11 March 2025

2024 Full Year Results

Organic growth well ahead of IP and margin stability in a challenging trading environment

Twelve months to 31 December

Statutory (£m/p)	2024	2023	Reported
Revenue[1]	1,665.2	1,682.6	(1)%
Operating profit	304.6	284.4	7%
Operating profit margin	18.3%	16.9%	140bps
Profit before taxation	258.9	244.5	6%
Basic earnings per share	259.6	249.5	4%
Dividend per share	165.0	160.0	3%

Adjusted[6] (£m/p)	2024	2023	Reported	Organic[4]
Revenue[1]	1,665.2	1,682.6	(1)%	4%
Adjusted operating profit	333.9	349.1	(4)%	4%
Adjusted operating profit margin	20.1%	20.7%	(60)bps	10bps
Adjusted profit before taxation	288.2	309.2	(7)%	
Adjusted basic earnings per share	286.3	312.4	(8)%	
Adjusted cash conversion	87%	81%	600bps	

- Group organic revenue growth of 4% despite weaker than expected global IP[2] of 1.7%
- Exchange rate headwinds adversely impacted revenue by 5% and adjusted operating profit by 8%
- STS[3] organic revenue growth of 1% with higher growth in the second half
- ETS[3] organic revenue growth of 10% supported by operational improvements
- WMFTS[3] organic revenue growth of 3% driven by Process Industries; Biopharm[5] orders starting to recover
- Group adjusted operating profit margin modestly improved organically; investing in future growth
- Statutory operating profit and margin higher as 2023 impacted by restructuring and write-down charges
- Adjusted cash conversion of 87% supported by working capital management; leverage reduced to 1.6x
- 2025 restructuring to realise annualised benefits of approximately £35m for investment in organic growth
- 2025 organic growth expected to be consistent with 2024, well ahead of IP, with margin progress

Nimesh Patel, Group Chief Executive Officer, commenting on the results said:

"All three of our Businesses delivered organic sales growth with margins in line with our expectations, despite weaker than expected IP in the second half. I am particularly pleased with progress in ETS, where improvements to manufacturing throughput supported higher sales and improved margin."

"As a new executive team, we developed our Together for Growth Strategy to deliver on our medium-term financial objectives, while also better positioning the Group for the significant long-term growth opportunities ahead of us. We are also well underway with actions to simplify our organisation and better leverage resources to support future growth. I thank my colleagues for their commitment as we continue to focus on the operational priorities that are within our control and have a meaningful impact on driving growth in a challenging environment."

"Mindful of the outlook for IP, I remain confident in the execution of our strategy and in the strength of our business model, which together will sustain organic sales growth well ahead of IP and mid-single digit organic profit growth in 2025."

[1] 'Sales' is used interchangeably with 'revenue' when describing the financial performance of the Group

[2] 'IP': Industrial Production growth

[3] 'STS': Steam Thermal Solutions; 'ETS': Electric Thermal Solutions; 'WMFTS': Watson-Marlow Fluid Technology Solutions

[4] Organic measures are at constant currency and exclude contributions from acquisitions and disposals

[5] 'Biopharm' refers to WMFTS sales to the Pharmaceutical & Biotechnology sector

[6] See Appendix to the Financial Statements for an explanation of alternative performance measures and reconciliation to IFRS

For further information, please contact:

Louisa Burdett, Chief Financial Officer:	+44 (0) 1242 240281
Mal Patel, Head of Investor Relations:	+44 (0) 1242 240281

Media

Martin Robinson, Teneo:	+44 (0) 20 7260 2700
spiraxgroup@teneo.com	

Audio webcast

The results presentation will be available as a live webcast from 9.30 am on the Company's website at www.spiraxgroup.com or via the following link: https://edge.media-server.com/mmc/p/igh234r8/
A recording will be made available on the website shortly after the meeting.

About Spirax Group plc

Spirax Group is positioned to play a critical role in enabling the industrial transition to net zero, aligned to our Purpose to create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world. We put solving customers' problems at the heart of our total solutions approach. Our global thermal energy and fluid technology solutions improve operating efficiency and safety in our customers' critical industrial processes. Our new-to-world decarbonisation* solutions will use our proprietary technologies to electrify boilers, for the raising of steam, as well as the electrification of other critical industrial process heating applications.

Spirax Group comprises three strong and aligned Businesses: **Steam Thermal Solutions** helps customers control and manage steam within their mission critical industrial applications, such as cleaning, sterilising, cooking and heating. We are helping to put food safely on the world's tables and keeping our hospitals running. **Electric Thermal Solutions** has proprietary technologies that deliver electrification solutions at scale in industrial settings, including for the raising of steam, supporting our customers to achieve their net zero goals. We also deliver freeze protection and defrost solutions critical to aviation and space industries and ensure thermal uniformity in Semiconductor chip manufacturing to power the critical electronic systems we rely on. **Watson-Marlow Fluid Technology Solutions** is engineering vital fluid technology solutions that optimise the efficient use of resources and support advancements in global health, such as lifesaving vaccines and gene therapies.

Spirax Group is headquartered in Cheltenham (UK). We have over 30 strategically located manufacturing plants around the world and are committed to creating a safe and inclusive working culture for our 10,000 colleagues, operating in nearly 70 countries and serving over 100,000 customers globally.

The Company's shares have been listed on the London Stock Exchange since 1959 (symbol: SPX) and we are a constituent of the FTSE 100 and the FTSE4Good Indexes.

* Eliminates scopes 1 and 2 greenhouse gas emissions when connected to a green electricity source.

Further information can be found at spiraxgroup.com

RNS filter: Results
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SUMMARY FINANCIALS

Twelve months to 31 December	**FY 2024**	FY 2023	*y-o-y change*	
	£m	£m	*Organic**	*Reported*
SUMMARY FINANCIALS				
Steam Thermal Solutions (STS)	**867.9**	910.1	*1%*	*(5)%*
Electric Thermal Solutions (ETS)	**404.6**	378.5	*10%*	*7%*
Watson-Marlow Fluid Technology Solutions (WMFTS)	**392.7**	394.0	*3%*	-
Group Revenue	**1,665.2**	1,682.6	*4%*	*(1)%*
STS	**198.9**	205.2		*(3)%*
ETS	**46.1**	25.8		*79%*
WMFTS	**90.3**	81.2		*11%*
Corporate	**(30.7)**	(27.8)		
Group Statutory Operating Profit	**304.6**	284.4		*7%*
STS	**22.9%**	22.5%		*40bps*
ETS	**11.4%**	6.8%		*460bps*
WMFTS	**23.0%**	20.6%		*240bps*
Group Statutory Operating Profit Margin	**18.3%**	16.9%		*140bps*
STS	**204.1**	224.0	*1%*	*(9)%*
ETS	**64.7**	59.2	*13%*	*9%*
WMFTS	**99.0**	93.7	*11%*	*6%*
Corporate	**(33.9)**	(27.8)		
Group Adjusted Operating Profit*	**333.9**	349.1	*4%*	*(4)%*
STS	**23.5%**	24.6%	*(10)bps*	*(110)bps*
ETS	**16.0%**	15.6%	*50bps*	*40bps*
WMFTS	**25.2%**	23.8%	*180bps*	*140bps*
Group Adjusted Operating Profit Margin*	**20.1%**	20.7%	*10bps*	*(60)bps*
Cash flow				
Statutory cash from operations	**312.8**	298.6		*5%*
Adjusted cash from operations*	**291.5**	281.7		*3%*
Adjusted cash conversion*	**87%**	81%		*600bps*
Net debt*	**596.2**	666.7		*(11)%*
Leverage (net debt to EBITDA)*	**1.6x**	1.7x		

** See Appendix to the Financial Statements for an explanation of alternative performance measures and reconciliation to IFRS*

GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

Summary of 2024 performance

Global industrial production growth (IP) for the full year was 1.7% or 0.8% excluding China and was lower than had been forecast at the beginning of the year. Following weak IP in the first half, the expected second half recovery did not materialise with industrial production falling in key markets such as the USA, Germany, France, Italy and the UK, which together represent approximately 50% of Group sales.

Against this challenging backdrop, we focused on the operational priorities within our control, including driving growth through consultative solution-selling as well as delivering improvements in manufacturing, particularly in ETS, with the benefits supporting our investment in future growth. We also continued to protect our margins through pricing discipline and efficiency savings, such as through procurement.

As a result, Group organic sales growth of 4% was well ahead of IP. Organic growth in adjusted operating profit was 4% and the adjusted operating profit margin of 20.1% was modestly higher organically, despite the partial reversal of prior year temporary cost containment actions and further investment in future growth. All three Businesses delivered organic sales growth during the year with adjusted operating profit margins in line with our expectations. Both sales and adjusted operating profit were adversely impacted by currency movements, with sales 1% lower than 2023 after a 5% exchange rate impact and adjusted operating profit 4% lower after an 8% headwind.

STS organic sales growth was 1% despite weaker than expected IP, with growth higher in the second half of the year. Sales in China (17% of STS in 2023) were 13% lower due to weaker demand for larger, expansion-related projects that accounted for approximately 60% of sales in 2023. Outside China, STS organic sales growth was 4%, driven by a focus on our targeted higher growth sectors and increasing MRO and solution-sales from our large installed base. As expected, STS margin of 23.5% was lower than 2023, impacted by an exchange rate headwind, the partial reversal of cost containment actions and ongoing investment in growth.

ETS organic sales growth of 15% in the second half was higher than in the first half (5%), with continuing strong growth in the Industrial Process Heating Division, delivered through our focus on operational improvements which led to a double-digit increase in Chromalox sales from our carried forward orderbook. In the Industrial Equipment Heating Division, demand from Semicon customers began improving in the fourth quarter, although from a low base. ETS margin of 16.0% was 50bps higher organically than 2023 with strong progress in Industrial Process Heating partially offset by a lower margin in Industrial Equipment Heating.

WMFTS organic sales growth was 3%, supported by strong growth in Process Industries as we continued to target higher growth sectors including Water & Wastewater, Food & Beverage and Mining, increasing our market share. In Biopharm, new order intake began to recover with double-digit growth during 2024, following a decline of over 50% by 2023, from the COVID-related peak in 2021. The recovery was driven by non-OEM end-user customers (approximately 75% of Biopharm sales), with an increase in both orders and sales. Large OEM customer orders also improved from a low base although sales declined. As in previous years, Biopharm sales remained above orders in 2024, supported by the large carried forward orderbook which has now normalised. The breadth and diversification of our Biopharm customer base and the loss of the smoothing effect of the carried forward orderbook on sales, underpin our continued expectation of a gradual recovery. WMFTS margin expanded by 180bps organically as operational gearing from higher sales, supply chain efficiencies and lower variable compensation costs offset a full year of costs relating to our manufacturing facility in Devens, Massachusetts (USA).

