

Annual General Meeting

Charlton House, Cheltenham
15th May 2019



Jamie Pike



Nicholas Anderson



Kevin Boyd



Neil Daws



Peter France



Caroline Johnstone



Jane Kingston



Trudy Schoolenberg



Kevin Thompson



Clive Watson



Jay Whalen



Andy Robson

2018 Results

Strong organic growth, plus full-year contribution from acquisitions

- Sales growth 15%; organic 7%
- Adjusted operating profit growth 12%
- Adjusted operating margin of 23.0%; organic margin up 120 bps to 25.2%
- Strong organic growth
- Acquisitions performing in line with plan
- Full Year dividend increased 14%

	2018	2017	Reported	Organic ⁺
Revenue	£1,153.3m	£998.7m	+15%	+7%
Operating profit*	£264.9m	£235.5m	+12%	+12%
Operating profit margin*	23.0%	23.6%	-60 bps	+120 bps
Net finance expense	(£10.3m)	(£6.4m)		
Pre-tax profit*	£254.6m	£229.1m	+11%	
Tax rate*	27.6%	29.1%	-150 bps	
EPS*	250.0p	220.5p	+13%	
DPS	100.0p	87.5p	+14%	

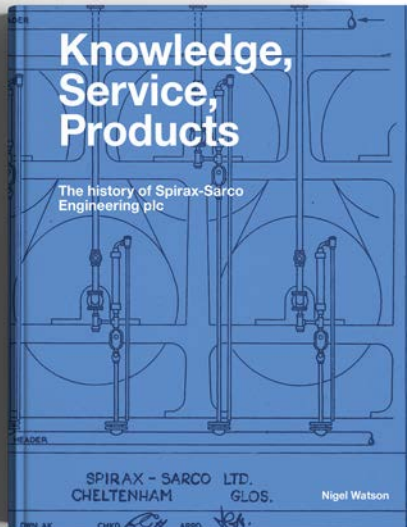
⁺ Organic measures are at constant currency and exclude contributions from acquisitions and disposals.

* Adjusted profit measures.

Engineering Sustainable Growth

The history of Spirax-Sarco Engineering plc

Celebrating the 60th anniversary of listing and over 130 years of history



On **15th May 1959**, Spirax-Sarco Engineering Ltd listed on the London Stock Exchange.

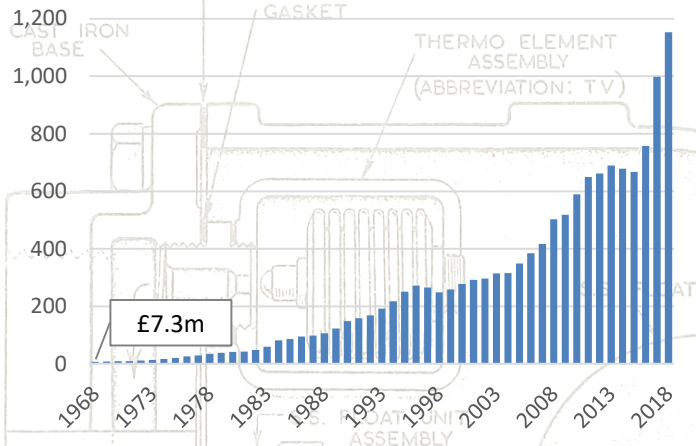
Today marks the **60th anniversary** of that listing.

- In 1959, shares were offered at **13s. 4d.** each (67p); our shares closed yesterday at **8,415p** each.
- In 1958, the Company reported pre-tax profit of **£285,000**; in 2018, we reported adjusted pre-tax profit of **£255 million**.

