

Engineering
our difference

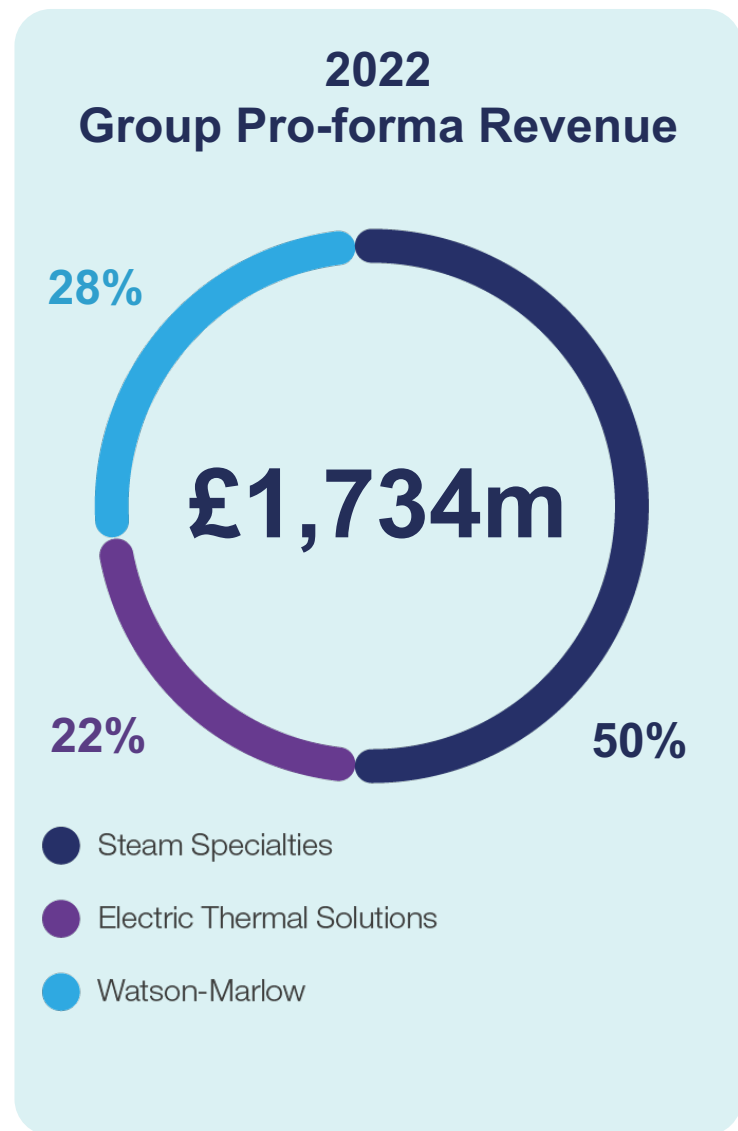
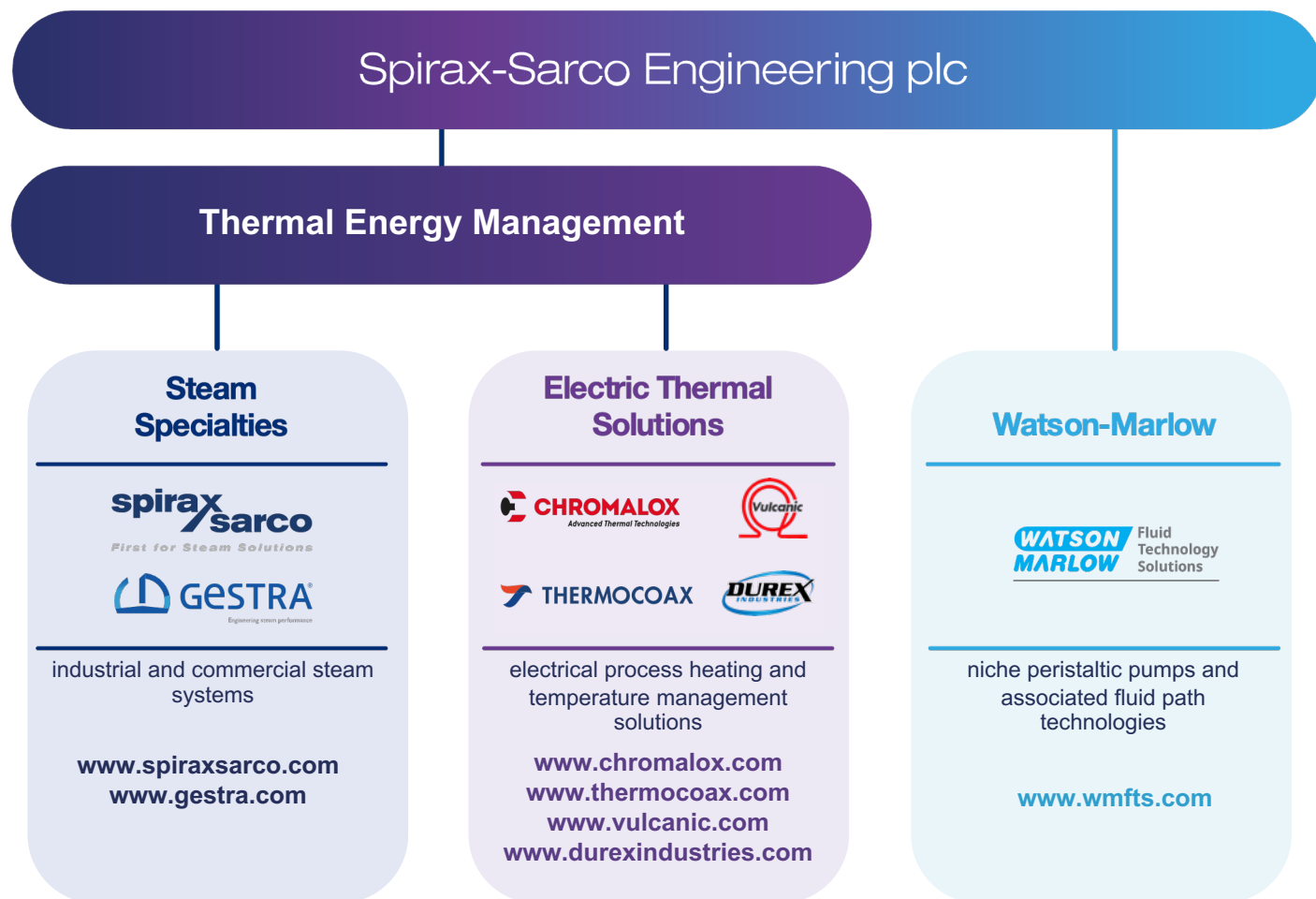
Annual General Meeting 2023