Alongside focusing on the execution of our strategy and operational improvements to drive growth across all our Businesses, we also continued to make progress with our Health and Safety priorities and Sustainability Strategy. Our all-workplace incident rate (which includes lost time accidents) reduced from 2.37* in 2023 to 2.31* in 2024, with a significant reduction in Serious Lost Time Accidents, most of which were hand injuries. We also made progress towards meeting our One Planet sustainability targets, including a reduction in our

absolute scopes 1 and 2 market-based greenhouse gas emissions of 20% (including acquisitions) compared to 2023 and have exceeded our 2025 reduction target of 50%, compared to the 2019 baseline.
**per 100,000 work hours*

Our 2024 results demonstrate the continuing robustness of our business model in a challenging environment. I am grateful to my colleagues around the world for their focused execution of our strategy and for their commitment to working to deliver for all our stakeholders.

The Board has declared a final dividend of 117.5 pence (2023: 114.0 pence) per ordinary share, bringing the total dividend for the year to 165.0 pence. The total dividend for 2024 represents 3% growth compared to 2023, reflecting our confidence in the Group's business model, strategy and medium-to-long-term prospects.

Strategic Update

We have a powerful and resilient business model, defined by: a sector focused global direct sales force of 2,150 engineers with deep process insights, serving customers through close, local relationships; a focus on consultative solution-selling and pricing based on the value delivered for our customers; highly diversified geographic regions and sectors with a high proportion of sales from defensive end-markets and sales that are mostly funded from customers' operational budgets rather than capital expenditure. This business model is common across STS, ETS and WMFTS, our three high-quality growth engines.

This business model has enabled us to deliver consistent organic growth ahead of IP and at industry-leading margins, over many years, through multiple economic cycles. Over the medium term, we will sustain this track record of growth ahead of underlying markets, with high-single digit profit growth delivered through mid-single digit organic sales growth and an improving margin reaching between 22% and 23%. Delivery of these targets, together with cash conversion of over 80%, will also drive improving return on capital.

At our Capital Markets event in October 2024, we set out a strategic framework for building on this unique business model across all three of our Businesses; we will increase the pace at which we address operational improvements to fund targeted investments that will enable us to capture the significant compounding organic growth opportunities we see ahead. Our progress in 2024 and priorities for 2025 are set out below *(further details are included in the Operating Review)*.

Operational Priorities

Commercial Excellence

Our global direct sales force and local customer relationships are the core of our business model and a key differentiator. We are investing in the capability of our sales colleagues to better serve customers, meeting their evolving needs, to expand and capture our addressable market opportunity.

During 2024, we developed our sales capability, increasing the number of customer-facing sales colleagues, particularly in ETS due to the strong demand for sustainability-focused electrification solutions. In STS, we focused on increasing MRO growth from our large installed base and leveraging regional expertise to grow in the Electric Vehicle Battery and Marine sectors. In WMFTS, we expanded our customer solutions through the launch of WM Architect (Biopharm) and Qdos H-FLO (Process Industries).

During 2025, we will continue to progress with these initiatives with a specific focus on maximising the ability of our direct sales force to continue to deliver growth in a weaker economic environment.

Operational Excellence

Our regional manufacturing facilities are strategically positioned close to our sales operating companies to deliver high levels of customer service and maintain agility in our supply chain. We are focused on continuous operational improvements, reinvesting the benefits to support future growth.

Throughout 2024, in ETS we focused on increasing shipments from Chromalox of orders taken in prior years, particularly from the Ogden, Utah (USA) manufacturing facility. The process of improvement included comprehensive changes to the Business leadership and local management team, completing detailed and data driven reviews of existing processes, as well as taking best practice from other manufacturing sites.

During 2024, we began to deliver procurement savings within and across our three Businesses. We also targeted productivity and efficiency improvements to maximise the utilisation of our manufacturing capacity and reduce costs. As a result, we closed a number of smaller manufacturing sites after consolidating our footprint in the USA (Thermocoax's US production, WMFTS' Asepco and Aflex facilities). In STS, we announced the closure of our manufacturing facility in Mexico, with production moving to the USA in 2025 and we have put on hold the previously planned construction of a new Gestra facility in Germany. As we make progress, we will have greater flexibility in how we manage our manufacturing footprint and we will continue to review how best to optimise and extract value from our fixed capital.

During 2025, we expect further improvements in shipments from Chromalox, while completion of our Ogden Medium Voltage facility expansion will also help to reduce lead times. We will continue to deliver procurement savings in all three Businesses, which will partially mitigate the reinstatement of variable compensation.

Organisational Fitness
Our local presence in the countries we serve enables us to better understand and meet customers' needs. We are connecting colleagues to leverage our global presence and scale and simplifying the way we work to better serve our customers.

During 2024, we successfully completed the first new ERP implementation at Thermocoax in France, with minimal disruption. We are bringing across these design principles and learnings to align around a single global common design as we move from three separate Business-led ERP programmes to one. Once this design has been completed, we will sequence implementation in a way that manages the associated annual cost and potential operational risk.

In January 2025, we initiated a series of organisational changes, reducing our management layers and consolidating activity which can be better leveraged across our operating companies, while protecting our differentiated local direct sales presence. Through these changes we are taking early steps to move towards a simpler, more agile and more scalable organisation with improved internal processes and increased customer facing time for our sales colleagues.

In STS, we have consolidated both the management of a number of our operating companies and our technical sales and service engineering resources, to better leverage these across our regions. In ETS, we are driving improved collaboration in developing customer opportunities and new products with the establishment of a new Divisional Sales structure: Industrial Process Heating, Industrial Equipment Heating and Heat Trace. WMTFS is moving from a geographic focus to a sector-based sales model, to strengthen our self-generated solution-sales capability. During 2025, we will complete our announced restructuring and continue to progress the ERP programme.

2025 restructuring
The consolidation of manufacturing facilities and organisational changes are the first significant restructuring activity that we have undertaken across the Group and will realise savings to fund our investment in future organic growth. These changes are expected to realise annualised savings of approximately £35 million. The cash costs to deliver this programme will be mostly incurred in 2025 and are expected to be approximately £35 million, with an additional non-cash cost of £5 million.

Investing in Future Growth

Digital and Services

Our relationships, technical expertise and data driven insights are the basis of our deep customer understanding. We are focused on being highly connected with our customers throughout their process and product lifecycles to anticipate their needs and build enduring customer partnerships.

In 2024, we continued to increase the number of digital customer connections to help collect performance data, principally in STS for steam traps and heat exchangers. In WMFTS we have also successfully trialled our machine-learning-enabled Bredel connected-pump on a customer site. Aggregation and analysis of the data we are collecting drives insights that support customers' predictive maintenance and process optimisation, delivered through our sales engineers.

Early in 2024, we developed '*MiM*', our proprietary large language model that curates our highly specialised technical, sector and application knowledge. For our sales engineers, *MiM* accelerates the learning journey of new hires and enables more experienced colleagues to deliver improved solutions to customers, faster. Initially, *MiM* is focused on the Food & Beverage and Water & Wastewater sectors in STS and WMFTS respectively, with user-acceptance and testing currently underway.

During 2025, we will continue to increase customer connections in STS and drive higher revenues from digital products and services. We will advance our proof-of-concept pilots in WMFTS and extend these to ETS through the retrofit of selected industrial process heaters in our installed base with machine learning capabilities. We will also begin to scale-up the adoption of *MiM* within our direct sales force.

Decarbonising Thermal Energy

Our combined steam and electric expertise and innovative solutions uniquely position us to decarbonise our customers' thermal energy use. We are investing in our decarbonisation technology and capability to capture the significant market opportunity from helping customers meet their efficiency and sustainability targets.

During 2024, we made good progress in developing a combined thermal energy strategy across STS and ETS, including three key elements: developing an operating model to harness both Businesses' understanding of sector-specific customer processes, their steam and electrical technical expertise and direct sales capability; developing new resistive heating products to decarbonise the generation and storage of steam (TargetZero) and electrification of industrial thermal processes beyond steam (PoweringZero); and investing in emerging thermal energy solutions, such as high temperature heat pumps that will form part of an extended suite of options for our steam using customers.

In 2025, we will continue with proof-of-concept pilots for our TargetZero solutions. We will add further pilots for our combined thermal energy solutions, as well as our new resistive heating technology that operates at higher temperatures.

2025 guidance

Market environment

The global macroeconomic environment remains highly uncertain impacting the outlook for industrial production, which is an important driver of demand across our three Businesses. CHR's forecast for 2025 global IP is currently 2.1%, with growth weighted towards the second half and sequential improvements quarter-on-quarter throughout the year. In recent years IP forecasts have been revised downward as the year has progressed. We remain cautious on IP in 2025 and have adopted more conservative assumptions in our planning.

We expect trading conditions in China to remain challenging as customers continue to reduce investments in the expansion of manufacturing capacity. We are also seeing the impact of political instability in Korea, which is STS' second largest market in Asia Pacific, and together with China accounts for 22% of STS sales and approximately 15% of Group sales.

Following the beginning of a recovery in Biopharm new order intake in 2024, we expect double-digit order growth to continue through 2025.

Exchange rates

Our organic growth guidance is based upon 2024 results as restated for the impact of exchange rate movements in 2025. If exchange rates at the beginning of March were to prevail for the remainder of the year, 2024 sales would be approximately 2% lower at £1,637 million and 2024 adjusted operating profit would be approximately 4% lower at £320 million, resulting in an adjusted operating profit margin of 19.6%.

2025 outlook

We anticipate organic growth in Group revenues consistent with that achieved in 2024 and well ahead of IP. We expect modestly higher growth in the second half, reflecting the forecast trend of improving IP and ongoing recovery in Biopharm demand though the year. As a result, Group adjusted operating profit margin is expected to be ahead of the currency adjusted 19.6% margin in 2024, driving mid-single digit organic growth in adjusted operating profit.

We expect STS to deliver low-single digit organic sales growth, with growth outside China again ahead of IP, partially offset by weaker trading in China and Korea. We expect margin to remain broadly level with 2024. In ETS, we anticipate mid to high-single digit organic sales growth supported by ongoing operational improvement and recovery in Semicon demand, which will deliver continued margin progress. In WMFTS, we anticipate mid-single digit organic sales growth driven by a continuation of the recovery in Biopharm orders and Process Industries outperforming IP, to deliver high-single digit organic profit growth and an increase in margin compared to 2024.

We expect corporate costs of approximately £40 million, reflecting higher levels of investment in growth, such as digital initiatives that are funded centrally and an unwinding of share-based variable compensation that did not vest in prior years. We anticipate similar net financing costs to 2024 and an effective tax rate of 27%. We expect cash conversion of greater than 80% in 2025.

2025 restructuring

At our capital markets event in October, we set out our intention to simplify our organisation and optimise our manufacturing footprint, following significant expansion over the past decade, while redeploying cost savings to fund investment in future organic sales growth.

In January, we began the implementation of a restructuring programme that is expected to realise annualised savings of approximately £35 million, with 40% achieved in 2025. The cash costs to deliver this programme will be mostly incurred in 2025 and are expected to be approximately £35 million, with an additional non-cash cost of £5million. These costs will be excluded from our adjusted operating profit and are excluded from the margin guidance above. The expected savings, net of reinvestment in future growth, are included within Group, as well as Business margin guidance.

Beyond 2025 and over the medium term we will continue to seek ways to further optimise our operations and our manufacturing footprint, to maximise efficiency.

