



Evolving for tomorrow's world.

October 2024



Spirax
Group

Evolving for tomorrow's world.

October 2024



Nimesh Patel
Group Chief Executive Officer

 **Spirax**
Group

Joining me today...



Louisa Burdett
Group Chief
Financial Officer



Maurizio Preziosa
Managing Director
Steam Thermal
Solutions



Andrew Mines
Managing Director
Electric Thermal
Solutions



Chris Molnar
VP Process Industries
Electric Thermal
Solutions



Maria Wilson
Group Digital Director



Phil Scott
Interim Joint
Managing Director
Watson-Marlow Fluid
Technology Solutions



Martin Johnston
Interim Joint
Managing Director
Watson-Marlow Fluid
Technology Solutions



Sarah Peers
Group Sustainability
Director



Jim Devine
Group HR Director



Céline Barroche
Group General Counsel

Welcome and Agenda

Introducing Spirax Group leadership team



Purpose of today's Capital Markets presentation



The topics we will cover



How we have allocated time

AGENDA			
1.30pm	1	Introduction and overview	Nimesh Patel
	2	Electric Thermal Solutions	Andrew Mines
	3	Electrification	Chris Molnar
	4	Steam Thermal Solutions	Maurizio Preziosa
3.15pm	Break (30 mins)		
4.15pm	5	Watson-Marlow	Andrew Mines
	6	Digital at Spirax Group	Maria Wilson
	7	Financial ambition	Louisa Burdett
	8	Wrap-up and conclusions	Nimesh Patel
	9	Q&A	
5.30pm	Close		

Together for growth.

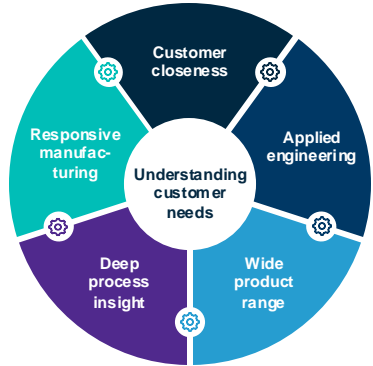


Nimesh Patel
Group Chief Executive Officer



A differentiated Group with strong and enduring traits

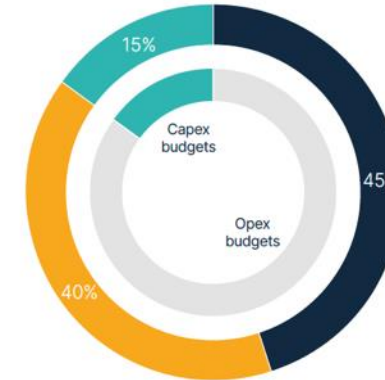
Direct sales model focused on solution selling...



2,100
Direct sales and service engineers

...funded from Opex budgets...

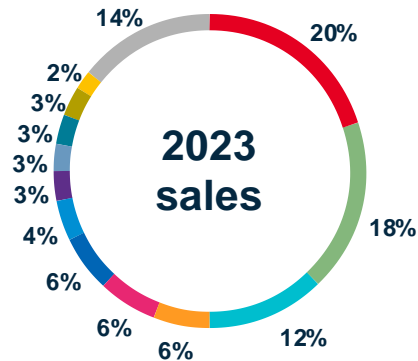
- **Maintenance and Replacement**
Typical invoice: £1.5k
- **Small project**
Typical invoice: £10-70k
- **Large project**
Typical invoice: >£100k



100k+
local customers and significant installed base

...focused on niche applications across diverse end-markets...

- Food & Beverage
- Pharmaceutical & Biotechnology
- OEM Machinery
- Oil & Gas
- Chemicals
- Power Generation
- Healthcare
- Semiconductor
- Water & Wastewater
- Buildings
- Mining & Precious Metal Processing
- Transport
- Other



60%
sales from defensive sectors

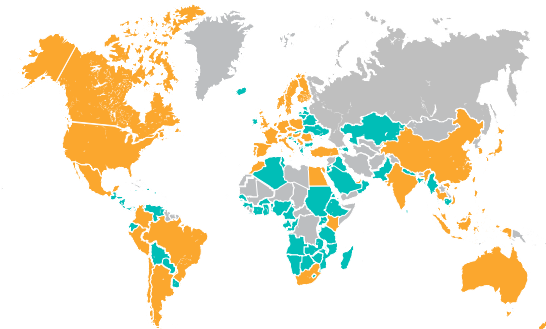
...and across the globe

Global Sales

EMEA: **42%**

AMERICAS: **36%**

APAC: **22%**



66
countries with a direct sales presence

Three high-quality, high-margin, long-term growth engines

7

Accelerating our Group's compounding growth and margin will enhance our long track record of strong EPS growth

Steam Thermal Solutions

- Proven capability to outperform IP through solution selling
- Resilience from defensive sector exposure and MRO demand
- Solution selling and value-based pricing underpins attractive margin
- Uniquely placed to lead the decarbonisation of steam generation

Long term sales growth: **>2x IP**
Sustainable margin: **23.5%+**

Electric Thermal Solutions

- Clear plan to substantially improve margin through: operational focus, growth, price
- Proprietary technology and proven track record in new product development
- Differentiated bespoke manufacturing expertise
- Capabilities enable the decarbonisation opportunity

Long term sales growth: **>2x IP**
Sustainable margin: **20.0%+**


Watson-Marlow

- Underlying Biopharm market growing at ~10%
- Process Industries to drive secular growth above IP
- High margins supported by focus on attractive sectors and consumables sales
- Well-invested following expansion of manufacturing capacity

Long term sales growth: **high-single-digit**
Sustainable margin: **30.0%+**

Positioned to benefit from global mega-trends

Resource efficiency



Industrial thermal energy
~ 20% of global CO₂ emissions

Unique combination of
steam and electric expertise

Ageing populations



Over 65s increasing to
~ 1.5 billion people

Supporting innovation
in healthcare

Increasing demand for consumer goods



Emerging middle class
~ additional 800 million people

Process efficiency, productivity
and capacity expansion

Changing lifestyles



Sustainability, health and
technology conscious consumers

Targeting new
high growth sectors

Serving
Industrials
Wastewater
Nuclear

Serving
Pharmaceutical
Biotechnology
Healthcare

Serving
Food and Beverage
Energy and Power
Mining

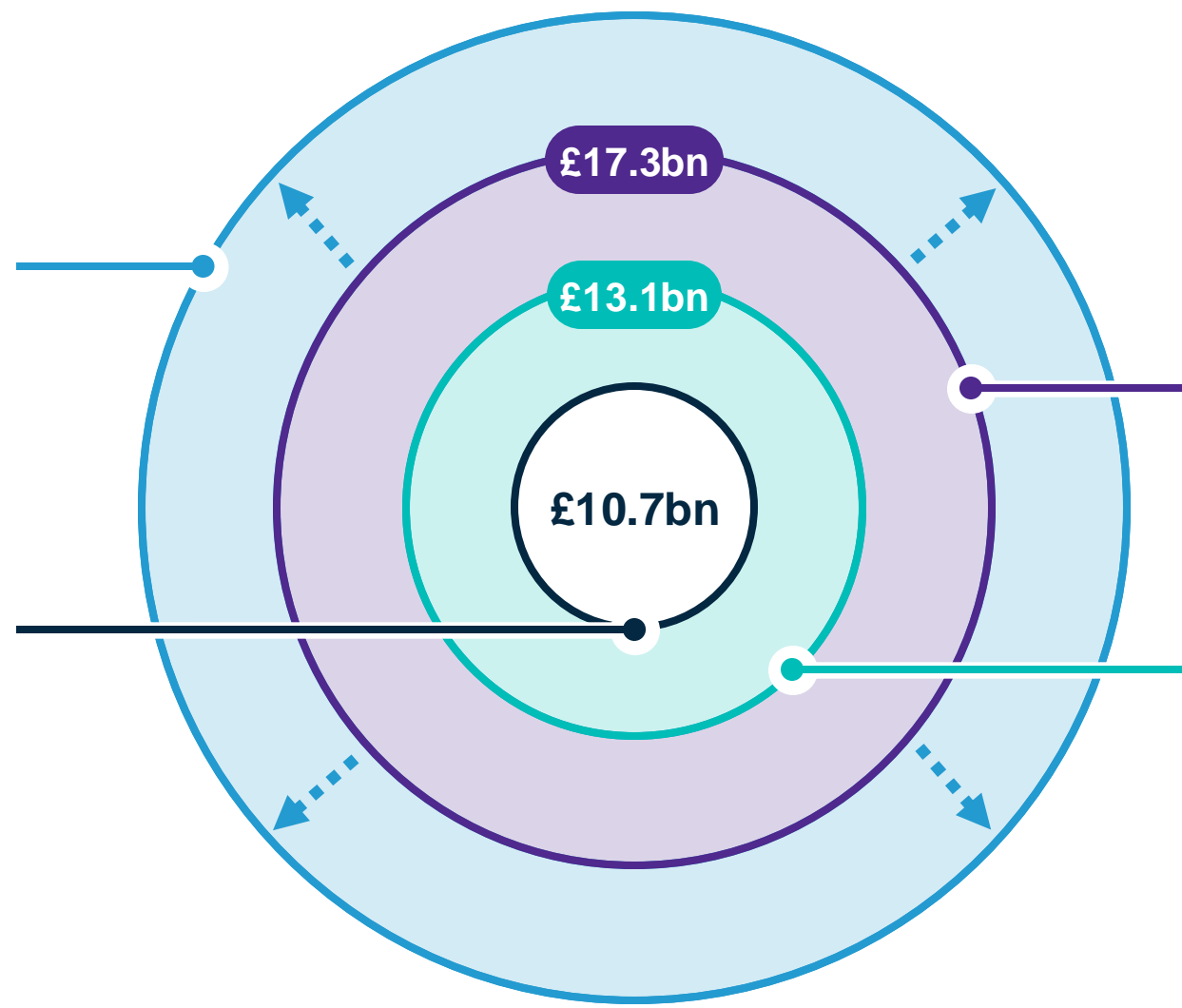
Serving
Future Foods
Electric Vehicles
Semiconductors

Expanding our annual addressable market

Decarbonisation of thermal energy expands addressable market by 60% to £17.3bn

- Future expansion of addressable market:**
- IP-related growth
 - Pricing
 - Biopharm and Semicon demand recovery
 - New target, high growth sectors

£10.7 bn
Current addressable market

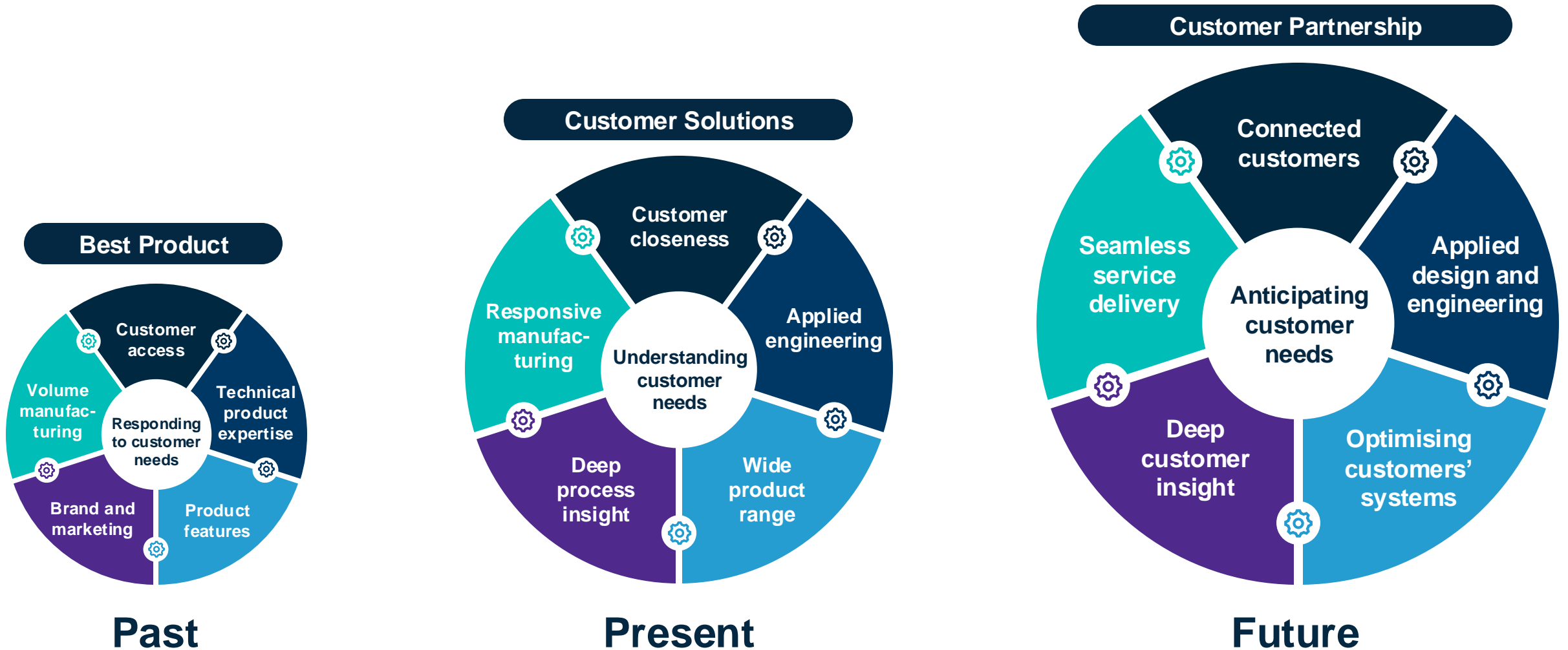


- £4.2 bn**
Decarbonisation of thermal energy beyond steam generation:
- Current industrial thermal energy needs in target sectors and regions
 - Assumes adoption over multiple years

- £2.4 bn**
Decarbonisation of steam generation:
- Current installed base of boilers in target sectors and regions
 - Assumes adoption over multiple years