Nicholas Anderson
Group Chief Executive



Group structure

Three world-leading niche businesses



Spirax-Sarco Engineering plc

Our Group in numbers



10,400+

People



2,100+

Sales and service engineers



146

Operating Units



165

Countries served



1,700+

Core product lines



110,000

Direct buying customers

What makes us ONE Group?

Our Group is greater than the sum of the parts

Our Purpose is to create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world.

STEAM SPECIALTIES

ELECTRIC THERMAL SOLUTIONS

WATSON-MARLOW



We share common...

Values

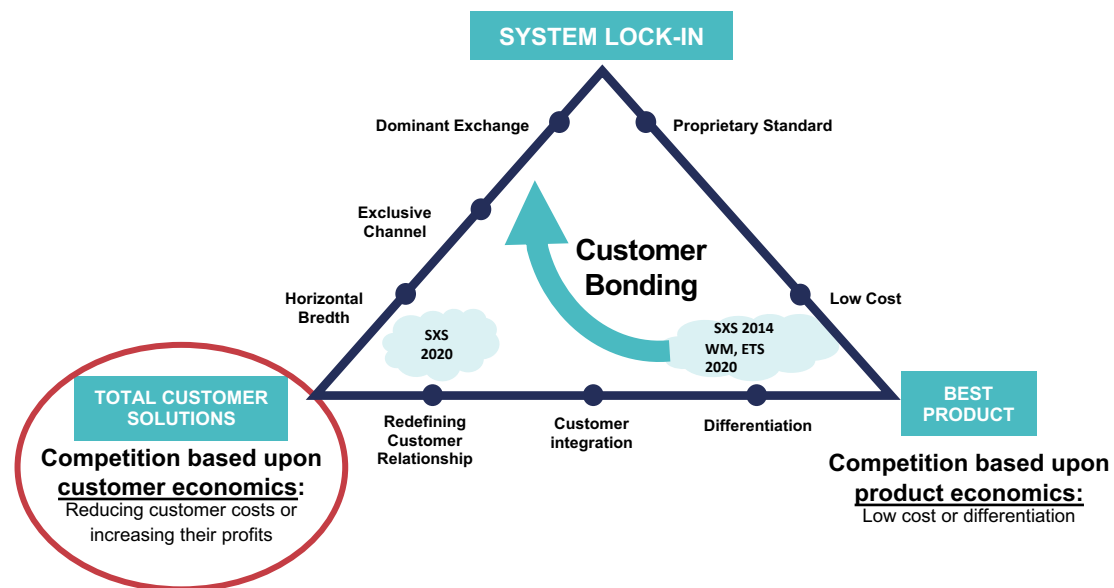


Business Model



Strategic Framework

Competition based upon system economics:
Complementor lock-in, competitor lock-out, Proprietary Standard