Operating Review

Market environment

Industrial production growth (IP)	**2024**			**2025**
	H1	H2	**FY**	**FY**
Europe	-0.2%	-0.4%	-0.3%	1.9%
North America	-0.1%	-0.4%	-0.3%	0.6%
South America	-1.8%	1.9%	0.0%	3.3%
Asia	2.6%	3.7%	3.1%	2.7%
Global	1.3%	2.0%	1.7%	2.1%
Global (excluding China)	0.6%	1.0%	0.8%	1.9%

Source: CHR Economics February 2025

IP in 2024 was 1.7% or 0.8% excluding China, lower than had been forecast at the beginning of the year. Following weak IP in the first half, the expected second half recovery did not materialise. Second half IP excluding China of 1.0% was well below the forecast of 1.5% (August 2024) and our own more conservative expectations.

IP was weak across almost all regions and negative in both the first and second halves of the year in key markets such as the USA, Germany, France, Italy and the UK that represent approximately 50% of Group sales. This is only the third time in the last four decades that IP has contracted in these key markets at the same time. IP forecasts for China remain uncertain, with a wide range of expectations across different providers.

We are closely monitoring potential US tariffs on global trade and the impact on our operations. In all three of our Businesses, we manufacture in the USA to meet a significant proportion of domestic demand. Through a combination of this regional manufacturing, changes to sourcing and price management, we are prepared to respond to the effects of USA tariffs. The precise impact on trading will depend on details yet to be announced by the USA government, as well as the broader consequences for the macroeconomic outlook.

Steam Thermal Solutions

STS is a global leader in the design and supply of industrial and commercial steam systems, including condensate management, controls and thermal energy management products and solutions. The broad range of applications across multiple sectors that require steam to transfer large energy loads in the form of heat, as well as our large and geographically diverse installed base, underpin an enduring source of MRO and solution-selling revenues for STS.

Financial progress

Demand

Demand for STS products and solutions is intrinsically linked to IP, which was weaker in 2024 than expected at the beginning of the year. In key STS markets such as the USA, Germany, France, Italy and the UK, IP contracted in 2024. Against this challenging backdrop, we continued to focus on our target, higher growth sectors and increasing MRO and solution-sales from our large installed base.

In China, STS has historically benefited from strong demand arising from the large-scale expansion of manufacturing capacity over the last two decades, financed from customers' capital expenditure budgets. Larger projects accounted for approximately 60% of China sales in 2023, a much higher proportion than for STS outside China. In 2023, larger project demand was also driven by the easing of COVID-related lockdowns and capacity expansions in the Pharmaceutical and Electric Vehicle Battery sectors, weighted heavily to the first half of the year. In 2024, demand was lower as a consequence of increasing barriers to global trade, a weaker macroeconomic environment and a reduction in our customers' investments in the expansion of manufacturing capacity. This was partially mitigated by our focus on driving MRO sales from our large installed base in China, delivering double-digit demand growth funded from customers' operational budgets.

Sales
Full year 2024 sales of £867.9 million with organic sales growth of 1%. Growth improved during the second half (3%) despite weaker than expected IP, following a 1% decline in the first half that was driven by a challenging comparator in China.

In the full year, sales in China (17% of STS in 2023) were 13% lower. Outside China, STS organic sales growth was 4%, well above global IP excluding China of 0.8%.

Margin
Full year adjusted operating profit of £204.1 million was 1% higher organically and 9% lower after an adverse exchange rate impact. Full year margin of 23.5% was in line with our medium-term expectation for STS, although, as expected, lower than 2023 (24.6%).

Organically, this was driven by lower sales from our higher margin business in China; higher variable compensation following a low payout in 2023; the partial reversal of temporary cost containment actions taken in 2023 and increased investment in future Growth Drivers such as Digital and Services, Decarbonising Thermal Energy and in systems. We continued to maintain our pricing discipline, offsetting cost inflation to protect margin, with organic drop-through supported by savings in manufacturing overheads.

Statutory results
Sales of £867.9 million were down 5% including an adverse exchange rate impact of 6%. Statutory operating profit of £198.9 million was down 3% from 2023, driven by a decrease in adjusted operating profit year-on-year, off-set by the impairment of ERP systems of £13.9 million in 2023. Statutory operating profit margin of 22.9% increased by 40bps.

Operational progress
Commercial Excellence
Against the backdrop of challenging market conditions, we focused on our sector expertise and the deep process knowledge of our global direct sales force to drive growth from self-generated solutions. Sales to customers in our target sectors of Food & Beverage, Pharmaceuticals, Oil & Gas and Chemicals, which account for over 40% of STS sales, grew organically and ahead of IP in 2024. We also continued to develop new opportunities by leveraging our sector expertise globally, through STS teams supporting their colleagues with process expertise: from China for the Electric Vehicle Battery sector as our customers explore new manufacturing locations; and from Italy for the Marine sector to access opportunities in the USA and China.

Operational Excellence
In February, following an initial review of the STS manufacturing footprint we announced the closure of our manufacturing facility in Mexico, with production moving to the USA. We have also put on hold the construction of a new manufacturing facility for our Gestra business in Germany as we review opportunities to maximise the utilisation of our capacity and focus on productivity and efficiency improvements.

Organisational Fitness
In January 2025, we commenced the simplification of our STS EMEA organisational structure by consolidating the number of operating companies to reduce management layers and also by consolidating technical sales and service capability that can be better leveraged across our operating companies without impacting on our local direct sales capability. We also undertook targeted overhead cost reductions in other STS Divisions, including in Asia Pacific and our China OpCo where we reduced our sales force in light of the current and anticipated weaker demand environment.

The savings from our Operational Excellence and Organisational Fitness initiatives will be reinvested in delivering on our future growth potential (see Group Chief Executive Officer’s Review, Strategic Update).

Digital and Services
Following our investments in digital and the development of connected products to gather customer data, we now have approximately 10,000 connected assets across 1,000 customer sites. These paid-for connections are returning data from steam traps and heat exchangers, supporting predictive maintenance and process optimisation, and delivering pull-through product sales.

Decarbonising Thermal Energy
During 2024, we continued to refine our proprietary Electrofit solution (retro-fit steam boiler with ETS Low Voltage technology) proof-of-concept pilots at two Food & Beverage customer sites in Turkey and have launched a pilot of our SteamVolt solution (first-fit boiler with ETS Medium Voltage technology) with an OEM customer in Argentina. In the first half of the year, we also invested in emerging high temperature heat pump (HTHP) technology, which will add to our range of electrification products. HTHPs are a highly engineered, bespoke technology enabling our customers to recycle waste process heat to generate steam for use in their critical processes, while reducing their operating costs and carbon emissions.

Outlook
We expect STS organic sales growth outside China to continue to outperform global IP. Trading conditions in China continue to remain challenging as a consequence of increasing barriers to global trade, a weaker macroeconomic environment and a reduction in our customers' investments in the expansion of manufacturing capacity, partially offset by our continued focus on driving MRO growth from our large installed base. We are also seeing the impact of political instability in Korea. As a result, we anticipate weaker trading in China and Korea, particularly during the first half, with these markets accounting for 22% of STS sales in 2024.

We will continue to maintain pricing discipline to protect margins, while recognising that with normalising inflation rates pricing will contribute less to organic sales growth than in previous years.

Therefore, for 2025 we anticipate low-single digit organic sales growth and margins to remain broadly level with 2024.

Over the medium term we expect low-to-mid single digit organic sales growth in STS, supporting a margin of around 23.5%.

Electric Thermal Solutions
ETS is uniquely positioned to enable the energy transition and decarbonisation journeys of our customers. We combine technical expertise, process insights and proprietary technology to deliver electrical process heating and temperature management solutions, including industrial heaters and systems, heat tracing and a range of component technologies. Our solutions for equipment heating are critical in applications that require precise control of very high temperatures and concentrated power loads.

Financial progress
Demand
Demand for ETS solutions remained robust in 2024. Industrial Process Heating continues to carry a large orderbook and in Industrial Equipment Heating, demand from Semicon customers began to recover in the fourth quarter, albeit against a very weak prior year comparative. We are continuing to see strong interest in decarbonisation-related electrification solutions, with a significant pipeline of customer enquiries, including for some material large projects. As we continue to improve our operational performance, increasing shipments and reducing lead times, we anticipate further strengthening of our market position and customer relationships.

Sales
Full year 2024 sales of £404.6 million were 10% higher organically or 7% higher after an adverse exchange rate impact. Growth was driven by operational improvements in Industrial Process Heating (76% of ETS 2024 sales) that materially increased shipments from the large orderbook carried into 2024. Following a weak first half in

Industrial Equipment Heating (24% of ETS 2024 sales), we saw a return to growth in the second half, supported by sales to Nuclear and Power sector customers, early signs of a recovery in demand from the Semicon sector (10% of ETS 2024 sales and 3% of Group 2024 sales), and against a weak comparator. As a result, ETS sales were 15% higher organically in the second half, building on the 5% growth in the first half.

Margin
Full year adjusted operating profit of £64.7 million was 13% higher organically or 9% higher after an adverse exchange rate impact. Full year margin of 16.0% was 50bps higher organically with strong progress in Industrial Process Heating partially offset by a lower margin in Industrial Equipment Heating.

The strong improvement in Industrial Process Heating margin was supported by operating leverage from improvements in the performance of our Ogden, Utah (USA) manufacturing facility and progress at Vulcanic. This was partially offset by ongoing investment to deliver operational improvements and a lower drop-through of sales to profit on the shipment of historic orders that could not be re-priced for inflation. During 2025, we will continue to ship our carried forward orders, although they will account for a lower proportion of total sales. Margins in Industrial Equipment Heating were lower due to costs related to the transfer of USA production from Thermocoax to Durex Industries' facility in Chicago, Illinois and the costs of ERP implementation in Thermocoax France.

Statutory results
Sales of £404.6 million were up 7% including an adverse exchange rate impact of 3%. Statutory operating profit of £46.1 million was up 79% compared to 2023, reflecting lower amortisation of acquired intangibles and acquisition-related credits in the year. Statutory operating profit margin of 11.4% was 460bps higher than in 2023.

Operational progress
Operational Excellence
Improving manufacturing throughput in our Chromalox facilities was a critical area of focus for 2024 and will continue into 2025. After several years of flat output, we saw a material improvement in shipments, particularly from the Ogden, Utah (USA) facility that manufactures large Low Voltage and Medium Voltage heaters such as those supporting our decarbonisation solutions. Management and leadership changes have proved vital to unlocking resolution of the operational issues that impeded progress historically, beginning with the appointment of a new Head of Manufacturing and a new General Manager for the Ogden facility in the first half of 2024, a new Design Engineering Manager in the second half of 2024 alongside other critical hires and culminating with the appointment of a new MD for ETS.

Within Industrial Process Heating, a key competitive advantage and point of differentiation is providing customers with best-in-class bespoke process heating solutions, built with our proprietary technology and deep process knowledge. In Chromalox, we are improving key operational processes to meet customers' bespoke requirements with greater efficiency and reduced lead times. We are introducing controls over complex designs and better interfaces between sales, engineering and manufacturing to address production challenges and the significant backlog. Addressing this 'quote-to-cash' process has been the new team's focus to shorten lead times in design engineering, improve resource planning and production scheduling, better manage customer change requests and thereby deliver higher throughput and improve efficiency. An important part of this effort has been learning from the existing best practice from within ETS and in particular from Vulcanic.