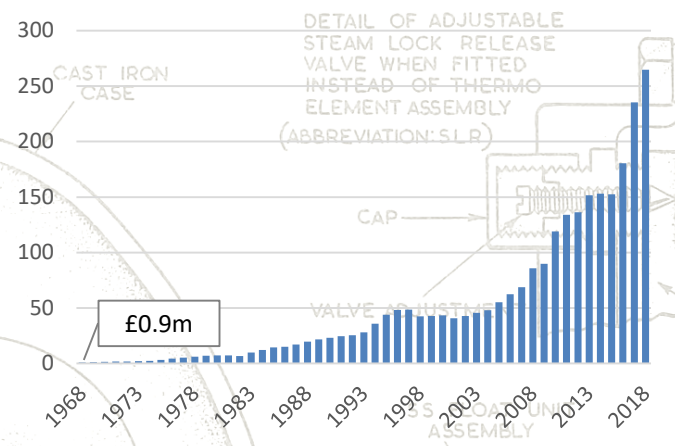
The history of Spirax Sarco is a fascinating story of **sustainable** growth.

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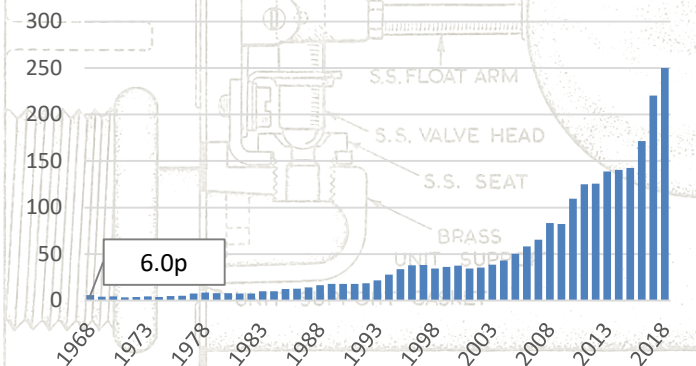
Revenue (1968-2018) £m



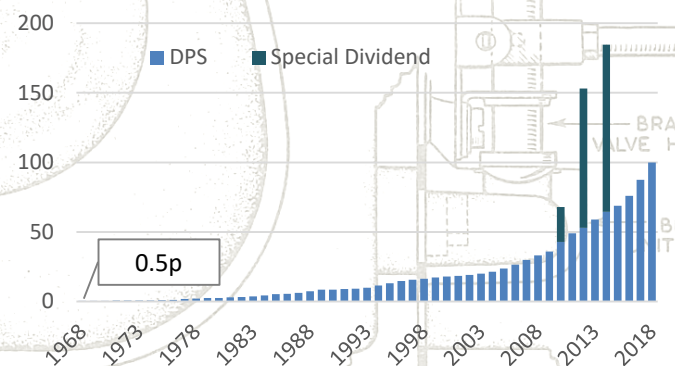
Adjusted Operating Profit (1968-2018) £m