We are evolving to meet customers' future needs

Strengthening our competitive differentiation and value proposition

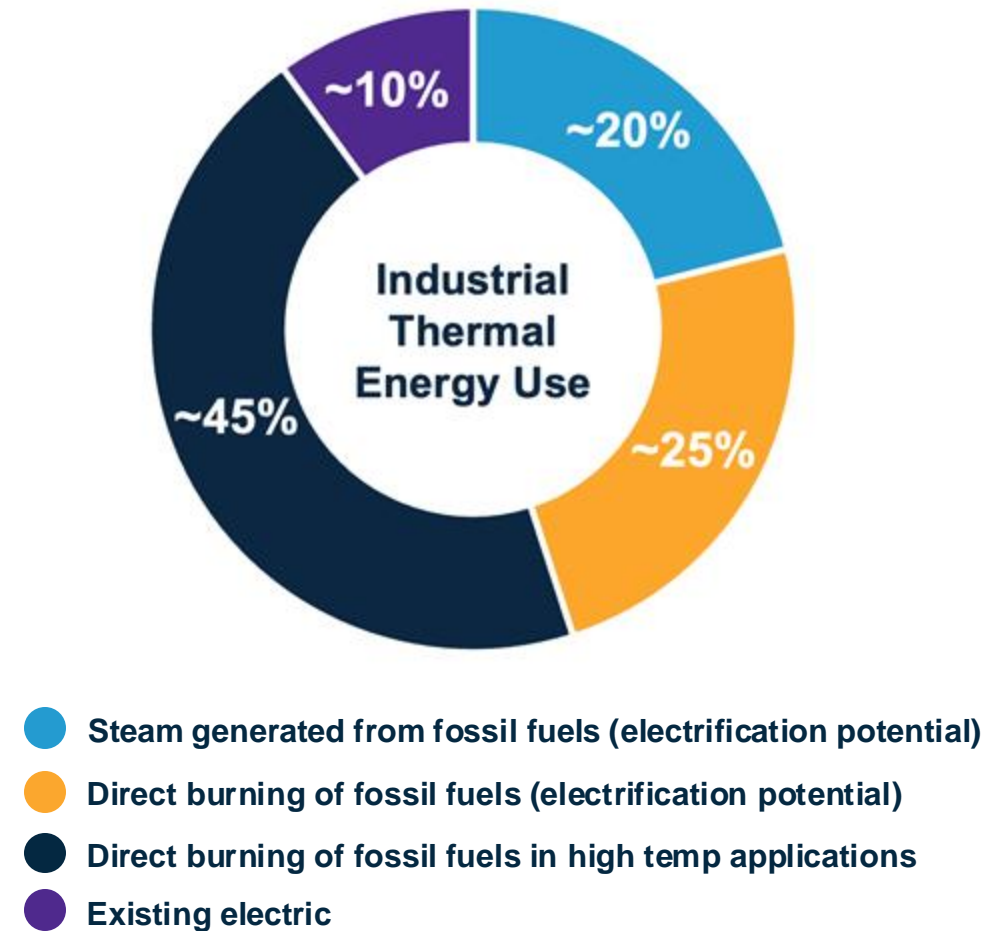
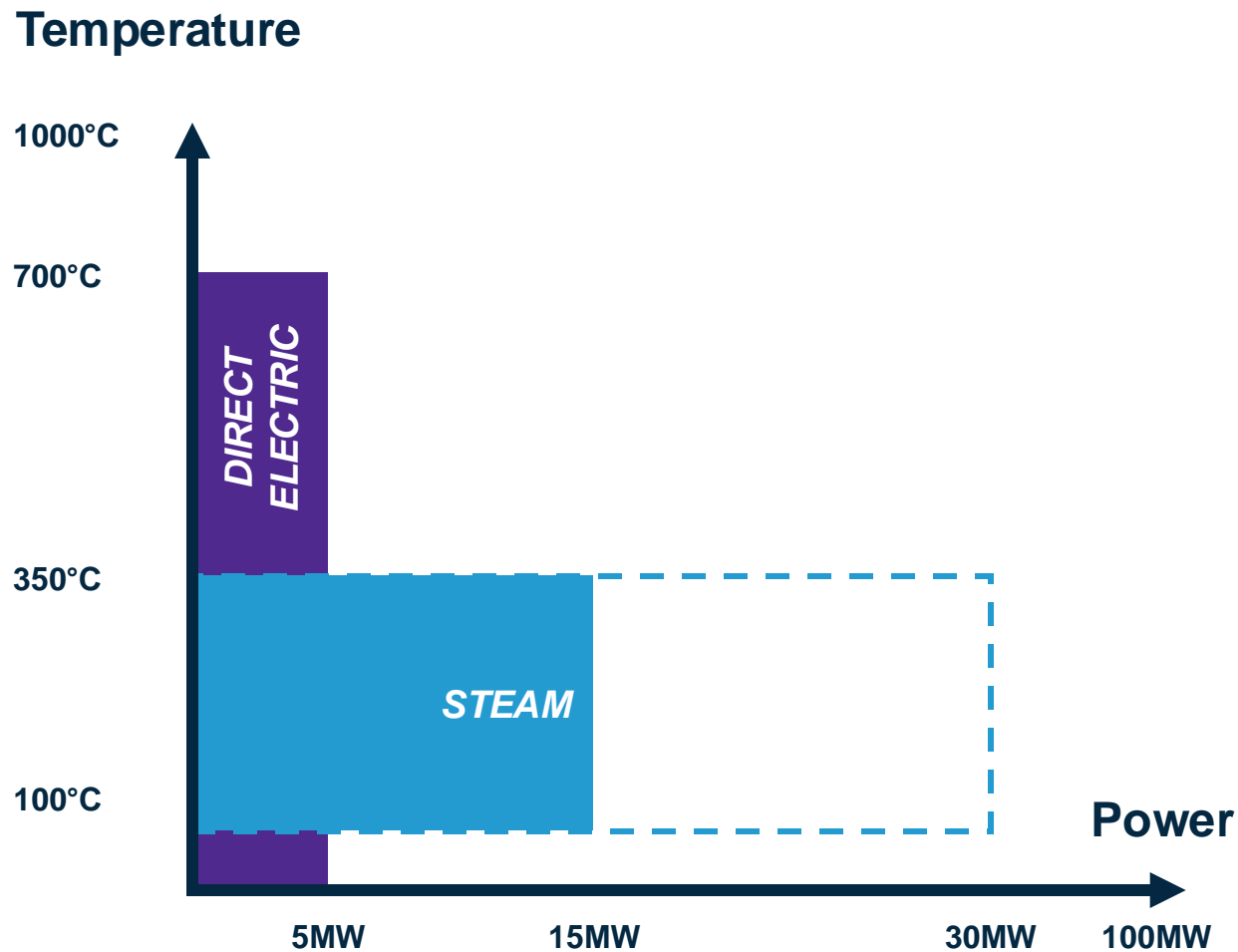


**Strategy
in action:**

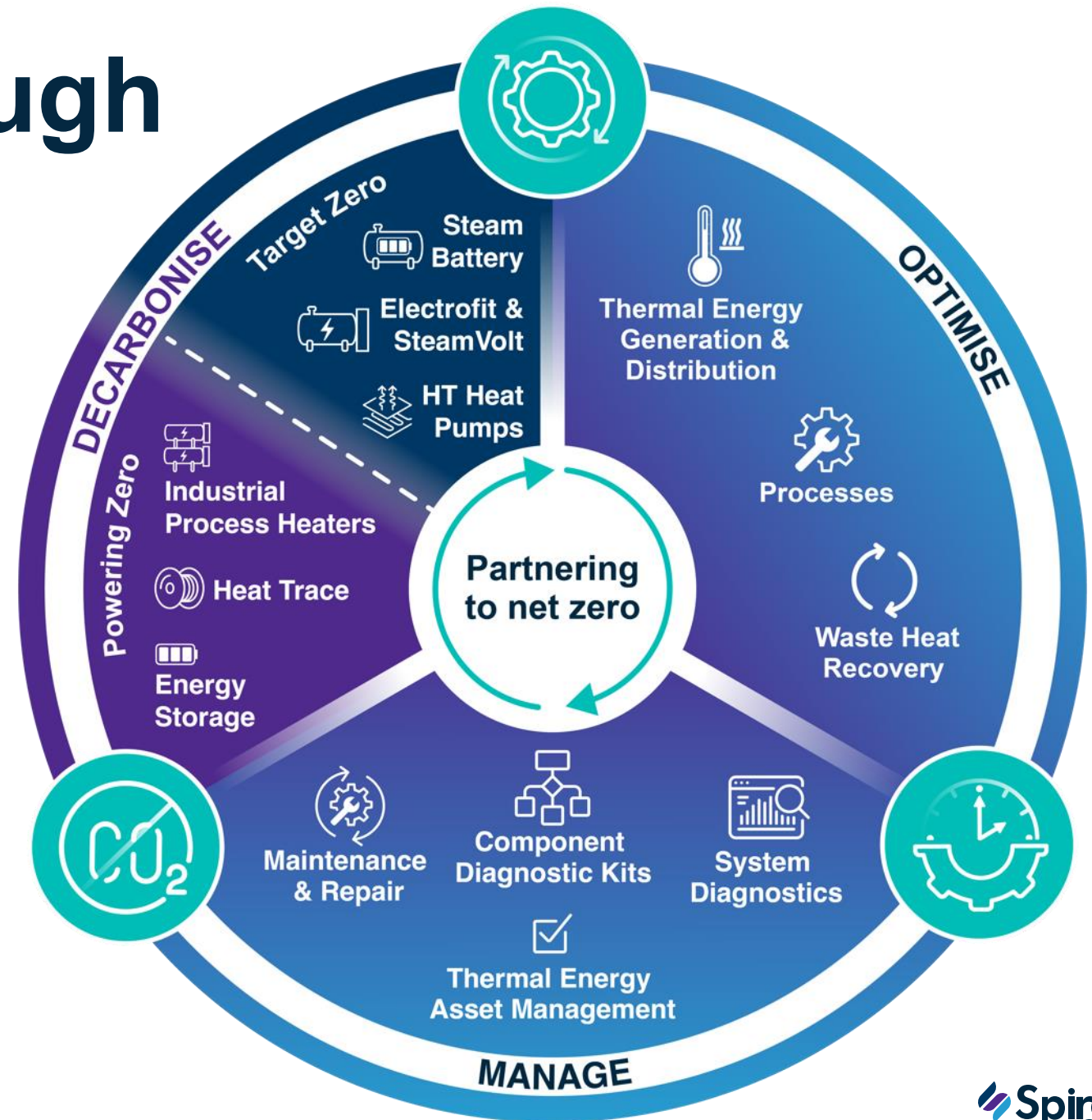
**Decarbonising
Thermal Energy.**

Uniquely positioned with electric and steam expertise to help customers deliver on their net zero requirements...

ETS proven capability critical to decarbonisation solutions



...delivered through our Customer Partnership approach



...supported by investment to build on our proven capabilities

We are **investing** in the **skills** and **capacity** required to deliver our decarbonisation solutions



And we are **investing** in developing the **technology** required to support our decarbonisation solutions

Connected Products and Services

Target Zero

Powering Zero

Strategic Partnerships



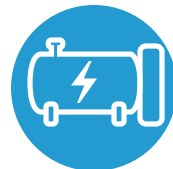
Connected Products



Insight Platform



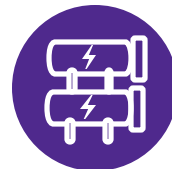
Services



SteamVolt ElectroFit



Thermal Battery



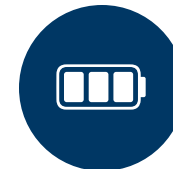
Higher Capacities



Higher Voltages



Higher Temp. Elements



Storage (Kyoto)



Heat Pump (SPH)

**Focus
and delivery.**

Group priorities and investments



ETS margin: 20%

Increase plant throughput
Improve pricing



Organisational Fitness

Simplify organisational structure
Optimise manufacturing footprint
Procurement opportunity
Consolidate ERP design and roll-out



Digital

Establish connections, data-driven insight
Develop services
Enable direct sales to create more customer value



Decarbonisation

Develop technologies
Augment existing capability



Delivering growth

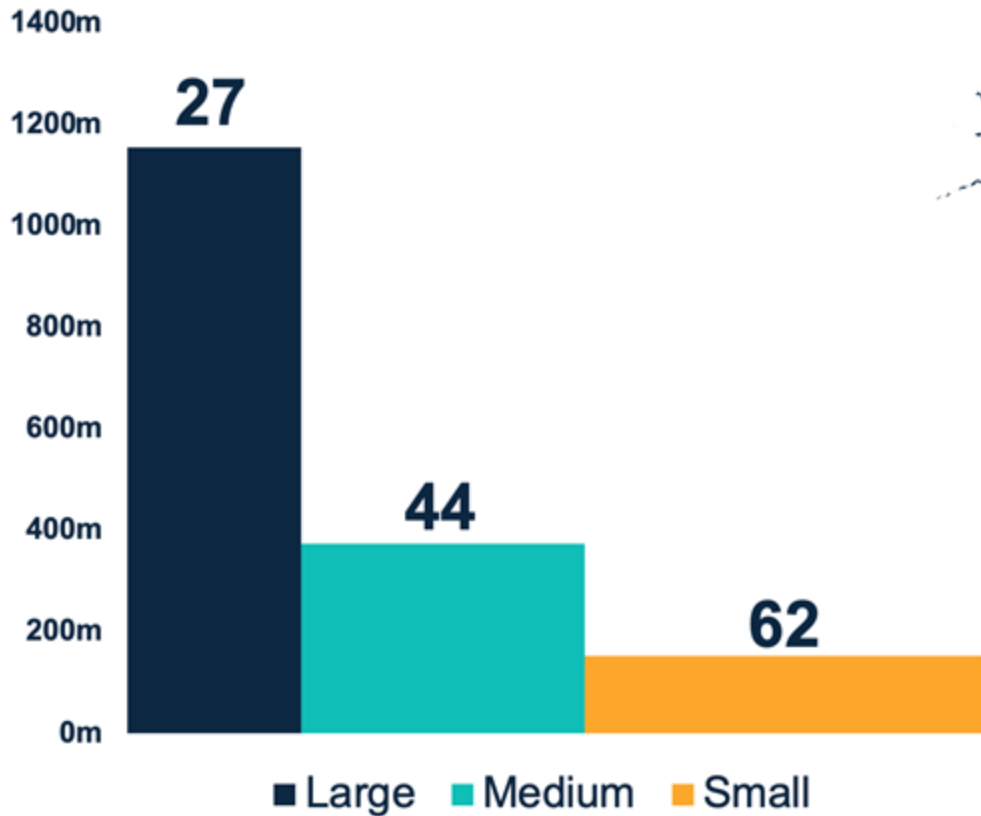


Operational priority

Simplifying our organisation

Over 130 sales companies and 37 manufacturing sites of varying scale

Distribution of sales companies by size
(based on 2023 Sales)



Medium-term: sustaining our track record of growth

High-single digit operating profit growth delivered through mid-single digit sales growth and margin improving to 22% – 23%

Steam Thermal Solutions

- Continue to outperform IP growth
- IP growth outlook: ~2.0%, with lower China growth than in past
- Pricing slightly above inflation to protect margin
- Investing to deliver higher future organic growth
- Early benefits from decarbonisation and digital

Medium-term growth:
low-to-mid single digit

Margin:
~23.5%

Electric Thermal Solutions

- Growth linked to IP, weighted to North America and EMEA for Industrial Process Heating
- Building decarbonisation pipeline
- High margin Semicon demand growth in Industrial Equipment Heating
- Improving margin through operational focus and pricing

Medium-term growth:
above mid-single digit

Margin target:
20%

Watson-Marlow

- Biopharm growth
- Process Industries growth ~2x IP
- Margin improvement driven by drop-through on growth

