

## Leading and patented technology to support electrification solutions





# A long-term opportunity in the decarbonisation of industrial heat

Delivery mechanism of heat into industrial processes

30%

5%

65%

Fuel Fired Steam Boilers

Direct Fired Heaters and Heat Exchangers

TargetZero

Electric

CHROMALOX



Decarbonising steam generation

Decarbonisation solutions for processes that need direct heat

Demand for energy efficiency and decarbonisation solutions will support growth of >2x IP for years to come

# TargetZero

## Proprietary technology steam decarbonisation solutions



### SteamVolt

Low Voltage & Medium Voltage First Fit Boiler Solution Original Equipment Manufacturer (OEM) Boiler electric heat and control technology

### ElectroFit

Low Voltage & Medium Voltage Retro Fit Boiler Solution Conversion of fossil fuel fired boilers to electric

### SteamBattery

Thermal storage capable of generating steam from renewable / off peak electricity

# Financial performance

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Revenue</b>	678.3	667.2	757.4	998.7	1,153.3	1,242.4	1,193.4	1,344.5	1,610.6	1,682.6
<b>Adjusted operating profit</b>	153.0	152.4	180.6	235.5	264.9	282.7	270.4	340.3	380.2	349.1
<b>Adjusted cash from operations</b>	131.5	146.2	185.0	203.8	242.9	238.1	275.8	279.0	214.9	281.7
<b>Cash conversion</b>	85.9%	95.9%	102.4%	86.5%	91.7%	84.2%	102.0%	82.0%	56.5%	80.7%
<b>Capital expenditure to sales</b>	5.0%	5.0%	5.7%	3.8%	3.8%	5.0%	4.2%	4.8%	7.3%	6.3%
<b>Basic earnings per share</b>	132.8p	129.9p	165.0p	214.4p	303.1p	226.2p	235.5p	318.3p	305.1p	249.5
<b>Dividends in respect of the year (per share)</b>	64.5p	69.0p	76.0p	87.5p	100.0p	110.0p	118.0p	136.0p	152.0p	160.0p
<b>Return on capital employed*</b>	41.4%	41.1%	44.8%	49.8%	51.6%	52.5%	48.9%**	59.3%	53.3%	41.6%
<b>Return on invested capital*</b>	27.4%	27.1%	28.7%	22.6%	19.3%	19.0%	17.8%**	22.9%	19.0%	14.0%

\* ROCE and ROIC exclude leases but include acquisitions.