Adjusted Earnings Per Share (1968-2018) p



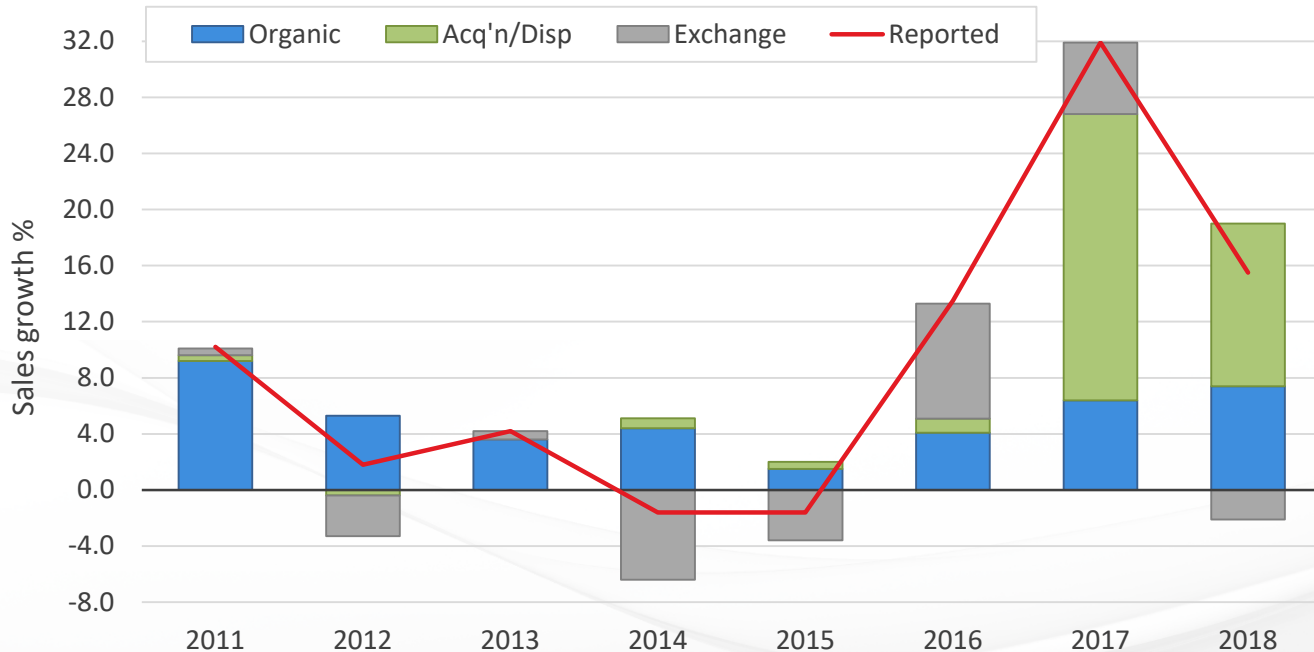
Dividend Per Share (1968-2018) p



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Continuing the legacy of organic growth

Sales growth 2011-2018



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Organic growth supplemented by acquisitions

Recent acquisitions performing well



- 10% increase in sales (full-year basis)
- Contributed an incremental £33 million to sales and £4.5 million to profit
- “Safe delivery” phase of integration complete
- Brand development and relaunch complete
- Geographical expansion: direct sales established in Brazil, Indonesia, Malaysia, Middle East, Thailand and South Korea. New operating company trading in China.



- 9% increase in sales (full-year basis)
- Contributed an incremental £81 million to sales and £9 million to profit
- Stepped up investments for future growth; responded to manufacturing inefficiencies exposed by strong sales
- New product development
- Geographical expansion: direct sales established in Brazil, Chile, Norway, Spain, Sweden, UAE and western USA. New operating company trading in Brazil.

Acquisition of Thermocoax

Completion 13th May



Established: 1957

Purpose: Designs and manufactures highly engineered electrical thermal solutions for critical applications in high added-value industries

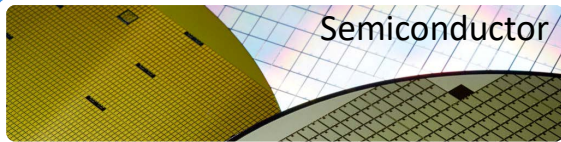
Core technology: small diameter mineral insulated cable – single or multiple conductor wires insulated by magnesium oxide, enclosed in a tubular metal sheath



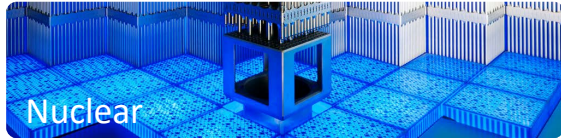
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Thermocoax

Core markets



Semiconductor



Nuclear



Aeronautics



Space



Power Generation

- Consideration: €158 million (£139m)
- Multiple of 12.2x EBITDA 2018
- Accretive to Group earnings in 2019
- Extends capabilities of the Chromalox electrical process heating business
- Broadens customer base in Europe
- Chromalox will support Thermocoax market penetration in the USA
- Compatible direct sales business model

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2018 Awards and achievements