Business model: direct sales, low ticket, critical items

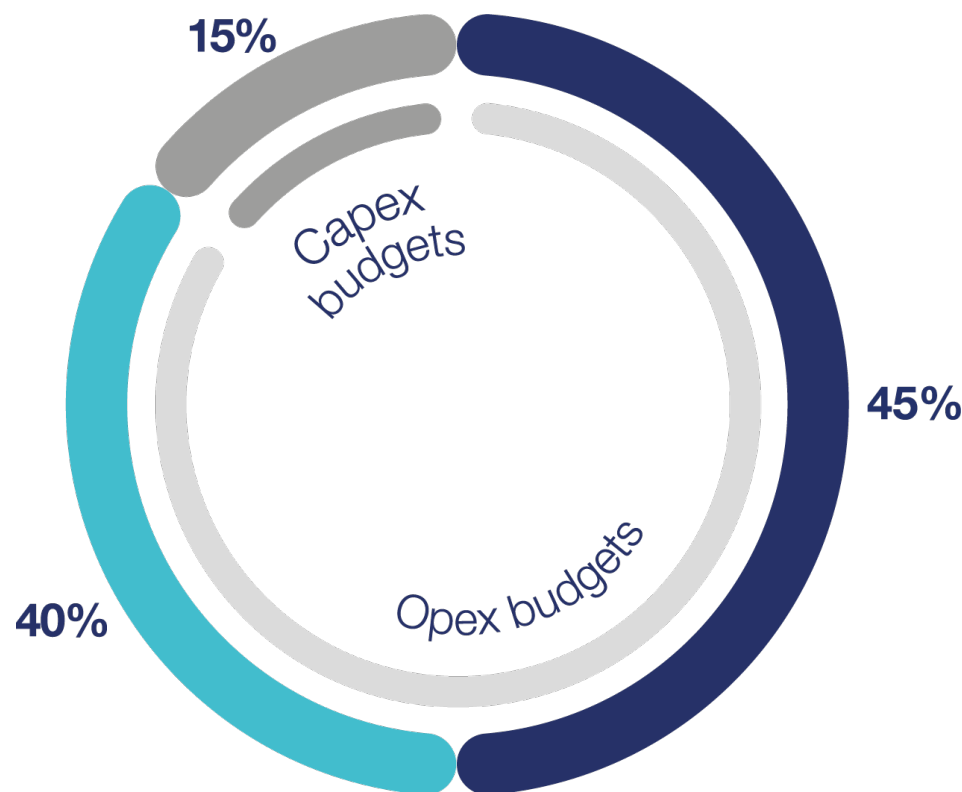
Sales by value driver*

85%

of Group revenue is driven by customer's maintenance and operational budgets

Self-generated sales

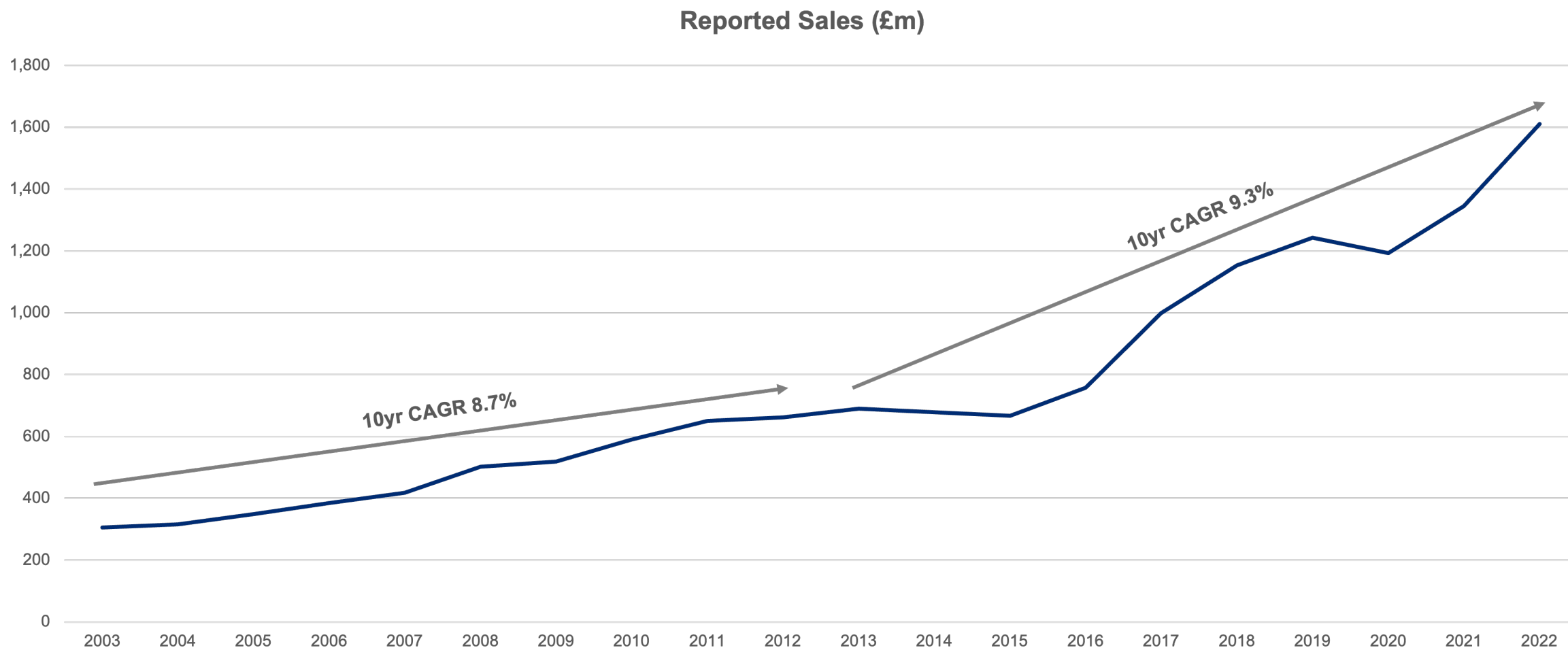
Our sales and service engineers are highly skilled in both product applications and systems understanding. We self-generate sales as we identify our customers' unrecognised needs and solve their difficult process challenges.