These measures delivered a double-digit increase in Chromalox sales, with shipments from Ogden increasing by close to 40% leading to a backlog reduction of over 20%, as well as improved margins through operating leverage. Separately, the expansion of the Ogden facility, specialising in the manufacture of Medium Voltage solutions, is progressing well and remains on track for completion during 2025. Ramp-up costs associated with the expansion, prior to achieving full production, will impact on the rate of improvement in the Industrial Process Heating margin during 2025.

As part of our focus on maximising utilisation of manufacturing capacity, in the USA we migrated Thermocoax's production to our Durex Industries site in Chicago, Illinois. We will continue to review our ETS manufacturing footprint to optimise production.

Organisational Fitness
We are driving improved collaboration across ETS with the establishment of a new organisational structure, comprised of three Sales Divisions: Industrial Process Heating, Industrial Equipment Heating and Heat Trace. In Industrial Process Heating, we are bringing Vulcanic and Chromalox closer together, aligning the regional sales teams and across ETS we are combining responsibility for all our manufacturing sites.

In Industrial Equipment Heating, Thermocoax and Durex Industries are highly complementary, in both engineering expertise and manufacturing processes to deliver solutions to our customers, with significant opportunities to leverage both brands and technologies in our target markets. We have begun to drive closer collaboration in customer engagement and new product development through the teams' combined expertise, for example in Semicon wafer fabrication equipment manufacture where both businesses are present in complementary parts of the wafer fabrication process.

Decarbonising Thermal Energy
Leveraging ETS' strong research and development capabilities in resistive heating, we have developed additional higher voltage and higher temperature solutions (12kV and 7.2kV) to expand the reach of our existing North American Medium Voltage solutions (4.2kV), across Europe and China, and into additional applications such as in the Oil & Gas sector. These new-to-world products remain in early phases of testing and we are selecting strategic customers to conduct proof-of-concept pilots.

Outlook
With a strong carried forward orderbook and operational improvements supporting increased throughput in Industrial Process Heating, as well as early signs of recovering Semicon demand in Industrial Equipment Heating, we anticipate mid to high-single digit organic sales growth in 2025.

Operating leverage from increasing sales and a recovery in higher margin Semicon sales will support continuing improvement in the ETS margin, partly offset by a ramp-up in operating costs at the new Medium Voltage facility in Ogden.

In the medium term, growth in our end-markets, ongoing recovery in Semicon demand and growing contribution to our order intake from decarbonisation-related demand, are expected to drive above mid-single digit sales growth, which together with progress in delivering our operational priorities will support a 20% operating margin by 2027.

Watson-Marlow Fluid Technology Solutions

Fluid technology solutions critically enable a wide range of industrial processes and applications, from those requiring sterility and accuracy to high volume pumping of corrosive materials. WMFTS designs and manufactures peristaltic and niche pumps and associated fluid path technologies, including tubing, specialised filling systems and products for single use applications. Our pump and fluid path technologies provide industry-leading, sustainable solutions to deliver secure and accurate metering, dosing, transfer and filling for industries such as Pharmaceutical & Biotechnology, Food & Beverage, Water & Wastewater, Mining and Healthcare.

Financial progress
Demand
We saw the beginnings of a recovery in Biopharm new order intake with double-digit growth in 2024, consistent with market commentary from some of our larger OEM customers. This recovery was off a low base, following a decline of over 50% by 2023, from the COVID-related peak in 2021. The recovery was primarily driven by non-OEM end-user customers (approximately 75% of Biopharm sales), with an increase in

both orders and sales. Orders from large OEM customers also improved from a low base although sales declined. As in previous years, Biopharm sales remained above orders in 2024, supported by the large carried forward orderbook which has now normalised. Going forward, sales growth will be driven by new order intake and while we anticipate continued double-digit recovery in Biopharm orders, this will result in mid-single digit growth in sales. The breadth and diversification of our customer base and the smoothing effect of the carried forward orderbook on sales, underpin our continued expectation of a gradual recovery. Underlying drivers of demand, particularly growth in monoclonal antibodies, recombinant DNA and cell and gene therapies, remain robust as reflected in end-user activity.

Demand in Process Industries is fundamentally linked to IP, but our targeted sector focus combined with our direct sales capability enables us to generate above IP demand growth. During 2024, we saw strong demand growth in our focus sectors of Water & Wastewater, Food & Beverage and Mining and we increased our market share.

Sales
Full year 2024 sales of £392.7 million were 3% higher organically or broadly unchanged after an adverse exchange rate impact. Process Industries sales were supported by strong growth in Water & Wastewater, Food & Beverage and Mining. Biopharm sales (approximately 50% of WMFTS sales and 12% of Group sales) were broadly flat compared to 2023.

Margin
Full year adjusted operating profit of £99.0 million was 11% higher organically and 6% higher after an adverse exchange rate impact. Full year margin of 25.2% was 180bps higher organically driven by operational gearing from higher sales and supply chain efficiencies partially offset by a full year of costs relating to our manufacturing facility in Devens, Massachusetts (USA) and investment in new product development.

Statutory results
Sales of £392.7 million were broadly flat on 2023 including an adverse exchange rate impact of 3%. Statutory operating profit of £90.3 million was up 11% compared to 2023, reflecting restructuring charges that impacted the 2023 results. Statutory operating profit margin of 23.0% was up 240bps.

Operational progress

Commercial Excellence
During 2024, we launched WM Architect, supporting self-generated solution-selling in the Biopharm sector through bespoke approaches to connecting disparate OEM systems along the fluid pathway while preserving the safety and integrity of customers' processes. We have seen strong sales in WM Architect (double-digit million pounds), with products being manufactured in our Biopure, Portsmouth (UK) facility. At the end of 2024, we also launched Qdos H-FLO, a chemical metering and dosing pump for flow rates up to 600 L/h and 7 bar pressure capability, which further expands our addressable market in Process Industries applications.

Operational Excellence
Following a review of WMFTS manufacturing footprint in the USA, we consolidated two small facilities (Asepco and Aflex) into our newly built Devens facility during the first half of 2024, supporting the ongoing ramp-up of that facility and delivering a small savings benefit in the second half. We will continue to seek additional opportunities to optimise our manufacturing footprint as we leverage capacity in our Devens facility.

Organisational Fitness
In January 2025, we began implementing a move away from our geographic focus to a sector-based sales model, to strengthen our self-generated solution-sales capability. This sectorised approach covering Biopharm and our target sub-sectors within Process Industries, allows us to develop deeper insights into our customers and sector trends, as well as build deeper technical and process expertise.

Digital and Services
In WMFTS, as a proof-of-concept pilot, we successfully installed a fully operational machine-learning enabled Bredel connected-pump inside a potable water treatment application for a customer in France. This is returning valuable data that will enable our teams to predict blockages prior to any impact on process performance. Additional Bredel connected-pumps are awaiting installation at waste-to-energy (Germany) and platinum mining (Australia) customer sites.

Outlook
During 2024, sales exceeded new order intake supported by our strong carried forward orderbook that had built-up during the pandemic. With our orderbook having normalised at the end of 2024, new order intake in Biopharm and continued demand growth in Process Industries will drive sales in 2025. In Biopharm, double-digit growth in orders will bring their value back into line with sales. We expect continued growth in end-user demand, while recognising that OEM demand is growing from a low base and remains volatile. Process Industries sales are expected to continue to grow ahead of IP as we grow market share further in our chosen target sectors.

As a result, for 2025 we anticipate mid-single digit organic sales growth in WMFTS delivering high-single digit organic profit growth and an increase in margin.

In the medium term, we expect the continuing recovery in Biopharm demand and continued growth in Process Industries to support both high-single digit sales growth and margin improvement to over 30%.

Group
Health and Safety Performance
Our all-workplace incident rate (which includes lost time accidents and our 2022 acquisitions) reduced from 2.37[1,2] at the end of 2023 to 2.31 during the year. Within these incidents, we experienced a significant reduction in our Serious Lost Time Accidents, most of which were hand injuries, from 18 to 5. This reduction is an early indication that our Group H&S Excellence Framework is creating consistency and reducing risk by focusing on areas such as machine safety, lifting, pedestrian and vehicle management, contractor control, hand safety and driving on company business. Our recently acquired businesses in ETS have been working through the foundation level of this framework and continue to improve their H&S performance.

A key catalyst for this reduction was a serious incident at one of our manufacturing sites in February, which resulted in a Group H&S 'Stand Down' to enable a deeper conversation about H&S and set the tone for the year. Subsequently, minimum mandatory machine guarding and safe system of work criteria for three machine types were expedited.

To further support our H&S journey and evolution, we completed an independent Safety Culture Index (SCI) survey across our Group. As a leading measure of H&S Performance, the SCI is designed to categorise individual perceptions, beliefs, experiences and behaviours across a range of safety dimensions within an organisation. With over 6,500 completed surveys and a participation rate of 68% the Group score[3] was 67.5% which places us in the 6th highest category, 'sustainable' (out of 7). With the scoring range from -50 (Unsustainable/Volatile) to 80+% (High Performing) these results highlight the positive cultural baseline that we have established.

[1]per 100,000 work hours worked.
[2] Amended following an audit by Group H&S.
[3] Excluding Vulcanic which will be undertaken in 2025.

Sustainability Performance
We achieved a reduction in our absolute scopes 1 and 2 market-based greenhouse gas emissions of 20% (including acquisitions) compared to 2023 and have exceeded our 2025 reduction target of 50%, compared to the 2019 baseline. Water consumption across the Group reduced by 11% (including acquisitions) compared to 2023, a 14% reduction against our 2019 baseline. Waste generation fell by 7% (including acquisitions) compared to 2023, with waste down against our 2019 baseline. Building on the strong engagement in biodiversity projects of previous years, 85% of operating companies (including acquisitions) have now completed a biodiversity project since the initiative began in 2021. Over 30,000 hours of volunteering were completed in 2024, 20% higher than in 2023.

Governance
Louisa Burdett commenced her role as Chief Financial Officer and Executive Director on 8 July 2024 and Tim Cobbold joined the Board as a Non-Executive Director and Chair Designate with effect from 1 September 2024. Tim subsequently took over as Chair of the Board and Nomination Committee on 1 January 2025, as Jamie Pike stepped down.

Jane Kingston will be stepping down as Non-Executive Director and Chair of the Remuneration Committee in September and will be succeeded by Maria Antoniou who will join the Board on 1 June 2025.

In January 2025, we welcomed Stuart Roby as Managing Director of WMFTS and a member of the Group Executive Committee. Stuart brings extensive leadership experience to this role, joining us from The Vita Group, where he developed broad manufacturing expertise and an understanding of direct sales.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

Financial Performance

£m	FY 2023	Exchange	Organic	**FY 2024**	Organic	Reported
Revenue	1,682.6	(74.3)	56.9	**1,665.2**	*4%*	*(1)%*
Adjusted operating profit	349.1	(28.1)	12.9	**333.9**	*4%*	*(4)%*
Adjusted operating profit margin	20.7%			**20.1%**	*10bps*	*(60)bps*
Adjusted basic EPS (pence)	312.4			**286.3**		*(8)%*
Statutory operating profit	284.4			**304.6**		*7%*
Statutory operating profit margin	16.9%			**18.3%**		*140bps*
Basic EPS (pence)	249.5			**259.6**		*4%*

Group full year reported sales were 1% lower compared to 2023, including a material currency headwind of 5%. On an organic basis sales were 4% higher, driven by growth in all three Businesses: STS (1%), ETS (10%) and WMFTS (3%).