Medium-term growth:
high-single digit

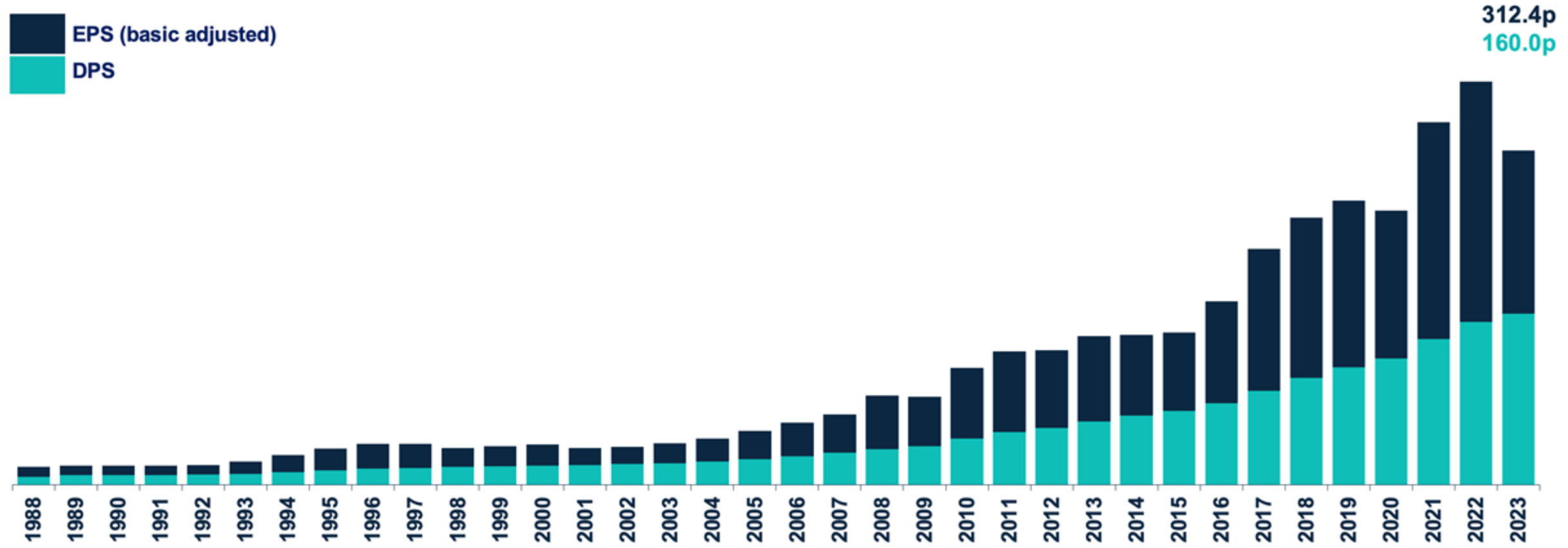
Margin improvement:
>30%

Accelerating compounding growth and margin will enhance long track record of strong EPS growth

- 1.** Proven track record of organic growth at industry leading margins
...with three strong growth engines
- 2.** Significant runway for **multi-decade growth** underpinned by decarbonisation
...building on our unique capabilities
- 3.** Medium-term organic growth and executing on **substantial operational opportunities**
...enables investment while sustaining strong profit growth
- 4.** Investments **accelerate long-term growth** to >2x IP
...with margin improving further to >23% and higher cash conversion
- 5.** Higher long-term organic sales growth at higher margins and higher free cash flow
...will enhance our long track record of **strong EPS growth** and dividend progression

Delivering shareholder value

EPS CAGR of 9% over 10 years and 35 years



* Special dividends of 25p in 2010, 100p in 2012 and 120p in 2014

Note: Figures exclude non-operating and exceptional items

Evolving Electric Thermal Solutions.

Andrew Mines
Managing Director ETS



 **Spirax**
Group

A high-quality growth engine

Market leading expertise



High and growing demand



Complementary to STS



High growth with 20%+ margin

Uniquely positioned to take advantage of high growth emerging sectors, supported by strong expertise in multiple niche solutions

6

Track record in solving customer problems within critical applications

1

ETS capabilities enable the decarbonisation opportunity for the Group

5

Proprietary technology and strong focus on R&D and NPD

2

Industrial Process Heating
Industrial Equipment Heating

Strong order book, including pipeline of decarbonisation projects

4

Design engineering and bespoke manufacturing expertise

3

With leading positions in attractive end markets

Strategic end markets

Energy Transition

Materials

Advanced Technology

Health and Nutrition

Industrial Process Heating ~75% of ETS sales



Power Gen including Renewables



Building & Construction



Oil & Gas Processing



Engineered Chemicals



Food & Beverage

Industrial Equipment Heating ~25% of ETS sales



Nuclear



Composites & Plastics



Semiconductor



Pharmaceutical & Biotechnology



Aerospace & Defence

Percentages are based on 2023 total ETS sales to strategic end markets only.

Going through a positive evolution

With significant growth potential

Leveraging existing capabilities

Exciting growth opportunities

Fixing Ogden and operational footprint

Pricing for the value we deliver to customers

Bringing the team together

Semicon recovery

Enhancing our manufacturing talent

Unique know how to solve customer problems

Organisational design and talent

Decarbonisation solutions

Fixing Ogden

Our proprietary manufacturing processes

Under leveraged unique technical capabilities

Growth in collaboration with STS

Operational Excellence

Embedded in our customer processing and products

Clear priorities and investment areas



ETS margin: 20%

Increase plant throughput
Value selling



Organisational Fitness

New Ogden expansion on stream in 2025 for Medium Voltage solutions



Digital

Establish connections, data-driven insight
Develop services



Decarbonisation

Development of Medium Voltage technologies in Industrial Process Heating
Bespoke manufacturing



Delivering growth



Operational priority

ETS margin: Manufacturing improvement at Ogden

We understand the problem...

Too much bespoke configuration



Insufficient control of quote, resulting in overly complex design engineering projects that were difficult to manufacture efficiently



Production planning challenges

Production stability challenges

Equipment, site layout and talent

Addressing the problem...

New leadership and other critical hires, processes, governance and updated equipment

Progress so far:

Talent, capability and best practice from other areas of the Group:

- New ETS Operations Director
- New Ogden General Manager
- New Design Engineering Manager

In Progress:

Defined standards and capabilities:

- New **configurator** programmes
- Reduce **bottleneck** in design engineering
- Leverage 'quote to bill' practice from **Vulcanic**
- Improve **plant layout**
- Eliminate **low value configuration**

Will result in...

This reduced complexity will drive:



Improved routings



Improved resource planning



Reduced complexity



Reduced tooling requirements



Reduced scrap rates



Higher productivity/reduced lead times

ETS margin: we are making clear progress



**30% increase in
LV production
y-on-y**



**11 MV solutions
shipped in H1
2024
(H1 2023: 2)**



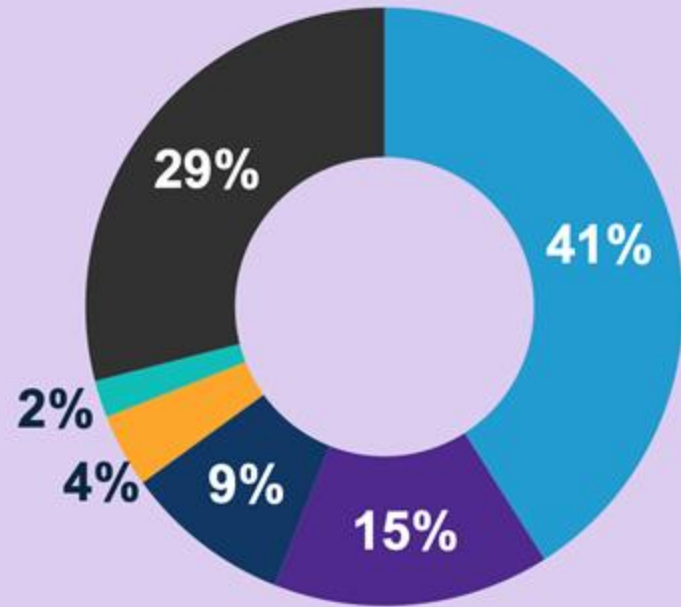
**Double-digit %
increase in
Ogden sales in
first eight
months**



**Reduction in
overdue backlog**

**Our differentiated
position in Industrial
Equipment Heating.**

Industrial Equipment Heating

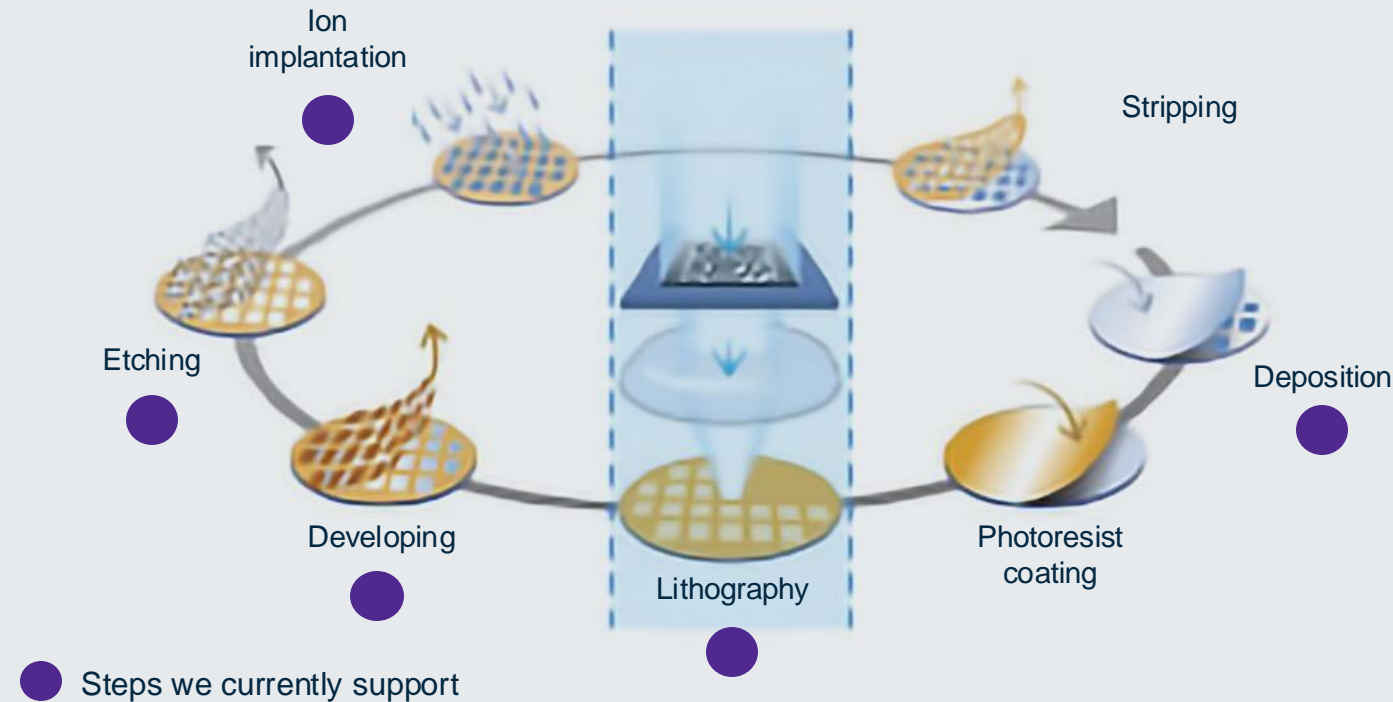


- Semiconductor
- Nuclear
- Food & Beverage
- Aerospace & Defence
- Composites & Plastic
- Other



Semicon industry: where we focus

Semicon manufacturing process



- Durex Industries and Thermocoax solutions are present in the key manufacturing process steps
- Durex Industries and Thermocoax capabilities, technologies and expertise are highly complementary
- We support the full product lifecycle; R&D through to manufacturing

ETS major semicon customers



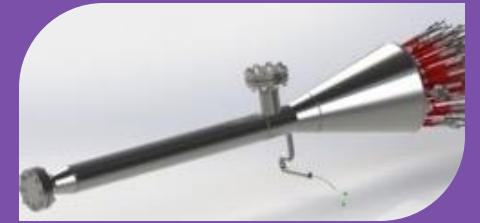
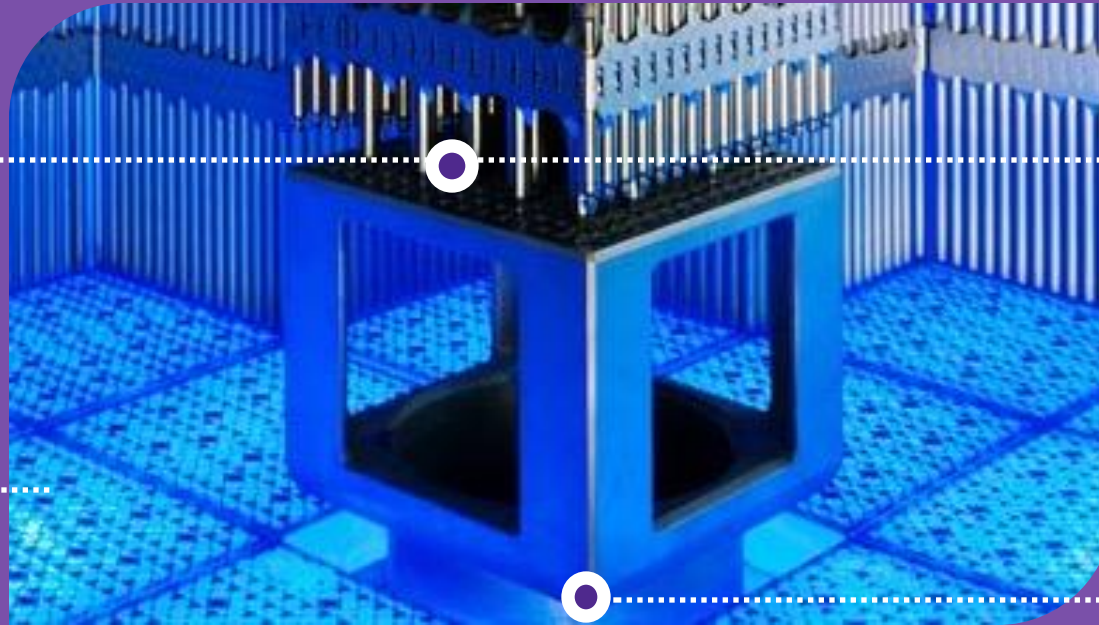
Nuclear industry: where we focus



High precision thermocouples for critical inCore reactor application



Transmission cabling for high radiation and high temperature environments



Heating systems within the nuclear reactor pressuriser



Neutron and gamma flux measurement InCore instrumentation

framatome



Aviation industry: where we focus



Temperature measurement



Combustion Chamber thermocouples



Optimisation systems and on-board engine monitoring sensors



Temperature measurement



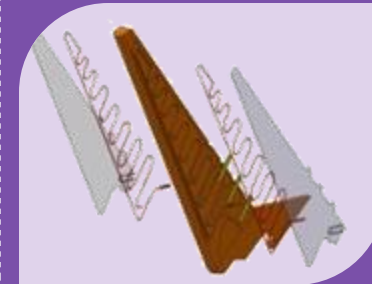
Engines



Brake systems



Anti-icing systems



Anti-icing assembly



Equipment heating competitive landscape



Our competitive advantage:

- Consultative sales approach and in-depth knowledge of customer processes
- Strong R&D and New Product Development expertise
- Proprietary high temperature cable design
- Vertically integrated development and manufacturing
- Multiple quality and industry certifications and accreditations

Capturing opportunity in Industrial Process Heating.