- **Maintenance and repair sales** that *maintain existing systems*, supported by the end users' opex budgets, with a typical invoice value of around £1.4k
- **Small project sales** that *improve existing systems*, supported by the end users' opex budgets, with a typical invoice value of £10k-£50k
- **Large project sales** that *build new systems*, supported by the end users' capex budgets, with a typical invoice value of over £100k

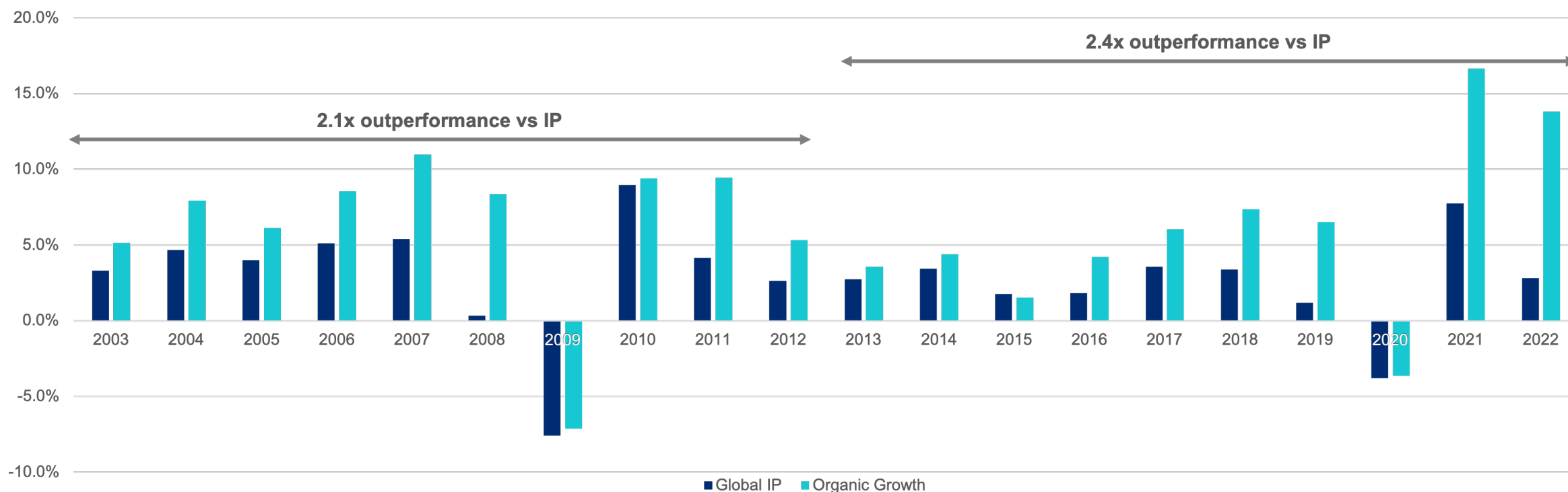
* Based on internal estimates

20 years of compounding sales growth

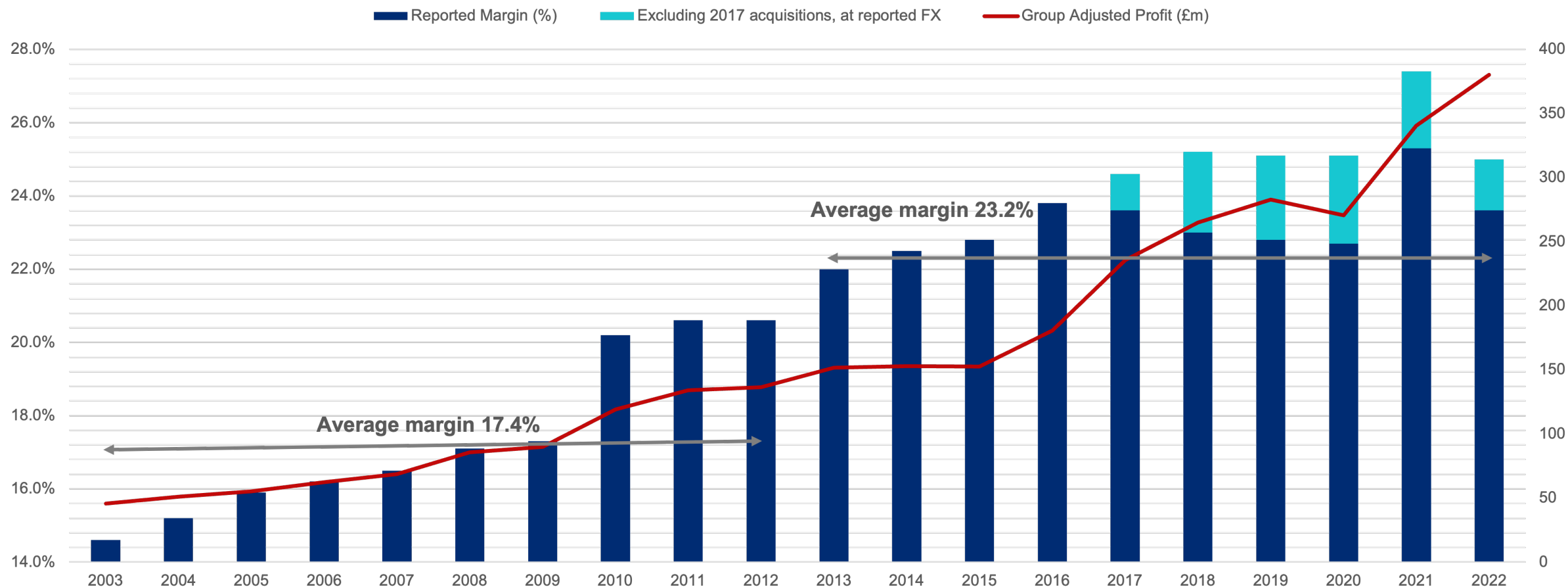


Outperforming Industrial Production growth

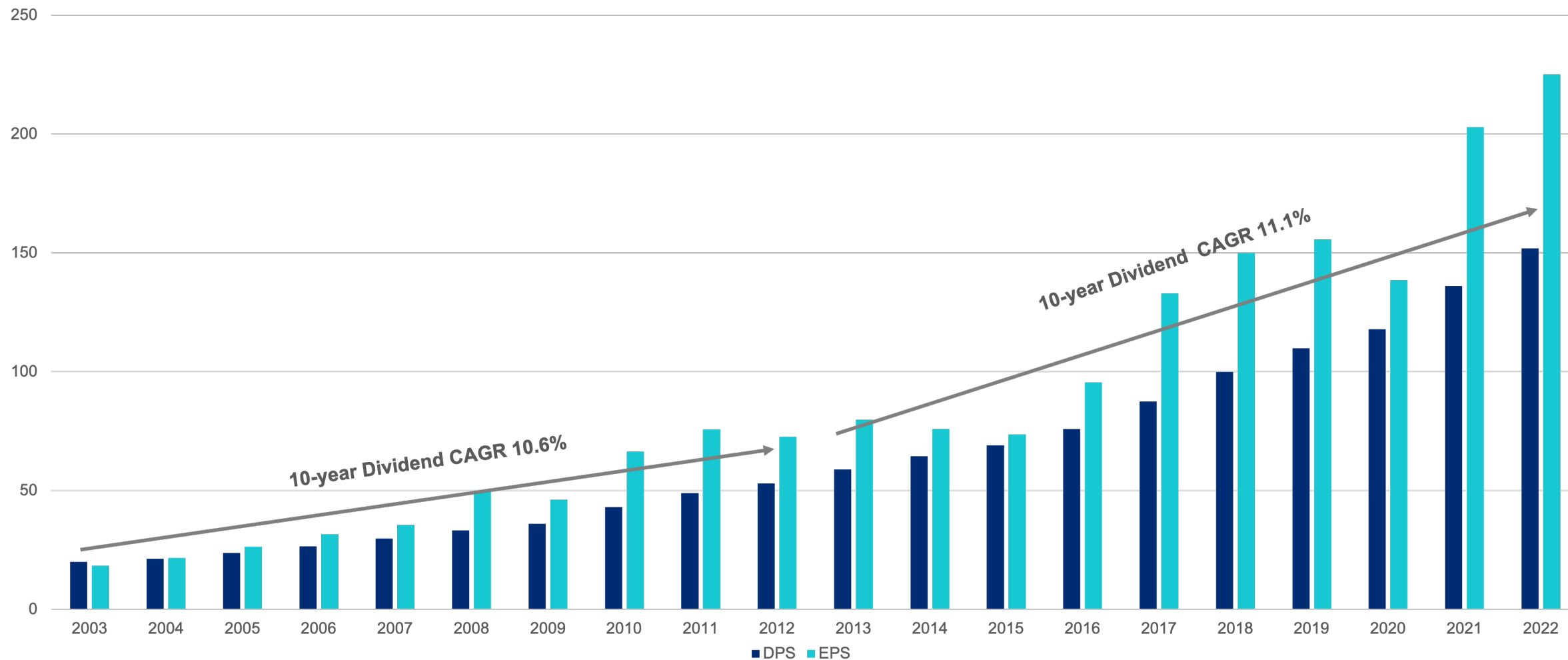
Organic Growth vs IP (10-year CAGR basis)