Group adjusted operating profit was 4% lower compared to 2023, including a material currency headwind of 8%, and therefore 4% higher organically. All three Businesses delivered organic growth in adjusted operating profit with STS growing by 1%, ETS 13% and WMFTS 11%.

Group adjusted operating profit margin of 20.1% was 10bps higher organically compared to 2023, benefitting from the organic sales growth. Continued discipline enabled us to maintain an appropriate mix of operating costs and protect our investment in long-term growth opportunities, notably Digital and Services. As anticipated, STS margin was broadly unchanged on an organic basis compared to 2023, with ETS margin 50bps higher and WMFTS margin 180bps higher.

Group statutory operating profit was 7% higher than in 2023 at £304.6 million, with statutory operating profit margin 140bps higher at 18.3%, driven by a number of charges that impacted the prior year. The reconciling items between adjusted operating profit of £333.9 million and statutory operating profit of £304.6 million are shown below:

- A charge of £34.1 million (2023: £37.2 million) for the amortisation of acquisition-related intangible assets
- A one-off impairment charge of £5.7 million relating to equipment used in the manufacture of certain Biopure products held in WMFTS with excess capacity
- A credit of £3.1 million relating to the deferred consideration payable by Vulcanic in relation to the acquisition of EML Manufacturing LLC in 2021
- Income of £4.2 million relating to a post-completion adjustment to the purchase consideration for Durex Industries
- A profit of £3.2 million on the disposal of Kyoto Group AS, an associate investment

Tax and Interest

As expected, net financing expense was higher than in the prior year at £43.7 million (2023: £39.9 million) as a result of the full year impact of refinancing maturing fixed rate debt in late 2023. The new debt carries higher coupons due to increases in market interest rates. The Group does not expect a material change to net finance expense in 2025.

The Group effective tax rate reflects the blended average of rates in tax jurisdictions around the world in which the Group operates. The Group adjusted effective tax rate was 100bps higher at 26.5%, (2023: 25.5%), due to the reduced benefit of the inflation adjustment in Argentina and the impact of the OECD's Base Erosion and Profit Shifting (BEPS) 'Pillar Two' initiative. This was partially offset by non-recurring investment incentives in the USA. On a statutory basis the Group effective tax rate was 26.1% (2023: 24.7%). For 2025, the Group's adjusted effective tax rate is expected to be 27%, based on the forecast mix of profits, the inflation position in Argentina and the USA investment incentives not repeating.

Earnings per share and dividends

Adjusted earnings per share were 8% lower than in the prior year at 286.3 pence, consistent with the decrease in adjusted operating profit, higher net financing costs and the increase in the effective tax rate. Statutory basic earnings per share were 4% higher at 259.6 pence (2023: 249.5 pence). Statutory fully diluted earnings per share were not materially different to statutory basic earnings per share in either year.

The Board is proposing a final dividend of 117.5 pence per share for 2024 (2023: 114.0 pence) payable on 23 May 2025 to shareholders on the register at 25 April 2025. Together with the interim dividend of 47.5 pence per share (2023: 46.0 pence), the total dividend for the year is 165.0 pence per share, an increase of 3% on the total dividend of 160.0 pence per share in 2023, reflecting confidence in a return to higher levels of growth and margins. The total amount of dividends paid in the year was £119.3 million, 4% above the £114.9 million paid in 2023.

Currency movements

The Group's Income Statement and Statement of Financial Position are exposed to movements in a wide range of different currencies. The largest individual currency exposures are to the euro, US dollar, Chinese renminbi and Korean won. While the Group's businesses in Argentina are immaterial to the consolidated financial results, the volatility in the Argentinian peso has had a negative impact on reported financial performance.

Currency movements on translation negatively impacted Group sales by 5%. The currency impact on adjusted operating profit was adverse by 8% due to translational and transactional impacts of £26.0 million and £2.1 million respectively. The translation downside reflects the impact of the strengthening of sterling in 2024 against the currencies in which the Group operates. The main transactional exposure flow affecting the Group is the export of products from our factories in the UK, invoiced in sterling, less the import of goods from overseas Group factories and third parties which are priced predominately in euros and US dollars. The net exposure to transactional currency movements is approximately £150 million. Excluding the impact of the Argentinian peso, sales and adjusted operating profit were negatively impacted by 3% and 5% respectively. The timing of the material devaluation of the Argentine peso in December 2023 exacerbated the headwind impact based on a materially higher average exchange rate in 2024 compared to 2023.

If exchange rates at the beginning of March were to prevail for the remainder of 2025, there would be a headwind impact on 2024 sales and 2024 adjusted operating profit of 2% and 4% respectively.

Adjusted Cash flow

Adjusted Cash flow	**2024 £m**	**2023 £m**
Adjusted operating profit	333.9	349.1
Depreciation and amortisation (excl. leased assets)	42.5	44.2
Depreciation of leased assets	17.6	16.2
Additional contributions to pension schemes	(6.4)	(5.7)
Equity settled share plans	3.1	6.1
Working capital changes	1.0	(9.3)
Repayments of principal under lease liabilities	(16.6)	(16.1)
Capital expenditure (including software and development)	(83.6)	(102.8)
Adjusted cash from operations	**291.5**	**281.7**
Net interest	(41.8)	(37.7)
Income taxes paid	(76.5)	(90.7)
Adjusted Free cash flow	**173.2**	**153.3**
Net dividends paid	(119.3)	(114.9)
Proceeds from/(purchase of) employee benefit trust shares	1.9	(10.8)
Disposals/(Acquisitions) of subsidiaries/associates	5.3	(7.7)
Restructuring costs	(2.4)	(8.1)
Cash flow for the year	**58.7**	**11.8**
Exchange movements	11.8	11.9
Opening net debt	(666.7)	(690.4)
Net debt at 31 December	**(596.2)**	**(666.7)**
Lease liability	(95.1)	(96.7)
Net debt and lease liability at 31 December	**(691.3)**	**(763.4)**

There was a working capital inflow in the year, with the ratio of working capital to sales decreasing by 90bps to 21.9% (2023: 22.8%).

Net capital expenditure in the year of £83.6 million (2023: £102.8 million), at 5% of sales, was lower than we had anticipated and lower than in the prior year. Construction of a new manufacturing facility for our Gestra business in Germany has been put on hold and the phasing of spend for the investment in ERP has shifted into 2025 and beyond, as a consequence of the decision to implement a common design for the three Businesses. For 2025, we expect net capital expenditure to be in the range of 5%-6% of sales.

Adjusted cash from operations of £291.5 million (2023: £281.7 million) was £9.8 million higher, resulting in an improved adjusted cash conversion of 87% (2023: 81%). The improvement in cash conversion was driven by the lower net capital expenditure together with improved working capital management which offset the fall in adjusted operating profit.

Adjusted free cash flow of £173.2 million (2023: £153.3 million) has increased by 13% driven by improved adjusted cash from operations as well as a reduction of taxes paid in the year. Taxes paid in the year have decreased by 16% due to lower adjusted operating profit, as well as non-recurring investment tax incentives received in the USA in the current year.

New shares issued through the Employee Benefit Trust for the Group's various employee share schemes resulted in a cash inflow of £1.9 million. No shares were purchased for the Employee Benefit Trust in the current financial year reflecting a lower vesting of the Group's Performance Share Plan (2023: net outflow of £10.8 million).

Financing and Liquidity

Net debt (excluding leases) at 31 December 2024 was £596.2 million (2023: £666.7 million), with a net debt to EBITDA ratio of 1.6x (2023: 1.7x).

As at 31 December 2024, total committed and undrawn debt facilities amounted to £400 million, representing a fully undrawn Revolving Credit Facility, in addition to a net cash balance of £233.9 million. In the year, the Group issued €90 million of new US Private Placement notes at a fixed coupon of 3.85%. The average tenor of our debt is over four years with the next contractual repayment maturity in October 2025 for floating rate debt of US$150 million as at 31 December 2024.

Return on capital employed (ROCE)

ROCE was 260bps lower at 35.5% (2023: 38.1%). Excluding the impact of leases, ROCE decreased by 240bps to 39.2% (2023: 41.6%), driven by the adverse FX impact on adjusted operating profit. The definition and analysis of ROCE is included in the Appendix to the Financial Statements.

Return on invested capital (ROIC)

ROIC was 70bps lower at 12.8% (2023: 13.5%). Excluding the impact of leases, ROIC decreased by 60bps to 13.4% (2023: 14.0%), driven by the decrease in adjusted operating profit after tax. The definition and analysis of ROIC is included in the Appendix to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

	Notes	2024 £m	2023 £m
ASSETS			
Non-current assets			
Property, plant and equipment		433.1	415.1
Right-of-use assets		95.6	98.4
Goodwill		669.7	680.5
Other intangible assets		420.4	448.8
Prepayments		1.8	1.9
Investment in Associate		3.3	3.0
Taxation recoverable	4	-	4.9
Deferred tax assets		34.2	31.0
		1,658.1	1,683.6
Current assets			
Inventories		253.2	285.2
Trade receivables		313.8	299.8
Other current assets		75.1	71.4
Taxation recoverable		10.6	8.7
Cash and cash equivalents	7	334.2	359.7
		986.9	1,024.8
Total assets		**2,645.0**	**2,708.4**
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		263.0	251.2
Provisions		5.4	9.5
Bank overdrafts	7	100.3	146.9
Current portion of long-term borrowings	7	123.9	3.6
Short-term lease liabilities	7	17.2	14.5
Current tax payable		23.3	28.3
		533.1	454.0
Net current assets		**453.8**	**570.8**
Non-current liabilities			
Long-term borrowings	7	706.2	875.9
Long-term lease liabilities	7	77.9	82.2
Deferred tax liabilities		63.6	68.2
Post-retirement benefits		42.5	51.4
Provisions		6.3	7.6
Long-term payables		6.2	11.4
		902.7	1,096.7
Total liabilities		**1,435.8**	**1,550.7**
Net assets	2	**1,209.2**	**1,157.7**
Equity			
Share capital		19.8	19.8
Share premium account		92.0	90.1
Translation reserve		(86.1)	(60.4)
Other reserves		(7.5)	(12.9)
Retained earnings		1,190.6	1,120.3
Equity shareholders' funds		1,208.8	1,156.9
Non-controlling interest		0.4	0.8
Total equity		**1,209.2**	**1,157.7**
Total equity and liabilities		**2,645.0**	**2,708.4**