Chris Molnar
Managing Director, Vulcanic
and VP Process Heating, ETS

Industrial Process Heating

Product groups

Industrial Heaters & Systems



Complex process heating solutions for mission critical industrial processes. Including Medium Voltage technology solutions.

Component Technologies



Discrete heating and sensing solutions enable optimal performance of industrial process systems.

Heat Trace



Thermal management solution for piping, valves and tanks for freeze protection and temperature maintenance.

2023 Sales by product group



Electric resistance heating explained

Electric resistance heating element design that can be vertically integrated into complex systems

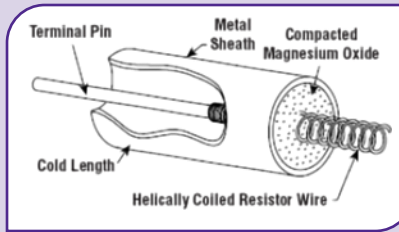
ETS core element design is used to build **bespoke Low Voltage (LV)** and **Medium Voltage (MV)** heaters

Simple Core Design Featuring Four Main Components:

1 Resistor
(Ni Chrome Wire)



2 Insulator
(MgO)



3 Container
(Metal Sheath Tubing)



4 Cold Pin and Termination

Advantages of MV compared to LV

Medium Voltage opens access to a significant market opportunity

- Efficiently delivers 5-10X more heating into processes
- Installation costs reduced by up to 70%
- Substantial long-term operational savings

Traditional Low Voltage installation



Equivalent Medium Voltage installation



Visual demonstration of how the MV advantage eliminates transformers and reduces the cabling/infrastructure required

Uniquely positioned through technology

38

Our Medium Voltage advantage

1. Patented Designs for control and safety
2. Unmatched performance – ETS is the only company with...
 - Third-party certifications
 - Successful 20,000V+ dielectric strength tests
 - Individual elements operating at a full 7,200V potential
3. Proven track record:
 - 10,000 elements : 79 projects : 137 systems : 270MW : 10 years
 - A decade of safe, reliable, and uninterrupted operation worldwide
 - Extremely low failure rates in the field

Industrial Process Heating



Global Competitors



Regional Competitors



Examples of economic and carbon impacts of MV 2.5MW process heater for major chemical company

Medium Voltage achieves:

70%

of CAPEX savings

+£290k

Upfront installation savings

+3%

Operational energy efficiency

+£4m

Saving over the life of the system

18%

Process energy efficiency increase compared to fossil-fuel fired boiler

2,324 tonnes

of carbon emissions saved per year



Decarbonising European infrastructure

Customer:

Major European drywall gypsum board manufacturer

Problem:

Eliminate natural gas/LPG fuel-fired drying processes

Solution:

- Multiple electric air heating units
- Total capacity: 10 MW
- Electrifies calcination, slurry and drying processes

Why it matters:

- Enables customer's carbon-free production vision
- Leverages our expertise to:
 - Model carbon offset forecasts
 - Prove reliability in novel electric heating process

Our impact:

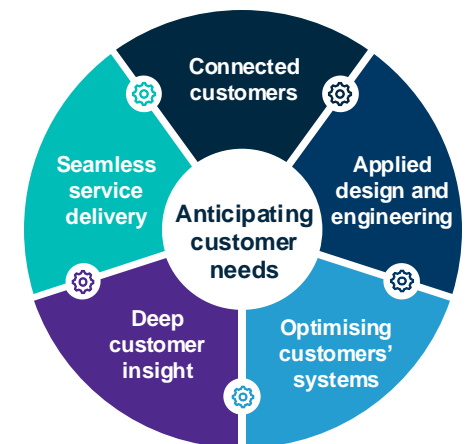
- Provided critical process and design engineering
- Enabled real-time decarbonisation
- Actively decarbonised their operations by electrifying process heat demand

Project significance:

Our value is more than the product, it's our consultancy and custom engineering



“We have no experience of electric heating and highly value your guidance.” European drywall manufacturer



Delivering on the electrification opportunity

Current and next generation technologies to serve sector specific needs

<120°C

1000°C



Food & Beverage

- Decentralised applications – Tank heating, sterilisation, drying



Building & Const.

- District Heating
- Electric HVAC/Air
- Electric heat recovery units



O&G Processing

- LNG defrost gas heaters
- Regen & fuel gas heaters
- Thermal oil systems



Gypsum & Board

- Gypsum & Paper drying
- Mineral processing



Energy Storage

- Molten Salt
- Air Heating
- Thermal oil
- MI cable



Petrochemical

- Hydrocarbon liquid and gas preheaters
- Furnace air preheaters
- Steam superheating



Metal Processing

- High temp H2 and N2 heat treating
- Temperature management with high temp gas heating

Existing LV Technology

Delivering today up to 700°C

Existing MV Technology

Delivering today up to 400°C

Next Generation MV Technology

Coming soon (2025-2026) up to 700°C

Next Generation LV and MV Technology

Longer term (2026 +) >700°C

Current development of future innovation



Higher temperatures

- > 700° C
- New applications and sectors



Higher voltages

- > 7,200V
- New geographic markets
- Enables larger capacity systems



Larger capacities

- > 50MW Systems
- Much more cost-effective delivery of heat for mega-project demands



Sector-focused R&D

- Develop more efficient and higher performing systems through real-world application testing in target sectors

Partnering to deliver net zero: tangible value creation

Scope 1 - Carbon Produced



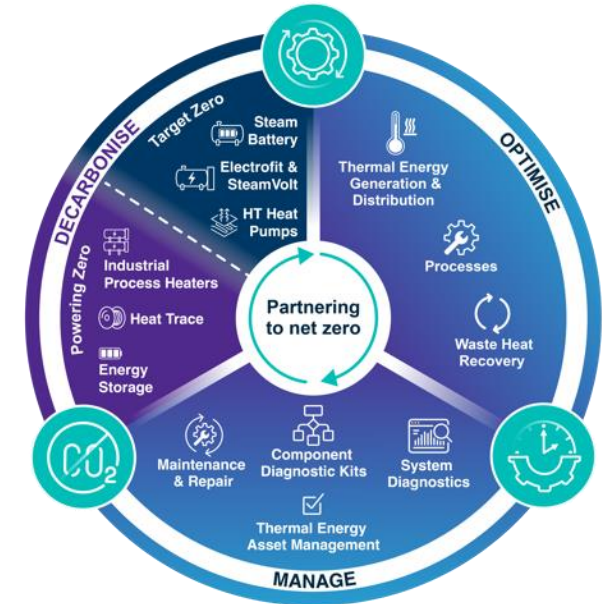
Energy Expended



Target Zero

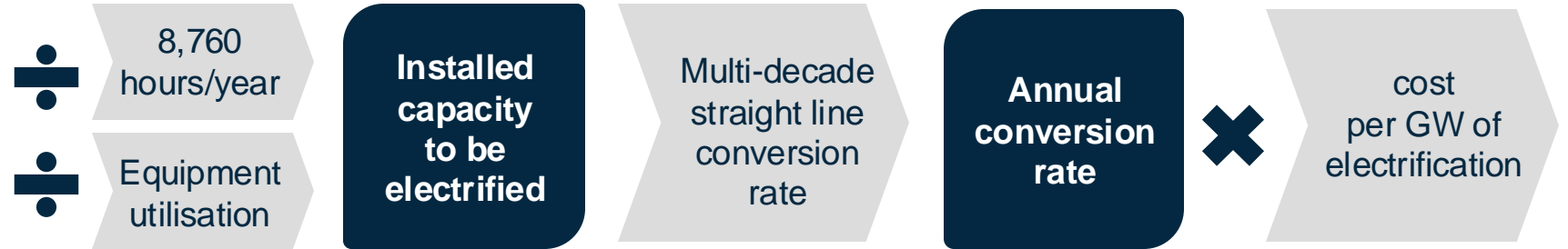
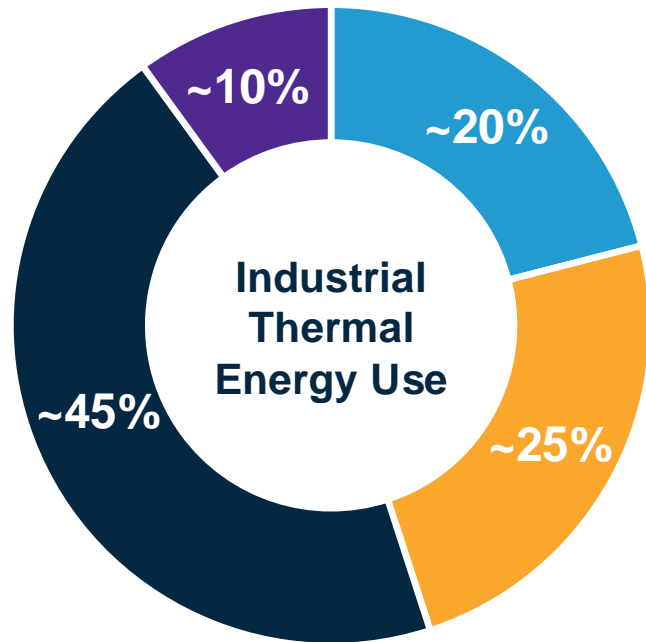
Powering Zero

Equipment	Steam Systems		Process Heating		Heat Trace	
	Carbon (tCO2/yr)	Energy (MWhr)	Carbon (tCO2/yr)	Energy (MWhr)	Carbon (tCO2/yr)	Energy (MWhr)
Output						
Existing system	8,521	47,184	672	3,709	18	97
Spirax solutions	0	38,128	0	3,091	0	83
Benefit	8,521	+19.2%	672	+16.7%	18	+14.3%



Decarbonisation assessment report for a specialty material manufacturer that produces high-end chemical additives that improve polymer performance

Electrification market opportunity methodology



Annual market opportunity
£4.2 billion

- Steam generated from fossil fuels (electrification potential)
- Direct burning of fossil fuels (electrification potential)
- Direct burning of fossil fuels in high temp applications
- Existing electric

Data based on external market sizing reports, independent report and internal SME analysis

ETS ready to deliver growth and returns.



Andrew Mines
Managing Director ETS

Growth and margin outlook

Growth

Above mid-single digit



Continuing strong demand, including for decarbonisation solutions



Improved pricing



Semicon recovery



New Ogden capacity ramp up



Margin

20.0% target



Fixing Ogden



Improved pricing



Semicon recovery



Operational efficiencies



Ongoing alignment to Group standards



New Ogden capacity ramp up



Long-term

Organic growth >2x IP



Margin > 20.0%

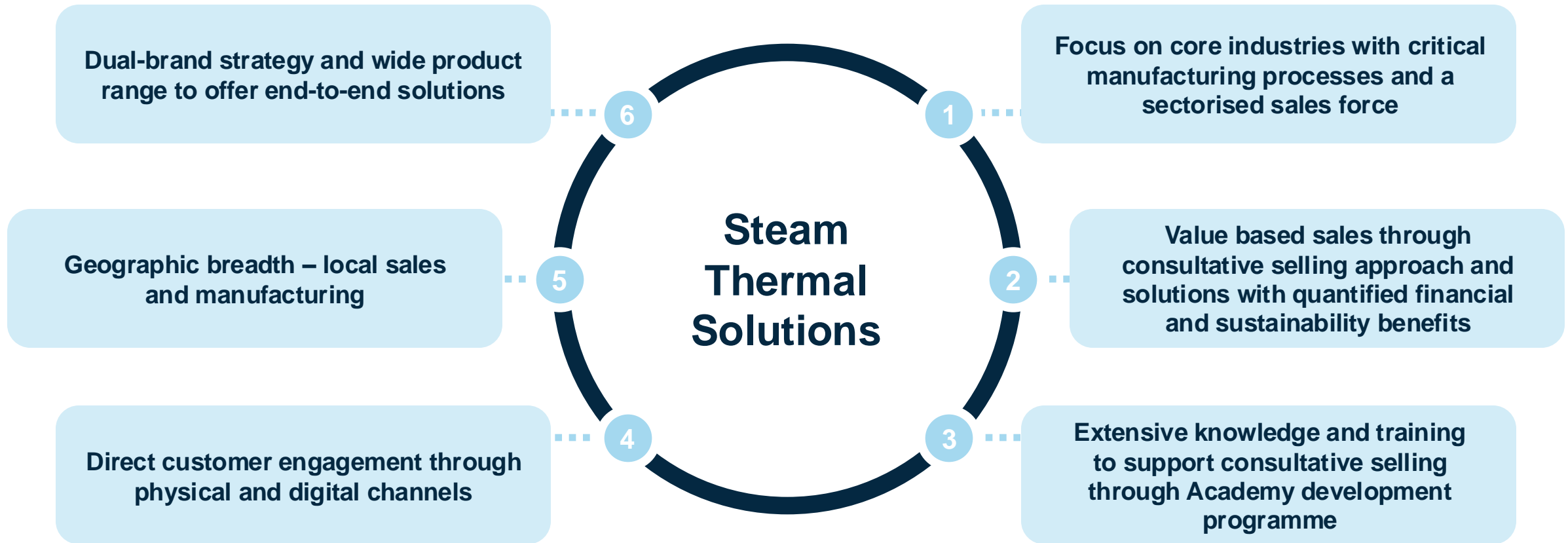


The staying power of Steam Thermal Solutions.



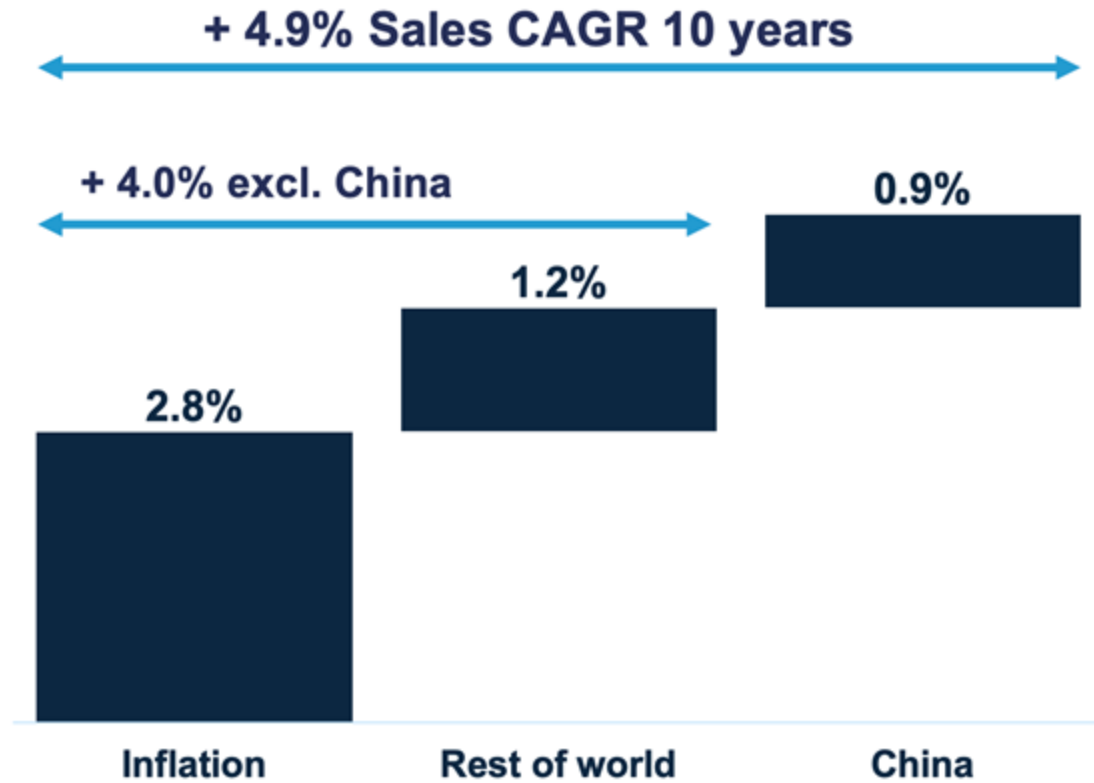
Maurizio Preziosa
Managing Director STS

A business model with enduring power



Drivers of historical performance

Historical growth drivers



Historical Margin Drivers



Organic sales CAGR as published
 *Inflation: compounded STS-weighted CPI increase on 2014. Gestra from acquisition in 2017.