Profit growth and strong margin expansion

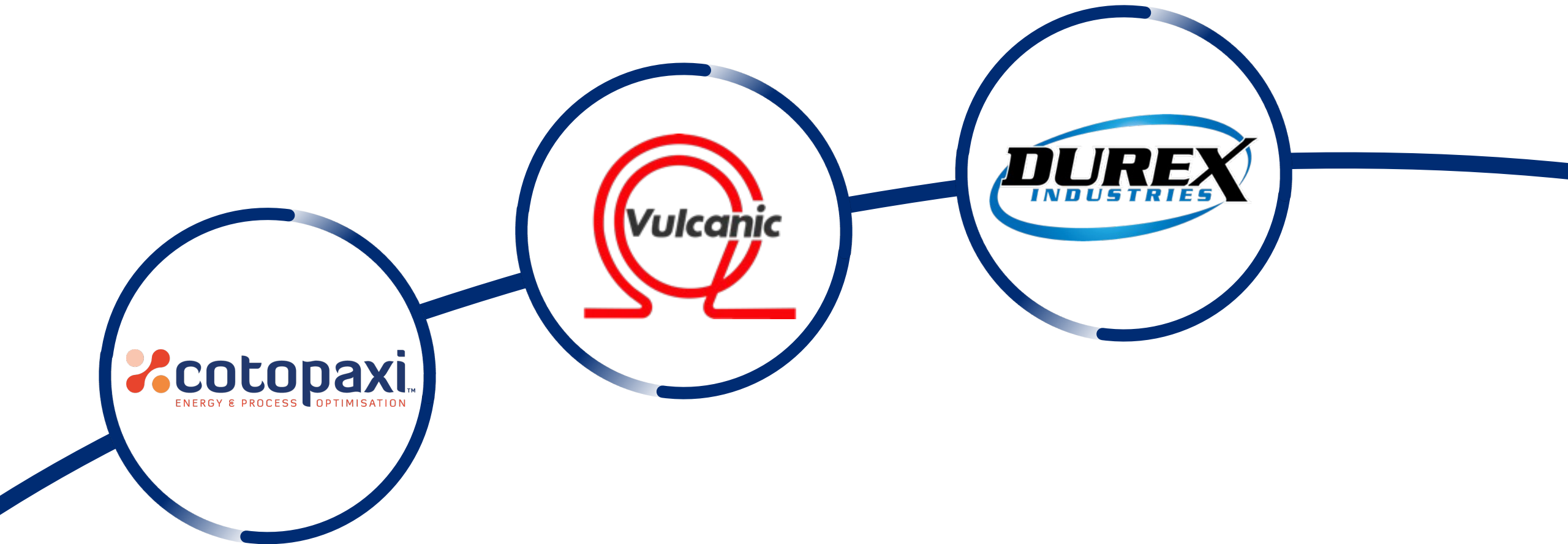


Steady annual growth in Ordinary Dividends



In 2022 we created value through

Three important acquisitions to underpin next decade of growth



Spotlight on ETS acquisitions

Vulcanic and Durex Industries contributions to our Group

- Expands ETS 2022 pro-forma sales by over 70%; ETS now 22% of Group
- Increases ETS 2022 addressable market by 5% to £3.9bn
- Expands ETS 2022 pro-forma market share from 6% to 10%
- Improves balance of ETS 2022 pro-forma sales by region*

	Americas	EMEA	Asia Pacific
ETS	56%	32%	12%
Group	36%	40%	24%

- Strengthens ETS presence in faster growing end-market sectors

*revenues by destination



Lead brands for electric heating solutions for critical applications of industrial **processes**



Lead brands for electric heating solutions for ultra-critical applications of industrial **equipment**

In 2022 we launched TargetZero

New solutions to decarbonise critical industrial processes

SteamVolt

LV & MV First Fit Boiler Solution
OEM Boiler electric heat and control technology



SteamBattery

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

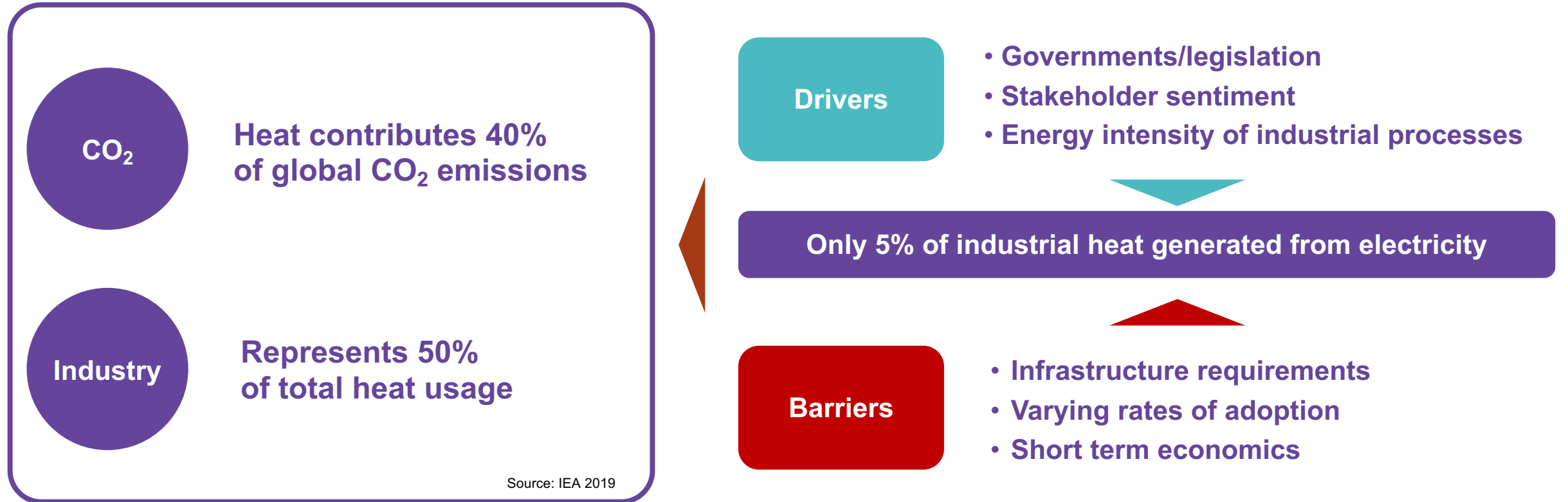


ElectroFit

LV & MV Retro Fit Boiler Solution
Conversion of fossil fuel fired boilers to electric



Drivers of decarbonisation opportunities





 **ONE PLANET**

ENGINEERING WITH PURPOSE

ONE PLANET

Achievements so far...