Spirax-Sarco Engineering plc received Insider Media's **Company of the Year Award** in the annual South West International Trade Awards



Spirax Sarco China won the **British Company of the Year Award**.
Awarded to a company that exemplifies the UK's commitment to developing sustainable business and cultural relations between the UK and China

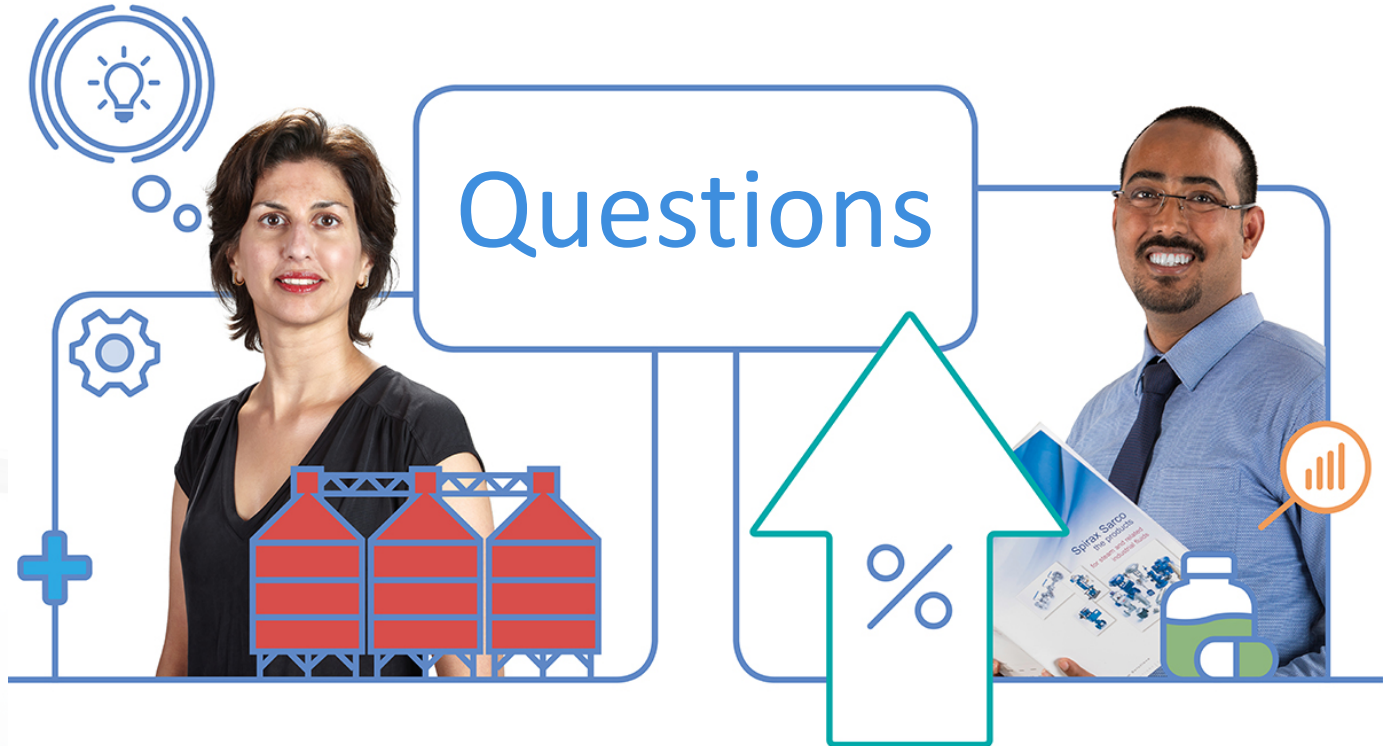


Spirax-Sarco Engineering plc voted **top of its sector** (Engineering and Machinery)
Recognised as **Britain's 12th Most Admired Company**

FTSE 100

Spirax-Sarco Engineering plc promoted to the **FTSE 100** effective Monday 24th December 2018

Questions



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