Drivers of growth in an evolving environment

Reducing

Inflation

- Continuing to normalise to ~2.0-2.5%

China Share of STS Growth

- Shift from capacity expansion to MRO + self-gen

New geographic entries

- Global footprint well established

Increasing

Decarbonisation

- Supporting our customers' sustainability journeys

Digital

- 'Walk the plant' *AND* 'walk the data'

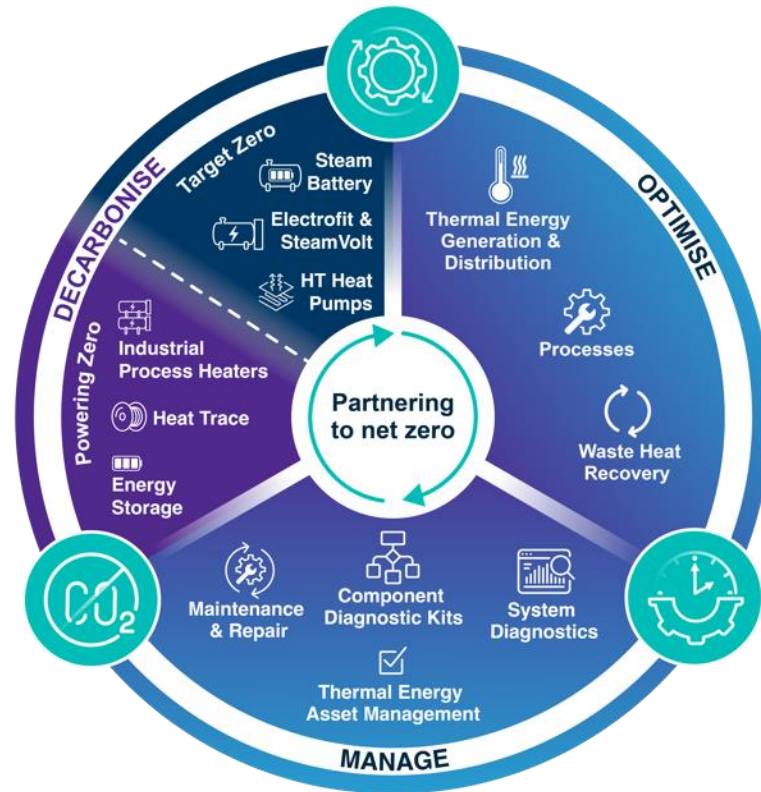
Commercial & operational excellence

- Driving margin improvements to fund re-investment in growth

Leveraging our footprint

- Further penetration in developing markets

Spotlight on decarbonisation



- A Optimising thermal energy usage
- B Decarbonising steam generation
- C Leveraging our Group capabilities

Optimising customer's thermal energy usage

Saputo Dairy Plant in California



Customer objectives:

Reduce CO₂ intensity: 20%

Reduce energy intensity: 10%

Reduce water intensity: 10%

Our approach:

Walked the plant

Advised on best solution

Agreed optimisation roadmap

Consultative
solution-selling

Walk-the-plant

Delivered benefits:



CO₂:
-3150
tonnes/year



Energy:
~51,000 mm
BTU/year



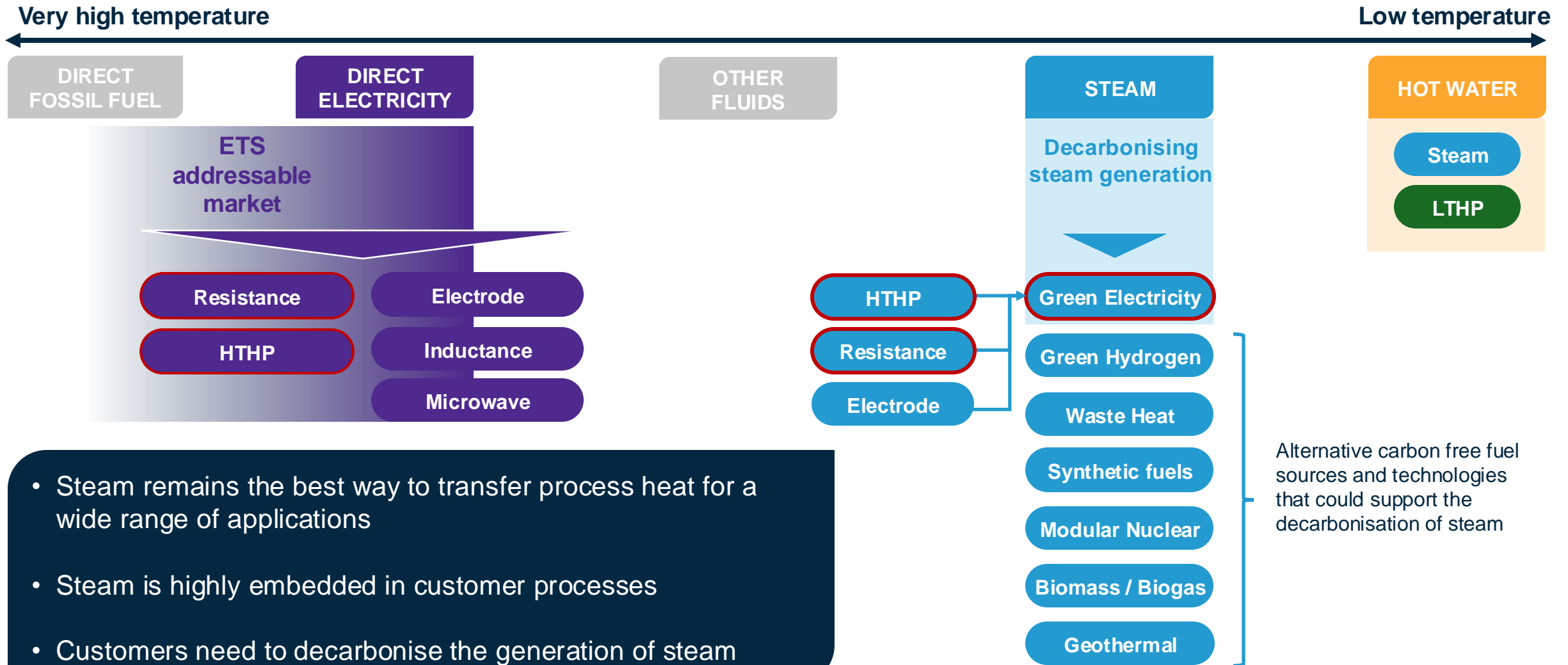
Water:
-82.5m
litres/year



Financial:
US\$700k /year
ROI: <3 years

Decarbonising steam generation

Process heating technology landscape



- Steam remains the best way to transfer process heat for a wide range of applications
- Steam is highly embedded in customer processes
- Customers need to decarbonise the generation of steam

Our priorities in decarbonisation

Target Zero

Our distinctive solutions to decarbonise Steam generation



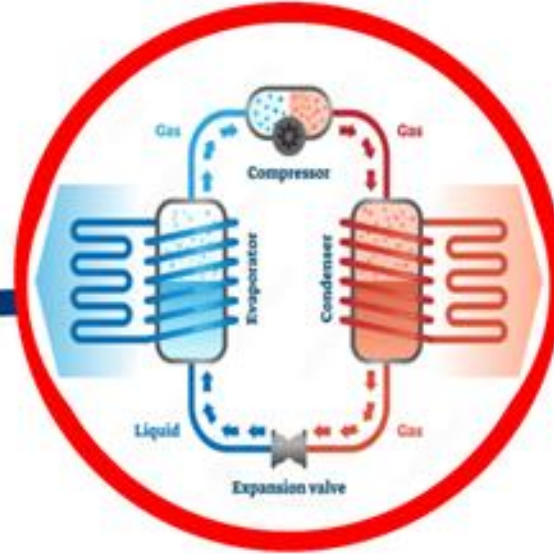
SteamVolt

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



HT Heat Pumps

High temperature heat pumps
solutions capable of converting
waste heat to process steam



Thermal Batteries

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

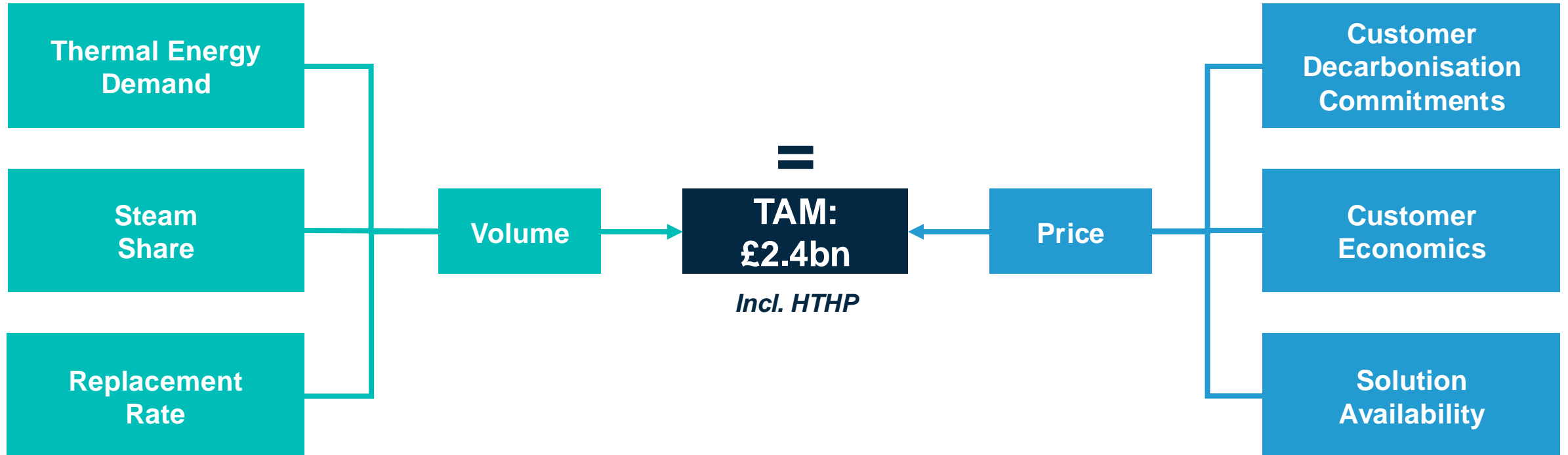
Target Zero market sizing

Significant addressable market

Boiler Demand

X

Target Zero Adoption Rate



Leveraging our Group

A unique value proposition

**Breadth of
capability**

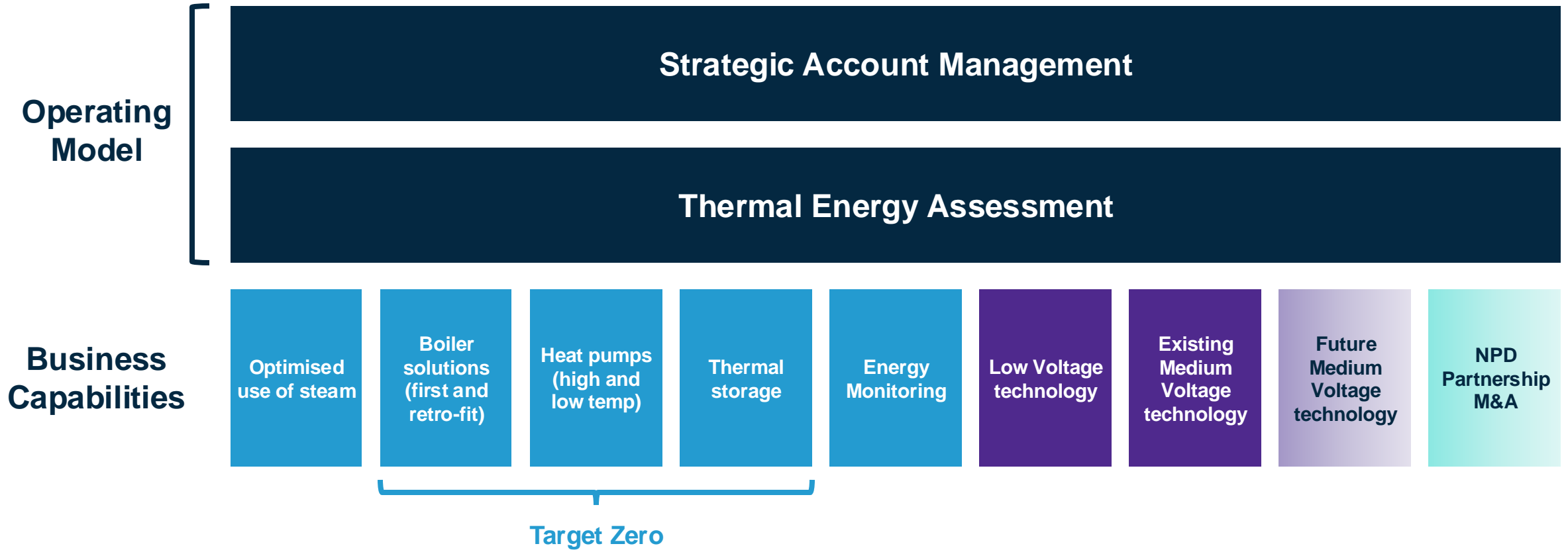
Delivered through an evolving Group operating model