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £m	2023 £m
Revenue	2	**1,665.2**	**1,682.6**
Operating costs		(1,360.6)	(1,398.2)
Operating profit	2	**304.6**	**284.4**
Financial expenses		(56.7)	(51.2)
Financial income		13.0	11.3
Net financing expense	2, 3	(43.7)	(39.9)
Share of loss of Associate		(2.0)	-
Profit before taxation		**258.9**	**244.5**
Taxation	4	(67.5)	(60.5)
Profit for the year		**191.4**	**184.0**
Attributable to:			
Equity shareholders		191.2	183.6
Non-controlling interest		0.2	0.4
Profit for the year		**191.4**	**184.0**
Earnings per share	5		
Basic earnings per share		259.6p	249.5p
Diluted earnings per share		258.9p	248.9p
Dividends	6		
Dividends per share		165.0p	160.0p
Dividends paid during the year (per share)		161.5p	155.5p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £m	2023 £m
Profit for the year	**191.4**	**184.0**
Items that will not be reclassified to profit or loss:		
Remeasurement gain/(loss) on post-retirement benefits	3.6	(3.8)
Deferred tax on remeasurement gain/(loss) on post-retirement benefits	(1.1)	1.1
	2.5	(2.7)
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation and net investment hedges (loss)/gain	(25.7)	(77.9)
(Loss)/gain on cash flow hedges net of tax	(2.3)	5.0
	(28.0)	(72.9)
Total comprehensive income for the year	**165.9**	**108.4**
Attributable to:		
Equity shareholders	165.7	108.0
Non-controlling interest	0.2	0.4
Total comprehensive income for the year	**165.9**	**108.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share Capital £m	Share Premium Account £m	Translation reserve £m	Other reserves £m	Retained Earnings £m	Equity shareholders' funds £m	Non-controlling interest £m	Total Equity £m
Balance at 1 January 2024	**19.8**	**90.1**	**(60.4)**	**(12.9)**	**1,120.3**	**1,156.9**	**0.8**	**1,157.7**
Profit for the year	**-**	**-**	**-**	**-**	**191.2**	**191.2**	**0.2**	**191.4**
Other comprehensive (expense)/income:								
Foreign exchange translation and net investment hedges loss	-	-	(25.7)	-	-	(25.7)	-	(25.7)
Remeasurement gain on post-retirement benefits	-	-	-	-	3.6	3.6	-	3.6
Deferred tax on remeasurement gain on post-retirement benefits	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Loss on cash flow hedges net of tax	-	-	-	(2.3)	-	(2.3)	-	(2.3)
Total other comprehensive (expense)/income for the year	-	-	(25.7)	(2.3)	2.5	(25.5)	-	(25.5)
Total comprehensive income/(expense) for the year	**-**	**-**	**(25.7)**	**(2.3)**	**193.7**	**165.7**	**0.2**	**165.9**
Contributions by and distributions to owners of the Company:								
Dividends paid	-	-	-	-	(119.0)	(119.0)	(0.3)	(119.3)
Equity settled share plans net of tax	-	-	-	-	(3.9)	(3.9)	-	(3.9)
Purchase of shares from NCI	-	-	-	-	(0.5)	(0.5)	(0.3)	(0.8)
Issue of share capital	-	1.9	-	-	-	1.9	-	1.9
Employee Benefit Trust shares	-	-	-	7.7	-	7.7	-	7.7
Balance at 31 December 2024	**19.8**	**92.0**	**(86.1)**	**(7.5)**	**1,190.6**	**1,208.8**	**0.4**	**1,209.2**

Other reserves represent the Group's cash flow hedges, capital redemption and Employee Benefit Trust reserves. The non-controlling interest is a 1.6% (2023: 2.5%) share of Spirax Sarco Korea Ltd held by employee shareholders.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital £m	Share Premium Account £m	Translation reserve £m	Other reserves £m	Retained Earnings £m	Equity shareholders' funds £m	Non-controlling interest £m	Total Equity £m
Balance at 1 January 2023	**19.8**	**88.1**	**17.5**	**(23.4)**	**1,067.0**	**1,169.0**	**0.8**	**1,169.8**
Profit for the year	**-**	**-**	**-**	**-**	**183.6**	**183.6**	**0.4**	**184.0**
Other comprehensive income/(expense):								
Foreign exchange translation and net investment hedges loss	-	-	(77.9)	-	-	(77.9)	-	(77.9)
Remeasurement loss on post-retirement benefits	-	-	-	-	(3.8)	(3.8)	-	(3.8)
Deferred tax on remeasurement loss on post-retirement benefits	-	-	-	-	1.1	1.1	-	1.1
Gain on cash flow hedges net of tax	-	-	-	5.0	-	5.0	-	5.0
Total other comprehensive income/(expense) for the year	-	-	(77.9)	5.0	(2.7)	(75.6)	-	(75.6)
Total comprehensive income/(expense) for the year	**-**	**-**	**(77.9)**	**5.0**	**180.9**	**108.0**	**0.4**	**108.4**
Contributions by and distributions to owners of the Company:								
Dividends paid	-	-	-	-	(114.5)	(114.5)	(0.4)	(114.9)
Equity settled share plans net of tax	-	-	-	-	(13.1)	(13.1)	-	(13.1)
Issue of share capital	-	2.0	-	-	-	2.0	-	2.0
Employee Benefit Trust shares	-	-	-	5.5	-	5.5	-	5.5
Balance at 31 December 2023	**19.8**	**90.1**	**(60.4)**	**(12.9)**	**1,120.3**	**1,156.9**	**0.8**	**1,157.7**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit before taxation		258.9	244.5
Depreciation, amortisation and impairment		103.7	112.7
(Profit)/loss on disposal of property, plant and equipment		(3.8)	0.1
Share of loss of Associate		2.0	-
Additional contributions to pension schemes		(6.4)	(5.7)
(Profit)/loss on disposal of Associates		(3.2)	(0.4)
Acquisition related items		(7.3)	4.3
Restructuring related provisions and current asset impairments		(2.4)	(3.0)
Equity settled share plans		3.1	6.1
Net financing expense		43.7	39.9
Operating cash flow before changes in working capital and provisions		**388.3**	**398.5**
(Increase)/decrease in trade and other receivables		(34.5)	12.6
Decrease/(increase) in inventories		21.9	(13.1)
(Decrease)/increase in provisions		(2.5)	2.9
Increase/(decrease) in trade and other payables		16.1	(11.6)
Cash generated from operations		**389.3**	**389.3**
Income taxes paid		(76.5)	(90.7)
Net cash from operating activities		**312.8**	**298.6**
Cash flows from investing activities			
Purchase of property, plant and equipment		(74.3)	(84.0)
Proceeds from sale of non-current assets		9.2	3.1
Purchase of software and other intangibles		(14.6)	(14.2)
Development expenditure capitalised		(3.9)	(7.2)
Disposal of Associates		5.6	0.5
Acquisition of businesses net of cash acquired		(4.5)	(5.2)
Acquisition of businesses reimbursed consideration		4.2	-
Interest received	3	13.0	11.3
Net cash used in investing activities		**(65.3)**	**(95.7)**
Cash flows from financing activities			
Proceeds from issue of share capital		1.9	2.0
Employee Benefit Trust share purchase		-	(12.8)
Repaid borrowings	7	(103.0)	(221.1)
New borrowings	7	76.8	192.8
Interest paid including interest on lease liabilities	3	(54.8)	(49.1)
Repayment of lease liabilities	7	(16.6)	(16.1)
Dividends paid (including minorities)	6	(119.3)	(114.9)
Net cash used in financing activities		**(215.0)**	**(219.2)**
Net change in cash and cash equivalents	7	**32.5**	**(16.3)**
Net cash and cash equivalents at beginning of the year		212.8	243.8
Exchange movement	7	(11.4)	(14.7)
Net cash and cash equivalents at end of the year	7	**233.9**	**212.8**
Borrowings	7	(830.1)	(879.5)
Net debt at end of the year	7	**(596.2)**	**(666.7)**
Lease liabilities	7	(95.1)	(96.7)
Net debt including lease liabilities at end of the year	7	**(691.3)**	**(763.4)**

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the United Kingdom (UK) and therefore comply with those parts of the Companies Act 2006 that are applicable to companies reporting under IFRS. IFRS includes the standards and interpretations approved by the International Accounting Standards Board (IASB) including International Accounting Standards (IAS) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

The financial information included in this News Release does not constitute statutory accounts of the Group for the years ended 31 December 2024 and 2023, although it is derived from those accounts. Statutory accounts for the year ended 31 December 2023 have been reported on by the Group's auditor and delivered to the Registrar of Companies. Statutory accounts for the year ended 31 December 2024 have been audited and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The report of the auditors for both years was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

If approved at the Annual General Meeting on 14 May 2025, the final dividend will be paid on 23 May 2025 to shareholders on the register at 25 April 2025. No scrip alternative to the cash dividends is being offered.

Copies of the Annual Report will be sent on 7 April 2025 to shareholders who have requested a hard copy and can be obtained from our office at Charlton House, Charlton Kings, Cheltenham, GL53 8ER. The Report will also be available on our website at www.spiraxgroup.com.

As outlined below, there have been no significant changes in accounting policies from those set out in the Spirax Group plc 2023 Annual Report. The accounting policies have been applied consistently throughout the years ended 31 December 2023 and 31 December 2024.

NEW STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT YEAR

During the current year, the Group has applied the following amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) effective for annual periods that begin on or after 1 January 2024. Adoption has not had a material impact on the disclosures or on the amounts reported in these Financial Statements:

- Amendments to IAS 1: Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 1: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16: Leases - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial instruments - Supplier Finance Arrangements

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

At the date of authorisation of these Financial Statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IAS 21: The effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (1 January 2025)
- IFRS 18: Presentation and Disclosures in Financial Statements (1 January 2027)
- IFRS 19: Subsidiaries without Public Accounting Accountability - Disclosures (1 January 2027)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the Financial Statements of the Group in future periods.

At 31 December 2024 the Group has performed a review of the impact of the application of IAS 29 and concluded that the adoption of IAS 29 is not required as its impact on the Consolidated Financial Statements is not material. The Group will continue to monitor and assess this position going forward.

GOING CONCERN

In determining the basis of preparation for the Consolidated Financial Statements, the Directors have considered the Group's available resources, current business activities and factors likely to impact on its future development and performance, which are described in the Chief Executive Officer's Review, Operating Review and Financial Review.

When managing liquidity, the Group's principal objective is to safeguard the Group's ability to continue as a going concern for at least 12 months from the date of signing the 2024 Annual Report. The Group retains sufficient resources to remain in compliance with all the required terms and conditions within its borrowing facilities with material headroom. No material uncertainties have been identified.

The Group continues to conduct ongoing risk assessments with its business operations and on its liquidity. Consideration has also been given to 'reverse stress tests', which seek to identify factors that might cause the Group to require additional liquidity and form a view as to the probability of these occurring.

The Group's financial position remains robust, with the next maturity of our committed debt facilities being US$150 million of Bank Term loan which matures in October 2025 and which is reflected in the cash flow forecast model. The Group's debt facilities contain a leverage covenant of up to 3.5x. Certain debt facilities also contain an interest cover covenant of a minimum of 3.0x. The Group regularly monitors its financial position to ensure that it remains within the terms of these debt covenants. At 31 December 2024 leverage (net debt excluding lease liabilities divided by adjusted earnings before interest, tax, depreciation and amortisation) was 1.6x (2023: 1.7x), interest cover (adjusted earnings before interest, tax, depreciation and amortisation divided by net bank interest) was 10x (2023: 10x).