41%

reduction in
Greenhouse gas
emissions*



57%

of electricity from
green sources



97

biodiversity initiatives
completed



£1 million

donated to 51 projects by
Group Education Fund
with £15 million targeted
by 2030



22,000+

colleague
volunteering hours
in 2022





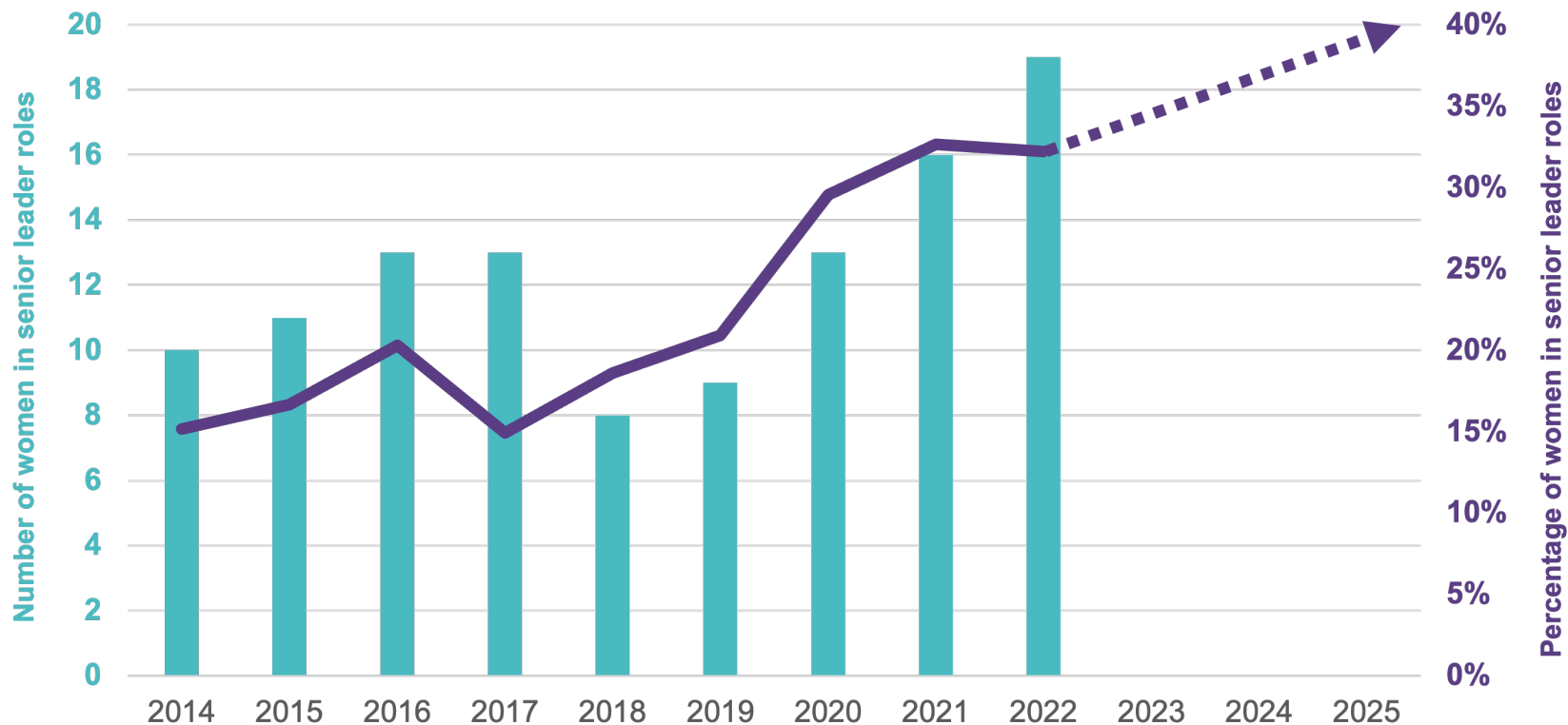
Our plan for inclusive and equitable workplaces.

Our ten Group Inclusion Commitments apply to everyone who works in our Group.

They are our way of making a positive difference to the lives of all our colleagues around the world.

Focus on women in senior leadership

Group Executive Committee and their direct reports



Our ambition is to reach a minimum of 40% women in senior leadership roles by the end of December 2025