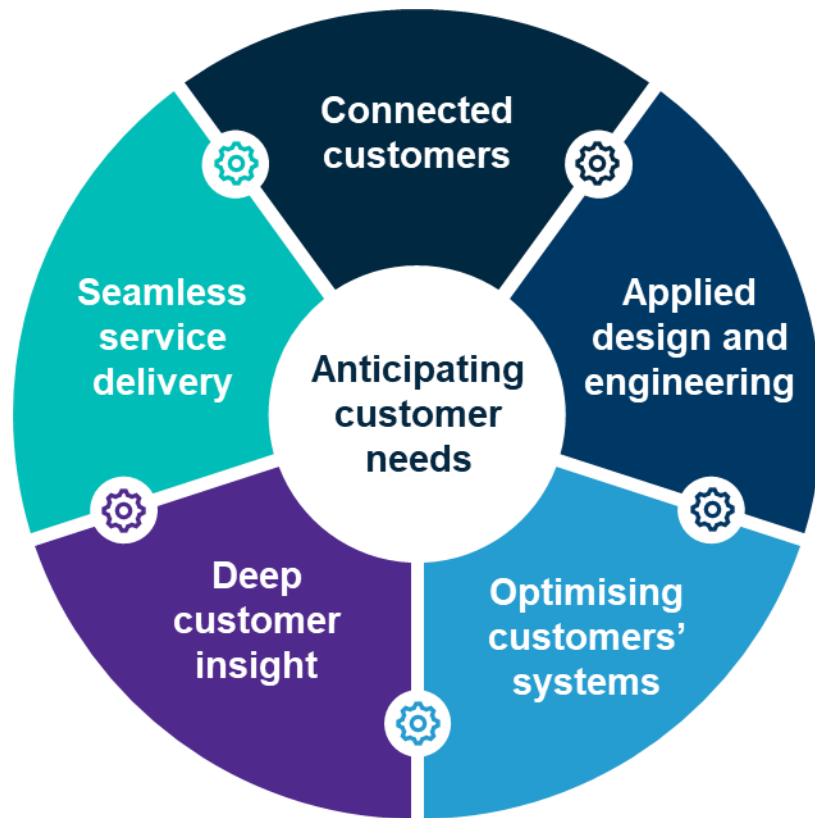
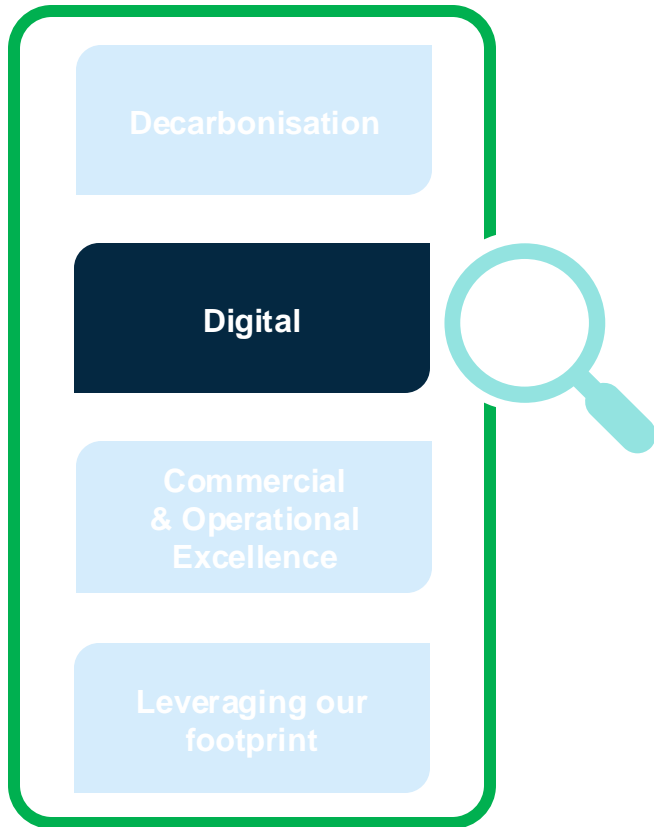
**Depth of
expertise**

Informed by our individual Business capabilities

Leveraging our Group

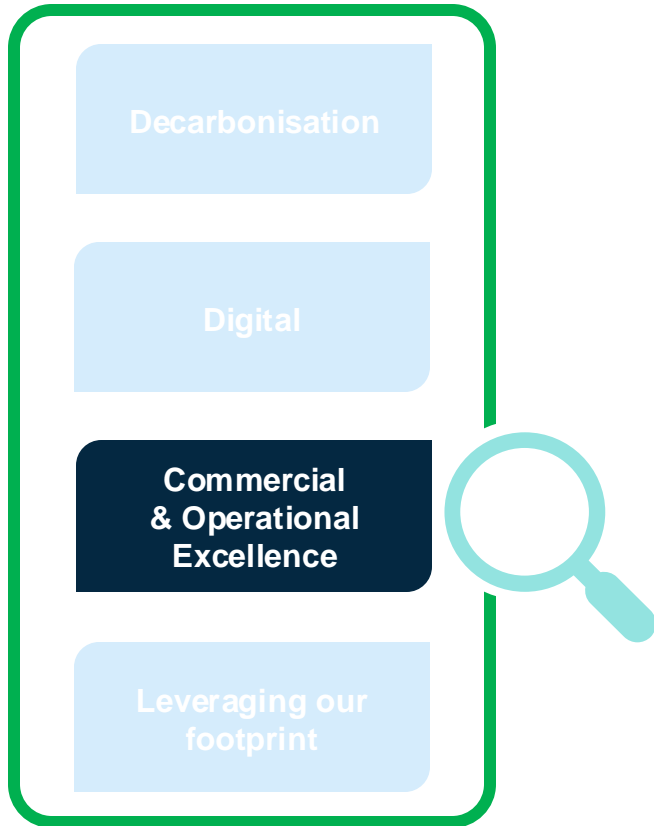
Evolving operating model supported by specialist business capabilities





- A** Generating insights to support our customers
- B** Generating product pull-through
- C** Enabling sales force efficiency and effectiveness

Margin improvement to fund re-investment



- A** Sales force efficiency and effectiveness
- B** Supply chain profitability
- C** Organisational complexity

Clear priorities and investment areas



Decarbonisation technologies

- Target Zero
- High temp heat pumps
- ETS collaboration



Drive sales growth

- Sales excellence
- MRO and self-gen
- Services
- Distribution



Reposition China

- Org repositioning
- MRO and self-gen
- Overseas investment



Supply chain

- Operational excellence
- Procurement savings



Organisational Fitness

- Focus on sales growth
- Operating model
- ERP implementation



Delivering growth



Operational priority

...driving growth and strong margins

Growth

Low-to-mid-single digit



Lower Inflation ~2.0-2.5%



Reduced impact of China on growth



Commercial and operational excellence



Leverage global direct sales footprint



Margin

23.5% over medium term



Drive value from manufacturing



Reduce structural complexity



Re-investment to support future growth



Long-term

>2x IP growth



23.5%+ margin



Break

Back at 15:45

 Spirax
Group



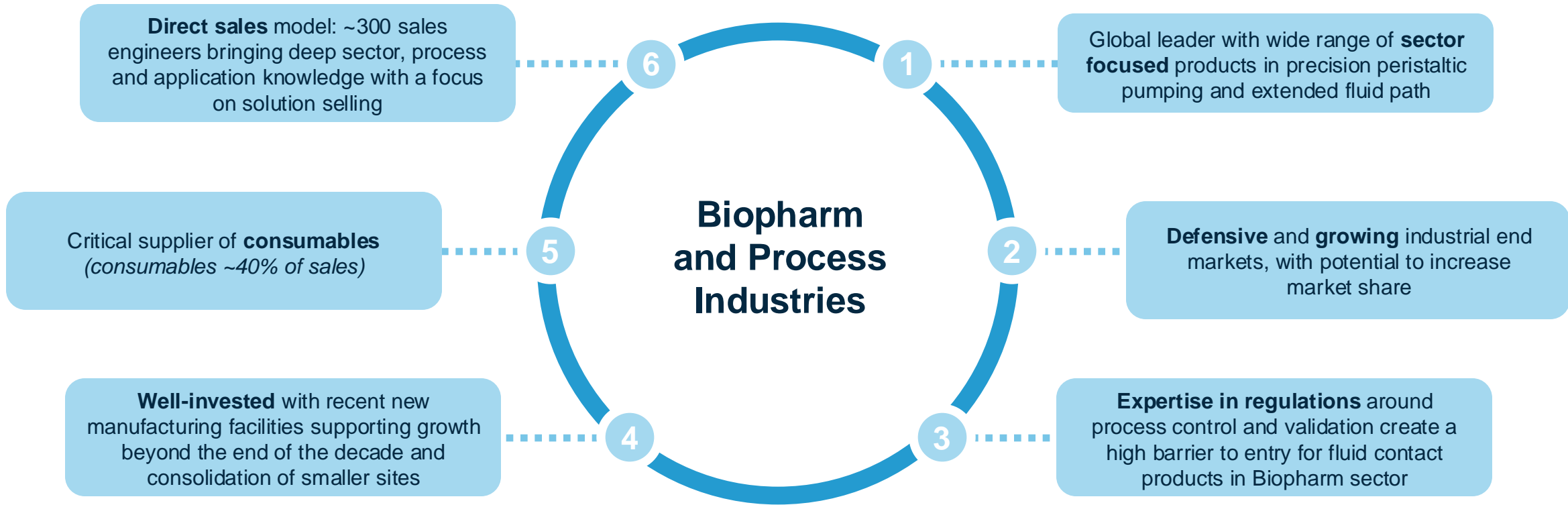
Watson-Marlow: poised for growth.



Andrew Mines
Managing Director, ETS (formerly MD, Watson-Marlow)



A strong and enduring growth engine



Underpinned by Biopharm (~50% of sales)



Fluid path process expertise



Focused on **high growth** sub sectors

Underlying market growth of ~10%



Market continues to move toward **single-use** fluid path and consumable components



Uniquely innovative

'WMArchitect' bespoke single-use assemblies



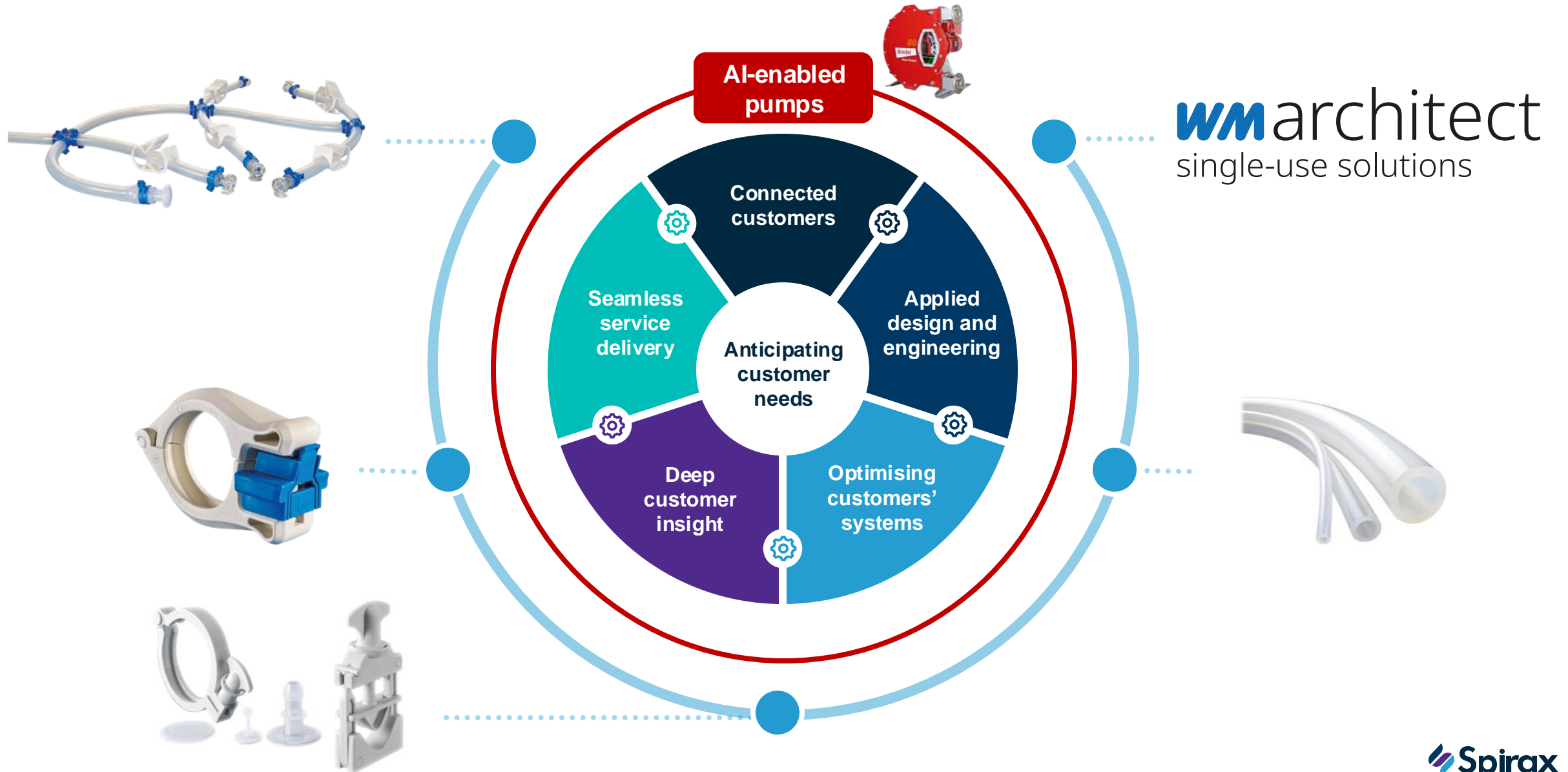
Trend in Biopharm demand supports a "U" shape recovery due to different dynamics across broad customer base



Diversified customer base >4,000 end user customers



Customer partnership in action



And process industries (~50% of sales)



Sectorised direct sales model drives our market penetration

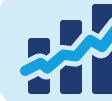
- Food & Beverage
- Water & Wastewater
- Mining
- Chemicals



Wide range of applications for highly specialised pumping, metering and fluid transfer solutions



Highly fragmented competition, **without comparable sector breadth and depth**



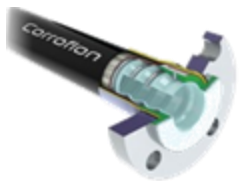
Innovation driving **expansion in addressable markets**

WM Qdos **Hi-Flo** pump for chemical metering and dosing prototype



Emerging and high growth markets:

- Electric Vehicle Battery production
- Future Foods



Clear priorities and investment areas



Customer value

- Commercial Excellence – implementing Group best practice
- Value selling



Digital

- Machine learning
- Digitally enabled Pumps



Manufacturing

- Operational Excellence framework
- Leveraging recent capacity expansion for growth
- Strategic procurement in collaboration with STS/ETS



Delivering growth



Operational priority

Returning to >30% margins

Growth

High-single digit growth



Recovery in Biopharm



Process Industries at 2x IP



Margin

>30%



Drop-through on organic growth



Incremental cost from recent capacity expansion



Long-term

High-single digit growth

Improving margin

Delivering our Digital future.