Reverse 'stress testing' was also performed to assess the level of business underperformance that would be required for a breach of the financial covenants to occur. The results of these tests evidenced that no reasonably possible change in future forecast cash flows would cause a breach of these covenants. The reverse stress test does not take into account any mitigating actions that the Group would implement in the event of a severe and extended revenue and profitability decline. Such actions would serve to further increase covenant headroom.

Following this assessment, the Board of Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the Consolidated Financial Statements.

CAUTIONARY STATEMENT

All statements other than statements of historical fact included in this document, including, without limitation, those regarding the financial condition, results, operations and businesses of Spirax Group plc and its strategy, plans and objectives and the markets and economies in which it operates, are forward-looking statements. These forward-looking statements which reflect management's assumptions made on the basis of information available to it at this time, involve known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of Spirax Group plc or the markets and economies in which we operate to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Spirax Group plc and its Directors accept no liability to third parties in respect of this report save as would arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with schedule 10A of the Financial Services and Markets Act 2000. It should be noted that schedule 10A contains limits on the liability of the Directors of Spirax Group plc so that their liability is solely to Spirax Group plc.

RESPONSIBILITY STATEMENT OF THE DIRECTORS ON THE ANNUAL REPORT

The Responsibility Statement below has been prepared in connection with the Company's full Annual Report for the year ending 31 December 2024. Certain parts thereof are not included within this announcement.
We confirm to the best of our knowledge:

- The Financial Statements, prepared in accordance with IFRS as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and uncertainties they face
- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Company's performance, business model and strategy

This Responsibility Statement was approved by the Board of Directors on 10 March 2025 and is signed on its behalf by:

N.B. Patel
Group Chief Executive Officer
10 March 2025

L.S. Burdett
Group Chief Financial Officer
10 March 2025

2. SEGMENTAL REPORTING

As required by IFRS 8 Operating Segments, the segmental structure reflects the current internal reporting provided to the Chief Operating Decision Maker (considered to be the Board) on a regular basis to assist in making decisions on resource allocation to each segment and to assess performance.

The Group is organised into three segments with the following core product expertise:

- Steam Thermal Solutions - Industrial and commercial steam systems
- Electric Thermal Solutions - Electrical process heating and temperature management solutions
- Watson-Marlow Fluid Technology Solutions - Peristaltic and niche pumps and associated fluid path technologies

No changes to the structure of operating segments have been made during the current period.

Analysis by operating segment

2024	Revenue £m	Total operating profit £m	Operating profit margin
Steam Thermal Solutions	867.9	198.9	22.9%
Electric Thermal Solutions	404.6	46.1	11.4%
Watson-Marlow Fluid Technology Solutions	392.7	90.3	23.0%
Corporate	-	(30.7)	
Total	**1,665.2**	**304.6**	**18.3%**
Net finance expense		(43.7)	
Share of loss of Associate		(2.0)	
Profit before taxation		**258.9**	

2023	Revenue £m	Total operating profit £m	Operating profit margin
Steam Thermal Solutions	910.1	205.2	22.5%
Electric Thermal Solutions	378.5	25.8	6.8%
Watson-Marlow Fluid Technology Solutions	394.0	81.2	20.6%
Corporate	-	(27.8)	
Total	**1,682.6**	**284.4**	**16.9%**
Net finance expense		(39.9)	
Share of loss of Associate		-	
Profit before taxation		**244.5**	

The following table details the split of revenue by geography for the combined Group:

	2024 £m	2023 £m
Europe, Middle East and Africa	721.3	718.7
Asia Pacific	338.2	357.4
Americas	605.7	606.5
Total revenue	**1,665.2**	**1,682.6**

Revenue generated by Group companies based in the USA is £455.5 million (2023: £454.2 million), in China is £160.8 million (2023: £177.8 million), in Germany is £147.8 million (2023: £153.2 million), in France is £130.7 million (2023: £131.3 million) in the UK is £116.7 million (2023: £110.0 million) and the rest of the world is £653.7 million (2023: £656.1 million).

Net financing income and expense

	2024			2023		
	Income £m	Expense £m	Net £m	Income £m	Expense £m	Net £m
Steam Thermal Solutions	3.1	(3.5)	(0.4)	4.1	(3.3)	0.8
Electric Thermal Solutions	1.1	(1.4)	(0.3)	0.8	(1.6)	(0.8)
Watson-Marlow Fluid Technology Solutions	1.6	(1.6)	-	0.9	(1.2)	(0.3)
Corporate	7.2	(50.2)	(43.0)	5.5	(45.1)	(39.6)
Total net financing expense	**13.0**	**(56.7)**	**(43.7)**	**11.3**	**(51.2)**	**(39.9)**

Net assets

	2024		2023	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Steam Thermal Solutions	693.9	(190.8)	714.1	(203.7)
Electric Thermal Solutions	1,139.9	(84.4)	1,128.8	(82.7)
Watson-Marlow Fluid Technology Solutions	403.9	(38.8)	429.3	(43.6)
Corporate	28.3	(9.4)	31.9	(1.1)
	2,266.0	(323.4)	2,304.1	(331.1)
Liabilities	(323.4)		(331.1)	
Net deferred tax	(29.4)		(37.2)	
Net tax payable	(12.7)		(14.7)	
Net debt including lease liabilities	(691.3)		(763.4)	
Net assets	**1,209.2**		**1,157.7**	

Non-current assets in the USA were £684.1 million (2023: £689.1 million), in France were £353.2 million (2023: £388.7 million), in the UK were £276.3 million (2023: £251.1 million), in Germany were £151.2 million (2023: £161.0 million) and in the rest of the world were £193.36 million (2023: £193.7 million).

Capital additions, depreciation, amortisation and impairment

	2024		2023	
	Capital additions £m	Depreciation, amortisation and impairment £m	Capital additions £m	Depreciation, amortisation and impairment £m
Steam Thermal Solutions	37.7	33.0	48.2	47.9
Electric Thermal Solutions	48.4	37.7	32.2	40.3
Watson-Marlow Fluid Technology Solutions	18.9	31.0	66.6	24.5
Corporate	4.6	2.0	14.1	-
Total	**109.6**	**103.7**	**161.1**	**112.7**

Capital additions include property, plant and equipment of £74.3 million (2023: £84.0 million) and intangible assets of £18.5 million (2023: £25.0 million). Right-of-use asset additions of £16.8 million (2023: £52.1 million) occurred during the 12-month period to 31 December 2024. Capital additions split between the USA £49.5 million (2023: £68.7 million), UK £22.9 million (2023: £43.6 million) and rest of world £37.2 million (2023: £48.8 million).

3. NET FINANCING INCOME AND EXPENSE

	2024 £m	2023 £m
Financial expenses:		
Bank and other borrowing interest payable	(51.7)	(46.9)
Interest expense on lease liabilities	(3.1)	(2.2)
Net interest on pension scheme liabilities	(1.9)	(2.1)
	(56.7)	(51.2)
Financial income:		
Bank interest receivable	13.0	11.3
Net financing expense	**(43.7)**	**(39.9)**
Net bank interest	(38.7)	(35.6)
Interest expense on lease liabilities	(3.1)	(2.2)
Net interest on pension scheme liabilities	(1.9)	(2.1)
Net financing expense	**(43.7)**	**(39.9)**

4. TAXATION

Analysis of charge in the year	2024 £m	2023 £m
UK corporation tax:		
Current tax on income for the year	7.7	9.4
Adjustments in respect of prior years	(0.3)	(0.1)
	7.4	**9.3**
Foreign tax:		
Current tax on income for the year	68.1	75.3
Adjustments in respect of prior years	(0.7)	(0.7)
	67.4	**74.6**
Total current tax charge	**74.8**	**83.9**
Deferred tax - UK	(3.6)	(10.7)
Deferred tax - Foreign	(3.7)	(12.7)
Tax on profit on ordinary activities	**67.5**	**60.5**

The Group is subject to a tax adjustment in Argentina that seeks to offset the impact of inflation upon taxable profits. The benefit of this adjustment has reduced significantly, partly due to the high inflation rates stabilising in Argentina and partly due to the implementation of the OECD Base Erosion and Profit Shifting (BEPS) initiative to set a minimum global tax rate of 15%. Whilst the Group effective tax rate has increased, the increase has been partially offset by non-recurring investment tax incentives in the USA. We will continue to include the expected impact of the Argentinian tax adjustment in our guidance for the effective tax rate, however this is difficult to accurately forecast given the volatility of Argentinian inflation.

On 19 September 2024, the Court of Justice of the European Union (CJEU) released its judgement annulling the decision of the European Commission (EC) that certain UK rules on the taxation of controlled foreign companies (CFCs) were State Aid incompatible, also setting aside the judgment of the General Court confirming the EC decision. As a result, we continue to recognise a receivable of £4.9 million in the Consolidated Statement of Financial Position. This relates to the full amount paid to HM Revenue & Customs for Charging Notices received in 2021. As the repayment of this amount is expected in the next 12 months, this has been classified as a current receivable.

5. EARNINGS PER SHARE

	2024	2023
Profit attributable to equity shareholders (£m)	191.2	183.6
Weighted average shares (million)	73.7	73.6
Dilution (million)	0.2	0.2
Diluted weighted average shares (million)	73.9	73.8
Basic earnings per share	**259.6p**	**249.5p**
Diluted earnings per share	**258.9p**	**248.9p**

Basic and diluted earnings per share calculated on an adjusted profit basis are included in the Appendix. The dilution is in respect of the Performance Share Plan.

6. DIVIDENDS

	2024 £m	2023 £m
Amounts paid in the year:		
Final dividend for the year ended 31 December 2023 of 114.0p (2022: 109.5p) per share	84.0	80.7
Interim dividend for the year ended 31 December 2024 of 47.5p (2023: 46.0p) per share	35.0	33.8
Total dividends paid	**119.0**	**114.5**
Amounts arising in respect of the year:		
Interim dividend for the year ended 31 December 2024 of 47.5p (2023: 46.0p) per share	35.0	33.8
Proposed final dividend for the year ended 31 December 2024 of 117.5p (2023: 114.0p) per share	86.6	84.0
Total dividends arising	**121.6**	**117.8**

The proposed dividend is subject to approval in 2025. It is therefore not included as a liability in these Financial Statements. No scrip alternative to the cash dividend is being offered in respect of the proposed final dividend for the year ended 31 December 2024.

7. ANALYSIS OF CHANGES IN NET DEBT AND CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2024	At 1 Jan 2024 £m	Cash flow £m	Acquired debt* £m	Exchange movement £m	At 31 Dec 2024 £m
Current portion of long-term borrowings	(3.6)				(123.9)
Non-current portion of long-term borrowings	(875.9)				(706.2)
Total borrowings	**(879.5)**				**(830.1)**
Lease Liabilities	(96.7)	16.6	(16.5)	1.5	(95.1)
Borrowings	(879.5)	26.2	-	23.2	(830.1)
Changes in liabilities arising from financing	**(976.2)**	**42.8**	**(16.5)**	**24.7**	**(925.2)**
Cash at bank	359.7	(11.6)	-	(13.9)	334.2
Bank overdrafts	(146.9)	44.1	-	2.5	(100.3)
Net cash and cash equivalents	**212.8**	**32.5**	**-**	**(11.4)**	**233.9**
Net debt including lease liabilities	**(763.4)**	**75.3**	**(16.5)**	**13.3**	**(691.3)**
Net debt	**(666.7)**	**58.7**	**-**	**11.8**	**(596.2)**

* Debt acquired includes both debt acquired due to acquisition, and debt recognised on the balance sheet due to entry into new leases and disposal of existing leases.