Digital for Growth, Productivity, Sustainability

Group Digital Strategic Initiatives



Enhanced Customer Experience



Supply Chain Efficiency



Innovation and Agility



Enhanced Enterprise

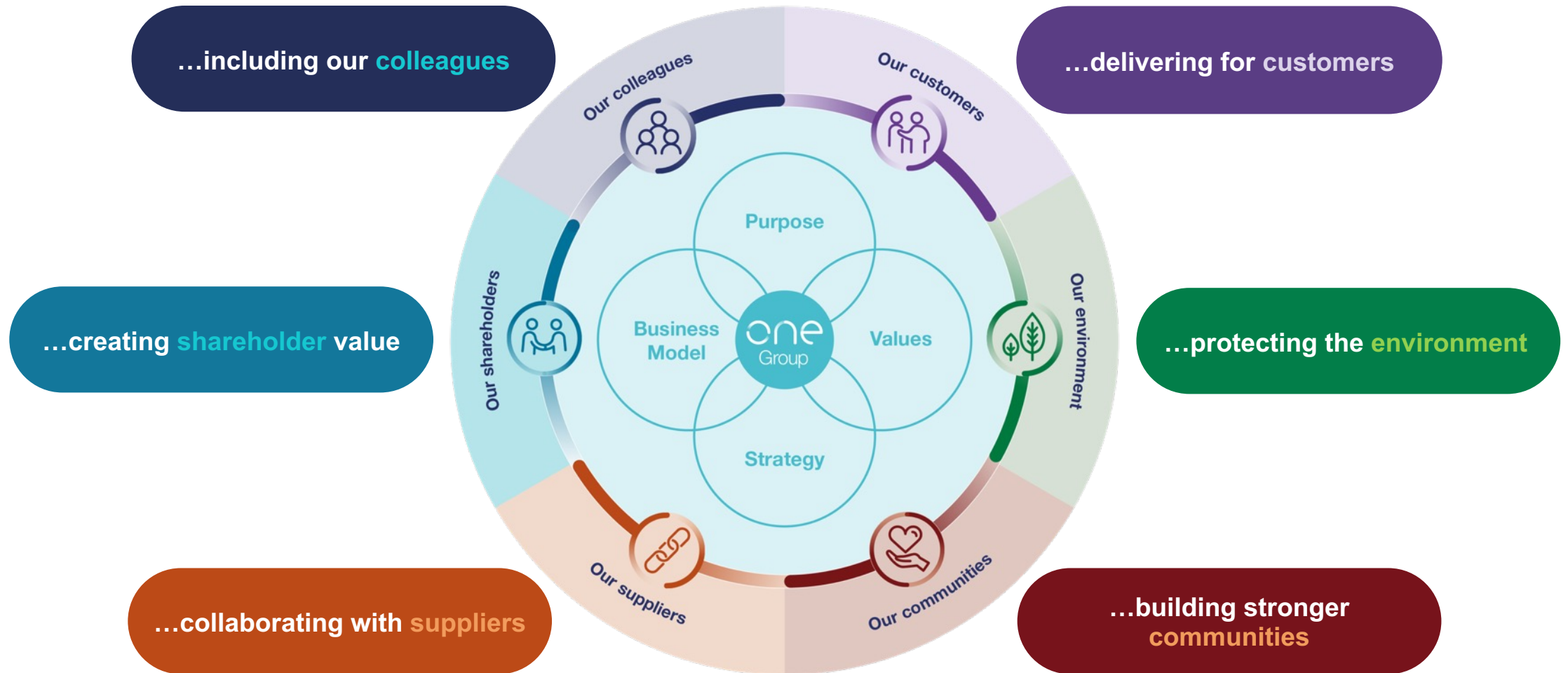


Life Cycle Customer Value



Orchestrated Platform

Delivering for all stakeholders...



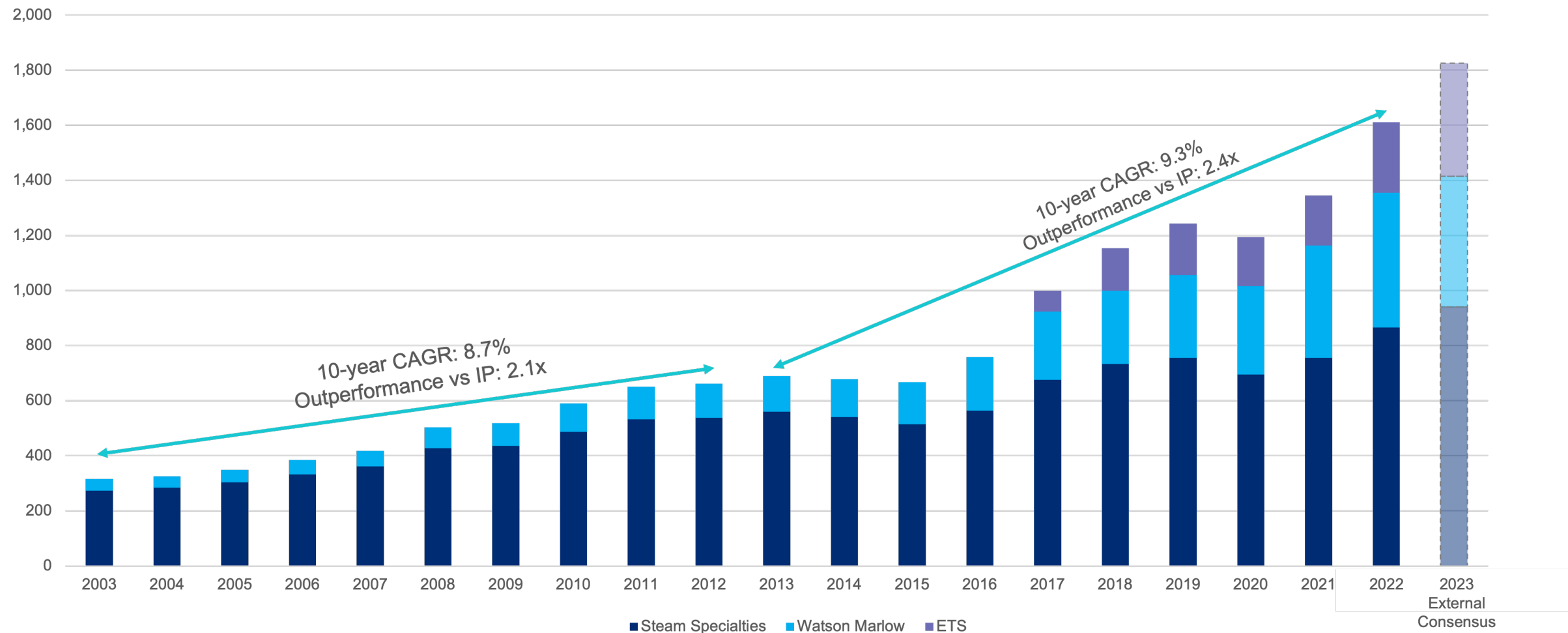
The next decade

One Group, three growth engines

- **Improving upon what we already do well:**
 - Direct sales to enhance self-generated growth
 - Focused on faster growing industrial sectors
 - Pricing discipline to protect margins
 - Re-investment of operational efficiencies
 - Leverage Group-wide collaboration
 - Digital technologies to enhance business model
- **Multi-decade decarbonisation opportunities**



Positioned for long-term sustainable growth



Engineering our difference

- Strong historic performance
- Leading to a stronger, more balanced Group
- Investing to create value for all stakeholders
- Well positioned for the future
- Focused on sustainable growth which delivers our Purpose



Thank you

Questions