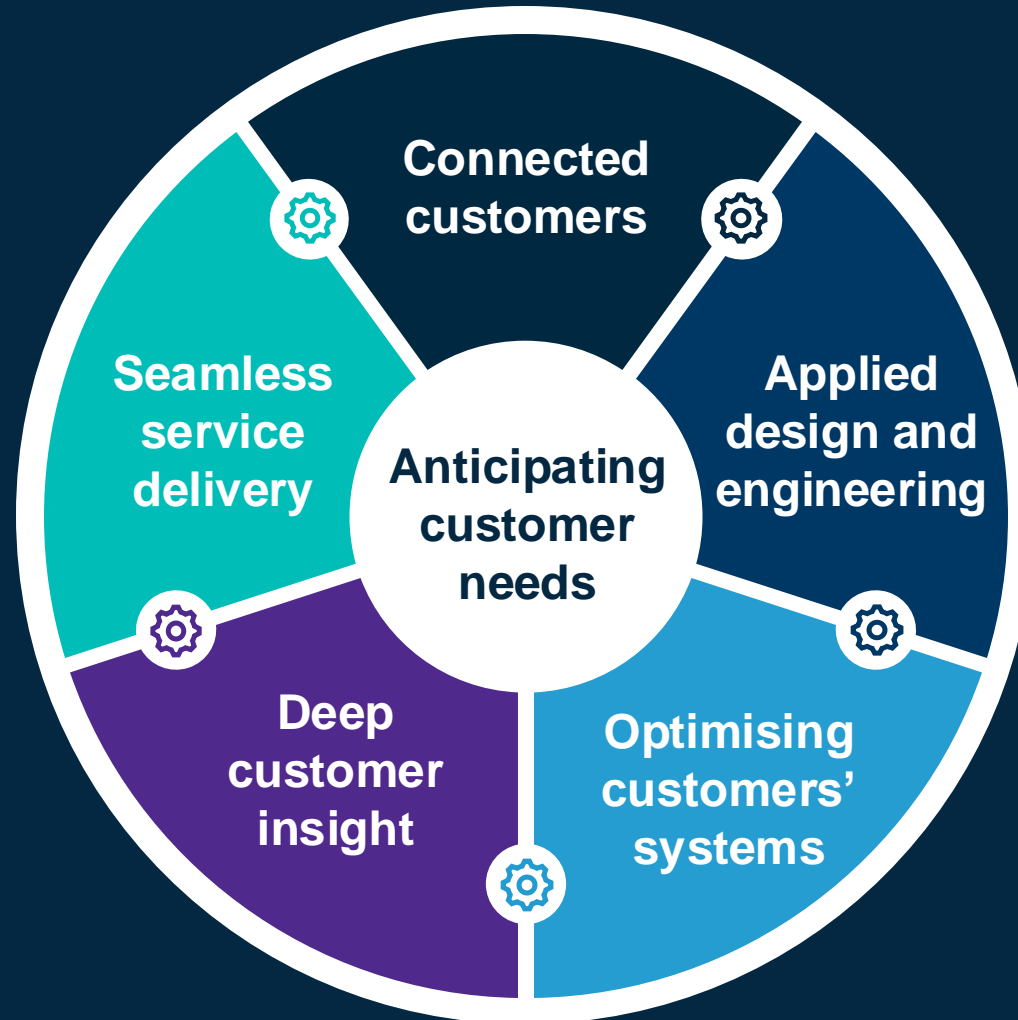


Maria Wilson
Group Digital Director

Connecting Spirax Group through digital...



On our journey to customer partnership



Digital Pathway

Enhanced Customer Experience, supporting end-to-end customer needs, through enhanced services and solutions

Tailored solutions with expert support that addresses a broader set of our customers' needs (e.g. Thermal energy management)



Enable customer value through digitised and actionable insights

Customer value delivery is **'always on'** through a blended approach to **self-** and **assisted** service

Digital is pivotal to Customer Partnership

Technologies we are developing



How we deliver value



How we measure success

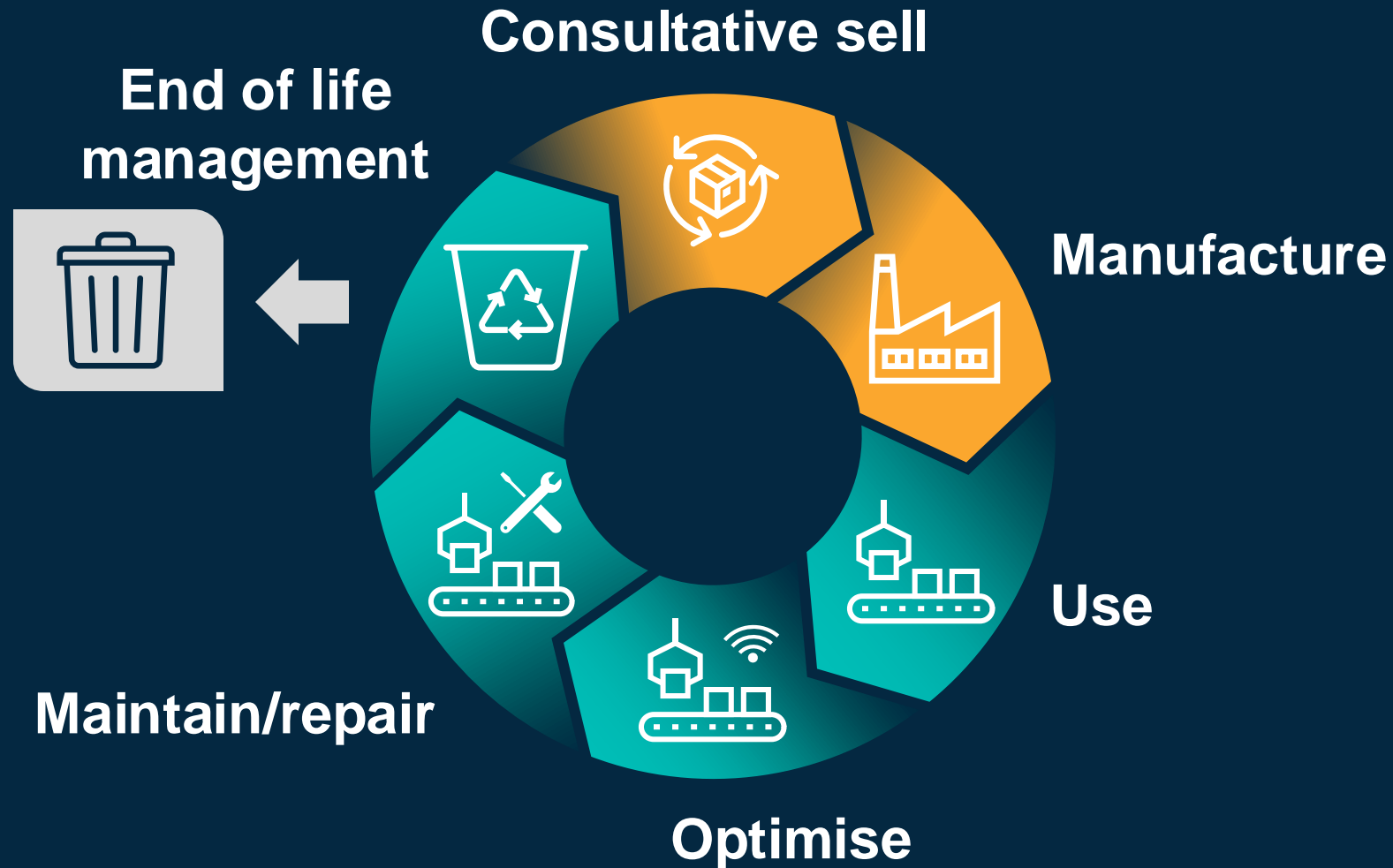


How our Digital Pathway aligns with our Group Strategy

Driving Organic Growth



Multiple revenue opportunities across the product lifecycle from services



Evolving towards Customer Partnership

Steam Thermal Solutions EasiHeat

Expanding the value for our customers:

- 1500 units pa (25,000 installed based)
- 24/7 monitoring from commissioning
- Access to digital dashboards and remote technical support
- Optimisation insights
- Annual minor and major services



Insight



Service



Efficient, safer and sustainable

Delivering Efficient, Safer and Sustainable solutions

**Process
critical
solutions**

**Energy
consumption
optimisation**

**Reducing
cost**

With our digitally-enabled services approach

Evolving towards customer partnership

Watson-Marlow pumps

Expanding the value for our customers:

- Extend component life
- Increase uptime
- Service includes maintenance, repairs and disposal of the consumable components



Insight

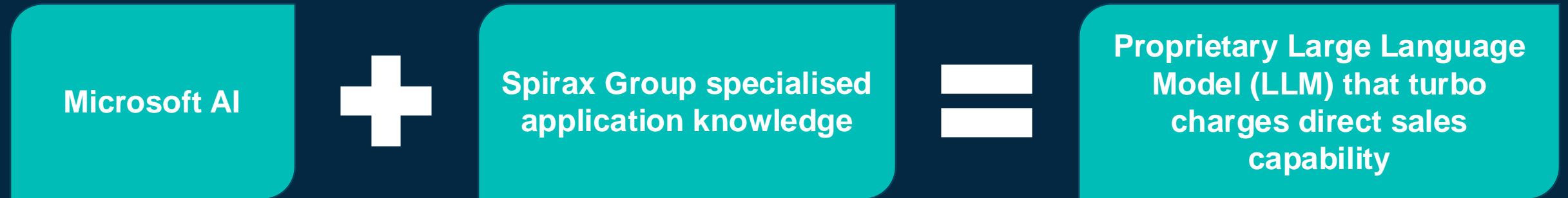


Service



Augmenting direct sales with generative AI

Adding sales capacity without adding cost



Enablement



Investing in Digital as a growth driver...

...to enable organic growth



Organic growth

Pull-through

Services revenues



Unified approach to technology and architecture

Group-led digital developments

Secure, scalable and robust solutions



Focus on competitive differentiation

Partnership ecosystem with access to best-in-class digital innovations

Low-risk and high value



Accelerate time-to-value

Enhance our core capabilities

Focus on optimising sales efficiency and deepening customer insights

Delivering our financial ambitions.



Louisa Burdett
Group Chief Financial Officer

Sustaining our track record of organic sales growth

← 2009-2023 CAGR: reported growth ~8% and organic growth ~5% →

← 10 Years →

4.3%
Average org growth

1.8x
Multiple of IP

← 5 Years →

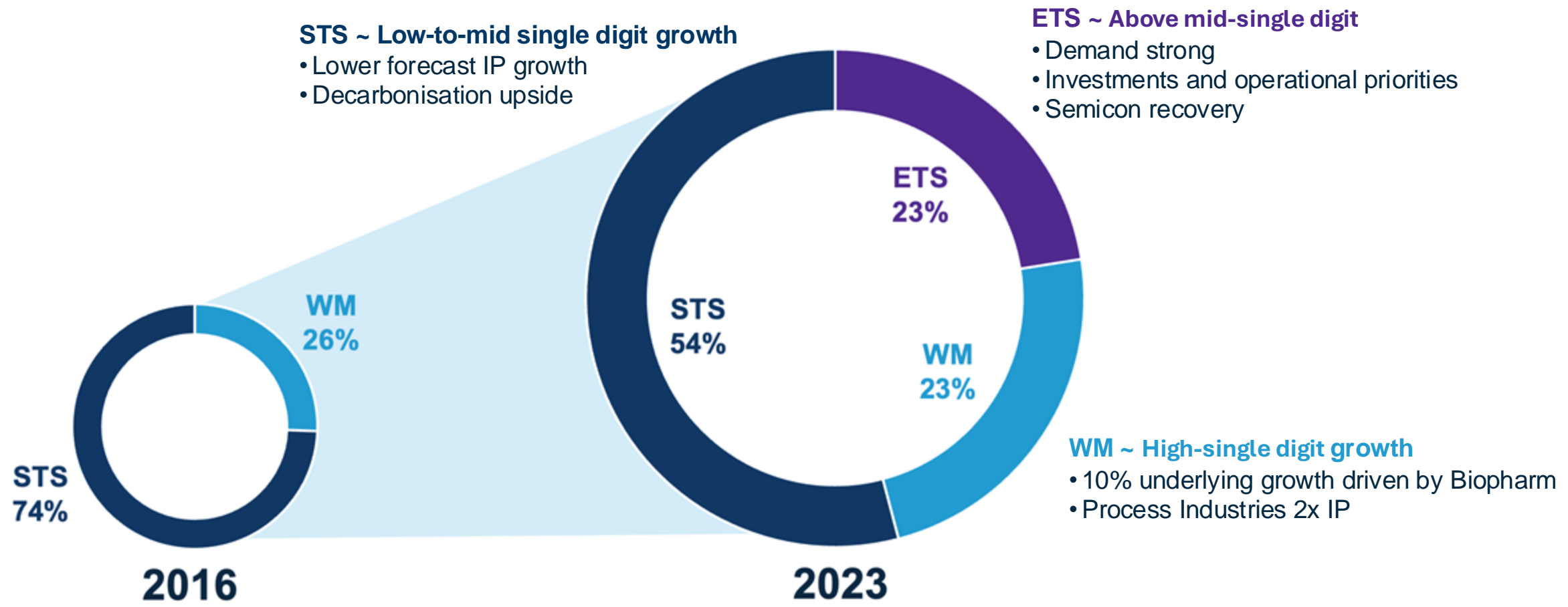
6.1%
Average org growth

3.4x
Multiple of IP

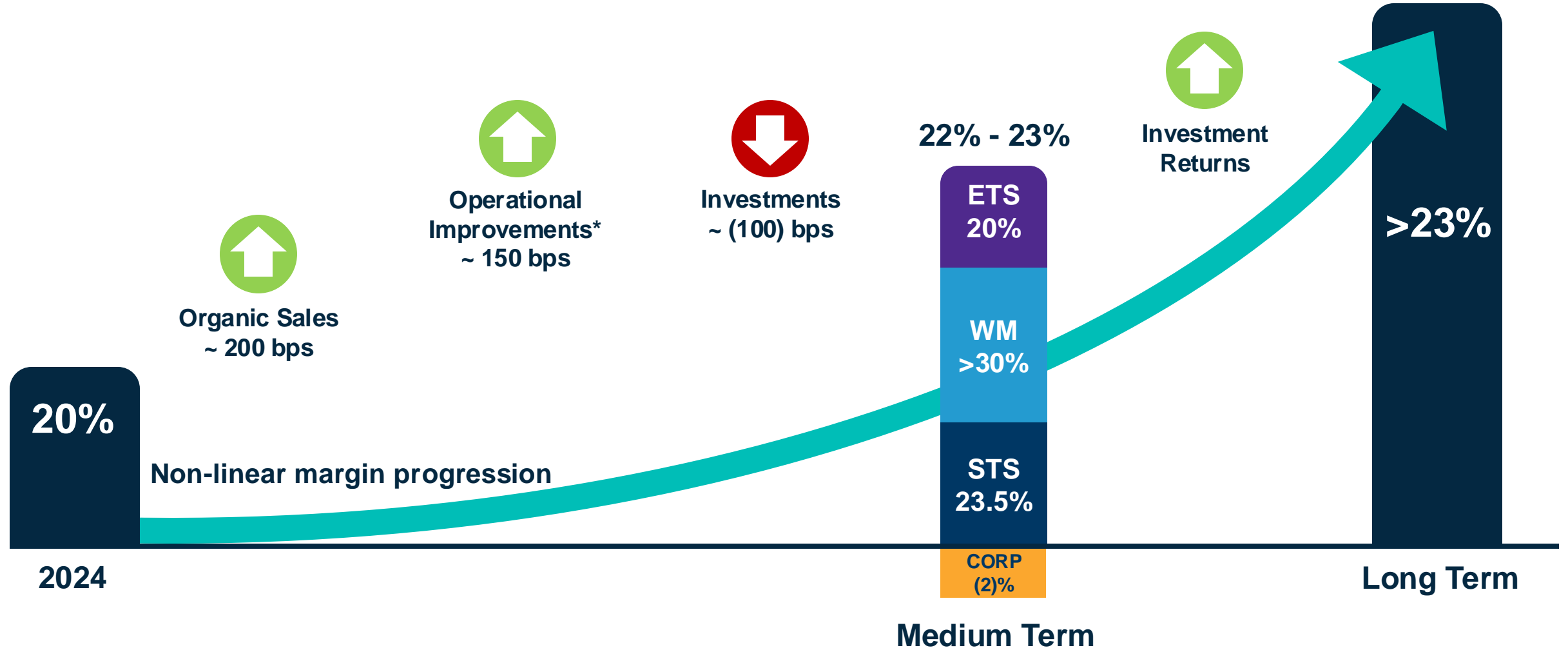


With mid-single digit revenue growth over the medium term

Delivered through a different mix



Adjusted operating profit margin increasing to 22%-23% in the medium-term



*Margin bridge does not include one-off costs to deliver operational improvements

Operational improvements create scope for targeted investments



ETS Operational Improvement

Achieve 20% margin



Organisational Fitness

Simplify organisational structure

Optimise manufacturing footprint

Procurement opportunity

Consolidate ERP design and roll-out



Digital

Platform and capabilities



Decarbonisation

Develop technologies

Augment existing capability

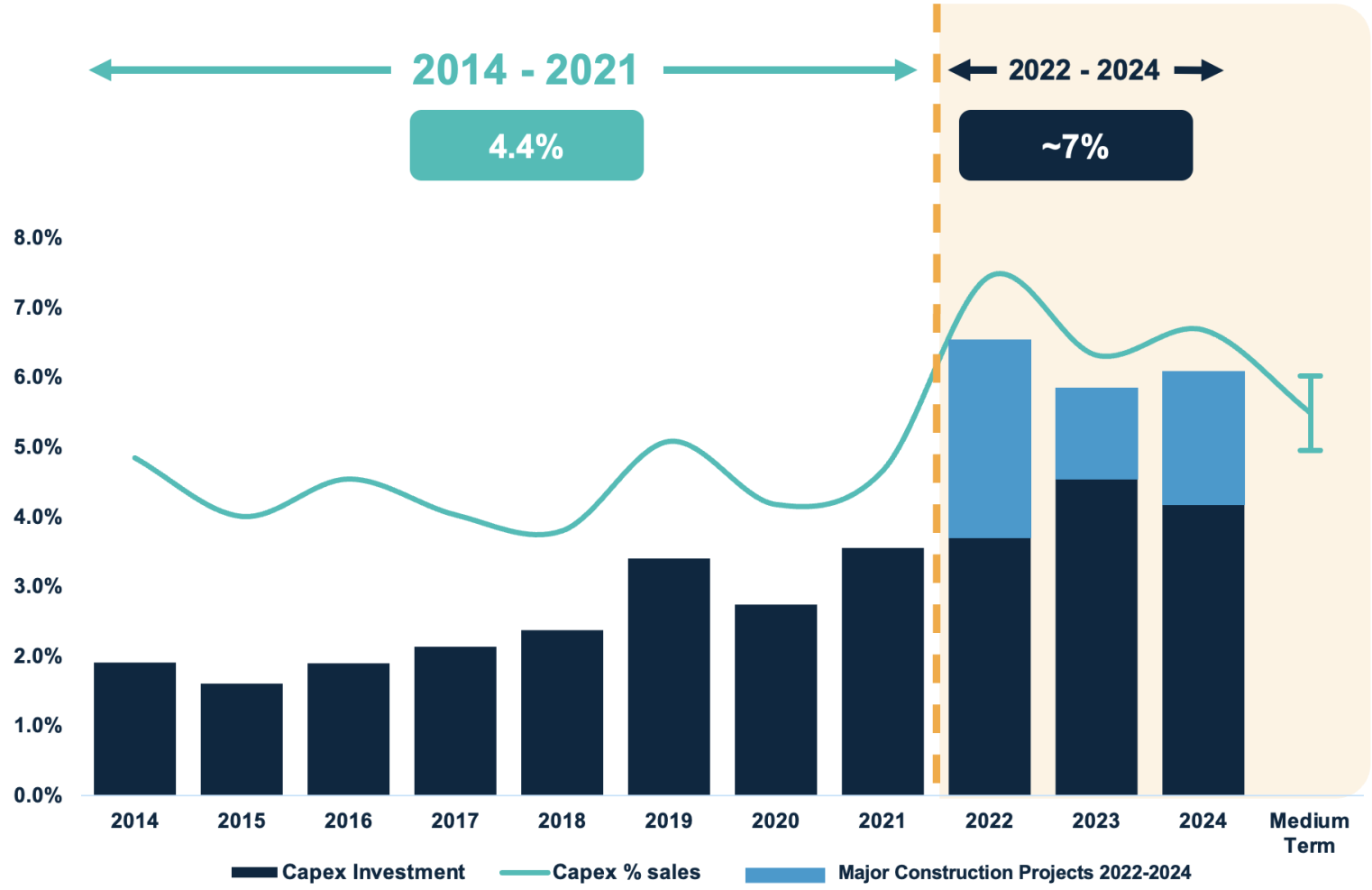


Delivering growth



Operational priority

Medium-term capex guidance: 5-6% of sales



Cash Conversion:

Medium term

- Maintained at current level of ~80%
- Opportunities in working capital management

Longer term >80%

Medium Term Capex Drivers:

- ↓ Manufacturing Expansion
- ↓ Manufacturing Efficiency
- ↑ ERP

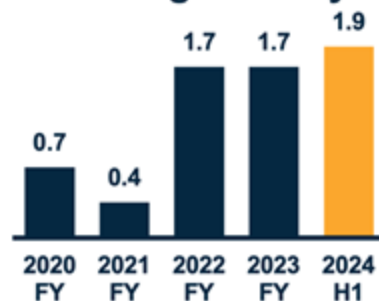
Group capital allocation priorities

- 1 Organic growth
- 2 Dividends
- 3 Delever Balance Sheet
- 4 M&A
- 5 Shareholder returns

Aligned to investments and operational priorities

Progressive, averaging above 2x cover over the cycle

Leverage History



Sharp focus on ETS integrations

No intention to add a fourth Business

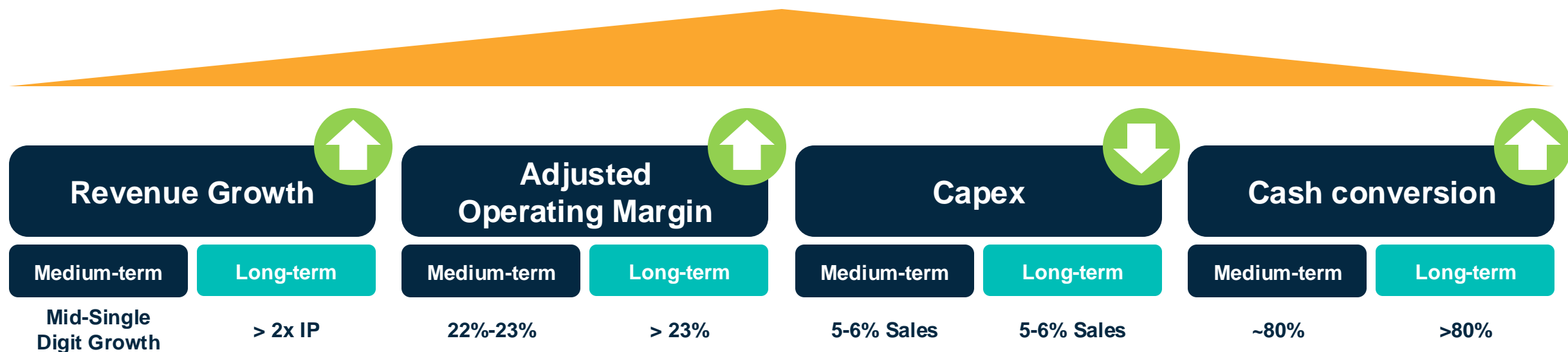
Bolt-on M&A only to accelerate strategic delivery

Return excess capital when appropriate

Delivering our financial ambition and improving returns

Underpinned by the impact from investments and operational improvements

Returns on Capital



History of mid-single digit revenue growth...1.8x IP over the cycle...average margin 21.6%

Evolving for tomorrow's world.



Nimesh Patel
Group Chief Executive Officer

Together for **growth.**

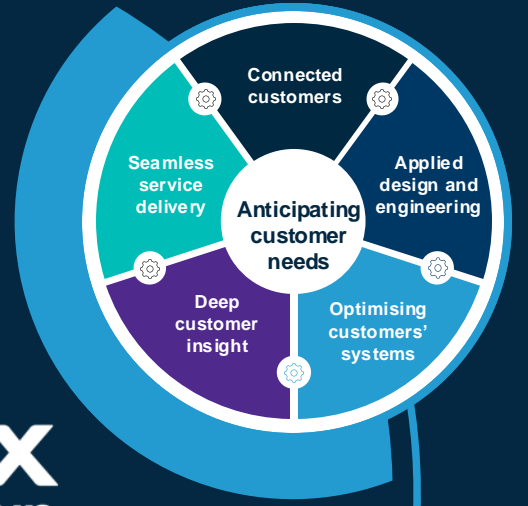
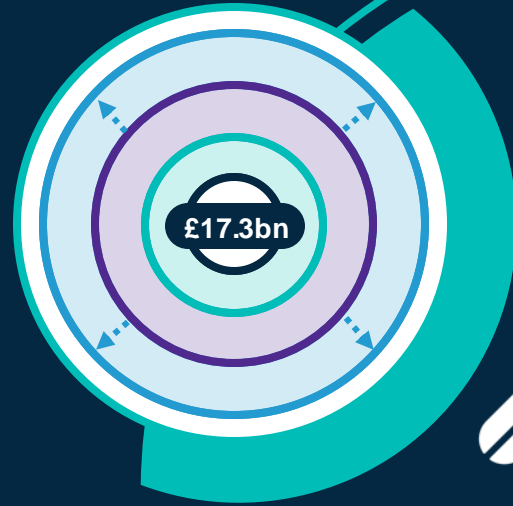
Significant
Addressable
Market

Building
customer
partnerships



Harnessing
our unique
capabilities

Together for **growth.**



 **Spirax**
Group

 **Steam
Thermal
Solutions**

 **Electric
Thermal
Solutions**

 **Watson-Marlow
Fluid Technology
Solutions**

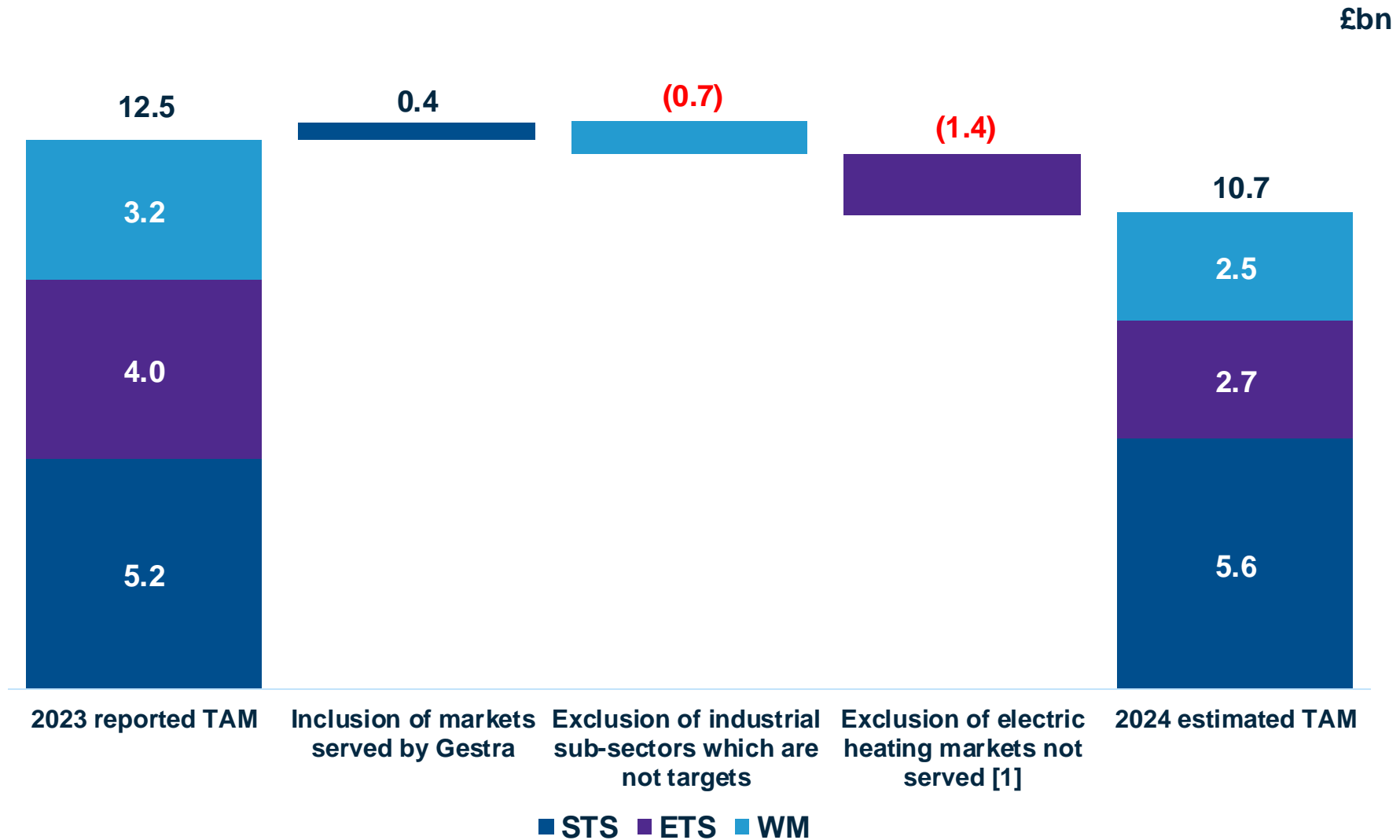


Accelerating compounding growth and margin will enhance long track record of strong EPS growth

- 1.** Proven track record of organic growth at industry leading margins
...with three strong growth engines
- 2.** Significant runway for **multi-decade growth** underpinned by decarbonisation
...building on our unique capabilities
- 3.** Medium-term organic growth and executing on **substantial operational opportunities**
...enables investment while sustaining strong profit growth
- 4.** Investments **accelerate long-term growth** to >2x IP
...with margin improving further to >23% and higher cash conversion
- 5.** Higher long-term organic sales growth at higher margins and higher free cash flow
...will enhance our long track record of **strong EPS growth** and dividend progression

Appendix

2024 vs 2023 TAM bridge



[1] sub-sectors of Residential/Commercial Heating, Heating Controls and Heat Trace relating to large projects