The net cashflow from borrowings of £26.2 million (2023: £28.3 million) consists of £76.8 million (2023: £192.8 million) of new borrowings and £103.0 million (2023: £221.1 million) of repaid borrowings.

During the year £51.7 million of interest on external borrowings (2023: £46.9 million) was incurred and paid.

At 31 December 2024 total lease liabilities consist of £17.2 million (2023: £14.5 million) short-term and £77.9 million (2023: £82.2 million) long-term.

2023	**At 1 Jan 2023 £m**	**Cash flow £m**	**Acquired debt* £m**	**Exchange movement £m**	**At 31 Dec 2023 £m**
Current portion of long-term borrowings	(202.9)				(3.6)
Non-current portion of long-term borrowings	(731.3)				(875.9)
Total borrowings	**(934.2)**				**(879.5)**
Lease Liabilities	(65.2)	16.1	(49.9)	2.3	(96.7)
Borrowings	(934.2)	28.3	-	26.4	(879.5)
Changes in liabilities arising from financing	**(999.4)**	**44.4**	**(49.9)**	**28.7**	**(976.2)**
Cash at bank	328.9	46.5	-	(15.7)	359.7
Bank overdrafts	(85.1)	(62.8)	-	1.0	(146.9)
Net cash and cash equivalents	**243.8**	**(16.3)**	**-**	**(14.7)**	**212.8**
Net debt including lease liabilities	**(755.6)**	**28.1**	**(49.9)**	**14.0**	**(763.4)**
Net debt	**(690.4)**	**12.0**	**-**	**11.7**	**(666.7)**

* Debt acquired includes both debt acquired due to acquisition, and debt recognised on the balance sheet due to entry into new leases and disposal of existing leases.

8. EXCHANGE RATE IMPACTS

Whilst not an IFRS disclosure or part of the audited accounts, set out below is an additional disclosure that highlights the movements in a selection of exchange rates between 2024 and 2023. Exchange rates to sterling have been as follows:

	Average 2024	**Average 2023**	**Change %**	**Closing 2024**	**Closing 2023**	**Change %**
US dollar	1.28	1.24	(3)%	1.25	1.27	2%
Euro	1.18	1.15	(3)%	1.21	1.15	(5)%
Chinese renminbi	9.18	8.80	(4)%	9.13	9.03	(1)%
Korean won	1,741	1,626	(7)%	1,848	1,648	(12)%
Brazilian real	6.93	6.22	(11)%	7.74	6.18	(25)%
Argentine peso	1,169	383	(205)%	1,289	1,029	(25)%

A negative movement indicates a strengthening in sterling versus that currency. When sterling strengthens against other currencies in which the Group operates, the Group incurs a loss on translation of the financial results into sterling. On a translation basis, sales decreased by 5% and adjusted operating profit decreased by 7%, while transactional currency impacts decreased profit by 1%, giving a total decrease to profit from currency movements of 8%.

9. EVENTS AFTER THE BALANCE SHEET DATE

In January 2025, the Group announced the implementation of a restructuring programme to fund investment in long term organic sales growth and to simplify the organisation. The costs to deliver this programme in 2025 are expected to be approximately £40 million. This is expected to be included as an adjusting item in the 2025 results.

Appendix – Alternative performance measures

The Group reports under IFRS and also uses alternative performance measures where the Board believes that they help to effectively monitor the performance of the Group and users of the Financial Statements might find them informative. Certain alternative performance measures also form a meaningful element of Executive Directors' variable remuneration. Net debt to EBITDA is also a covenant assessed for external borrowing purposes. A definition of the alternative performance measures is included in the Annual Report and a reconciliation to the closest IFRS equivalent are disclosed below. The term 'adjusted' is not defined under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. Adjusted performance measures are not considered to be a substitute for, or superior to, IFRS measures.

Adjusted operating profit

Adjusted operating profit excludes items that are considered to be significant in nature and/or quantum at either a Group or an operating segment level and where treatment as an adjusted item provides stakeholders with additional useful information to assess the period-on-period trading performance of the Group. The Group excludes such items including those defined as follows:

- Amortisation and impairment of acquisition-related intangible assets
- Costs associated with the acquisition or disposal of businesses
- Gain or loss on disposal of a subsidiary and/or disposal groups
- Reversal of acquisition-related fair value adjustments to inventory
- Changes in deferred and contingent consideration payable on acquisitions
- Costs associated with a material restructuring programme
- Material gains or losses on disposal of property
- Accelerated depreciation, impairment and other related costs on non-recurring, material property redevelopments
- Material non-recurring pension costs or credits
- Costs or credits arising from regulatory and litigation matters
- Other material items which are considered to be non-recurring in nature and/or are not a result of the underlying trading of the business
- Related tax effect on adjusting items above and other tax items which do not form part of the underlying tax rate

A reconciliation between operating profit as reported under IFRS and adjusted operating profit is given below.

	2024 £m	2023 £m
Operating profit as reported under IFRS	**304.6**	**284.4**
Amortisation of acquisition-related intangible assets	34.1	37.2
Asset related impairment	5.7	1.8
Disposal of Associate	(3.2)	(0.4)
Acquisition-related items	(7.3)	5.7
Restructuring costs	-	5.2
Reversal of acquisition-related fair value adjustments to inventory	-	1.3
Software related impairment	-	13.9
Total adjusting items	**29.3**	**64.7**
Adjusted operating profit	**333.9**	**349.1**

Tax on adjusting items

	2024			2023		
	Adjusted £m	Adj't £m	Total £m	Adjusted £m	Adj't £m	Total £m
UK Corporation tax	7.4	-	7.4	9.3	-	9.3
Foreign tax	71.1	(3.7)	67.4	80.7	(6.1)	74.6
Deferred tax	(1.5)	(5.8)	(7.3)	(11.2)	(12.2)	(23.4)
Total taxation	**77.0**	**(9.5)**	**67.5**	**78.8**	**(18.3)**	**60.5**
Effective tax rate	**26.5%**	**30.4%**	**26.1%**	**25.5%**	**28.3%**	**24.7%**

Adjusted earnings per share

	2024	2023
Profit for the year attributable to equity holders as reported under IFRS (£m)	**191.2**	**183.6**
Items excluded from adjusted profit (£m)	29.3	64.7
Tax effects on adjusted items (£m)	(9.5)	(18.3)
Adjusted profit for the year attributable to equity holders (£m)	**211.0**	**230.0**
Weighted average shares (million)	73.7	73.6
Basic adjusted earnings per share	**286.3p**	**312.4p**
Diluted weighted average shares (million)	73.9	73.8
Diluted adjusted earnings per share	**285.6p**	**311.8p**

Basic adjusted earnings per share is defined as adjusted profit for the period attributable to equity holders divided by the weighted average number of shares in issue. Diluted adjusted earnings per share is defined as adjusted profit for the period attributable to equity holders divided by the diluted weighted average number of shares.

Basic and diluted EPS calculated on an IFRS profit basis are included in Note 5.

Dividend Cover

Dividend cover is calculated as adjusted earnings per share divided by dividends per share.

Adjusted cash flow

A reconciliation showing the items that bridge between net cash from operating activities as reported under IFRS to an adjusted basis is given below. Adjusted cash from operations is used by the Board to monitor the performance of the Group, this reflects the cash generation of our underlying business. It is calculated based on the Group's statutory cash generated from operations and adjusted for net capital expenditure, adjusting items, tax paid and repayment of principal under lease liabilities.

	2024 £m	2023 £m
Net cash from operating activities as reported under IFRS	**312.8**	**298.6**
Restructuring and acquisition-related costs	2.4	10.8
Net capital expenditure excluding acquired intangibles from acquisitions	(83.6)	(102.3)
Income tax paid	76.5	90.7
Repayments of principal under lease liabilities	(16.6)	(16.1)
Adjusted cash from operations	**291.5**	**281.7**

Adjusted cash conversion in 2024 is 87% (2023: 81%). Cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit.

Cash generation

Cash generation is one of the Group's key performance indicators used by the Board to monitor the performance of the Group and measure the successful implementation of our strategy. It is one of two financial measures on which Executive Directors' variable remuneration is based.

Cash generation is adjusted operating profit after adding back depreciation and amortisation, less cash payments to pension schemes in excess of the charge to adjusted operating profit, equity settled share plans, net capital expenditure excluding acquired intangibles, working capital changes and repayment of principal under lease liabilities. Cash generation is equivalent to adjusted cash from operations, a reconciliation between this and net cash from operating activities as reported under IFRS is shown above.

Return on invested capital (ROIC) and return on capital employed (ROCE)
The Group distinguishes between invested capital and capital employed when calculating return on capital. Invested capital represents the total capital invested in the business and is equal to total equity plus net debt and therefore includes the impact of acquisitions and disposals. Capital employed is invested capital less certain non-current assets and non-current liabilities and therefore reflects capital that is more operational in nature. Both of these return metrics are used to ensure a full assessment of business performance.

Return on invested capital (ROIC)
ROIC measures the post-tax return on the total capital invested in the Group. It is calculated as adjusted operating profit after tax divided by average invested capital. Average invested capital is defined as the average of the closing balance at the current and prior year end. Taxation is calculated as adjusted operating profit multiplied by the adjusted effective tax rate.

An analysis of the components is as follows:

	2024 £m	2023 £m
Total equity	1,209.2	1,157.7
Net debt including lease liabilities	691.3	763.4
Total invested capital	**1,900.5**	**1,921.1**
Average invested capital	**1,910.8**	**1,923.2**
Average invested capital (excluding leases)	**1.813.8**	**1,840.4**
Operating profit as reported under IFRS	304.6	284.4
Adjustments (see adjusted operating profit)	29.3	64.7
Adjusted operating profit	**333.9**	**349.1**
Taxation	(88.5)	(89.0)
Adjusted operating profit after tax	**245.4**	**260.1**
Adjusted operating profit after tax (excluding leases)	**243.1**	**258.4**
Return on invested capital	**12.8%**	**13.5%**
Return on invested capital (excluding leases)	**13.4%**	**14.0%**

Return on capital employed (ROCE)

ROCE measures effective management of fixed assets and working capital relative to the profitability of the business. It is calculated as adjusted operating profit divided by average capital employed. Average capital employed is defined as the average of the closing balance at the current and prior year end.

An analysis of the components is as follows:

	2024 £m	2023 £m
Property, plant and equipment	433.1	415.1
Right-of-use assets	95.6	98.4
Software and development costs	52.0	42.3
Prepayments	1.8	1.9
Inventories	253.2	285.2
Trade receivables	313.8	299.8
Other current assets	75.1	71.4
Tax recoverable	10.6	13.6
Trade, other payables and current provisions	(268.4)	(260.7)
Current tax payable	(23.3)	(28.3)
Capital employed	**943.5**	**938.7**
Average capital employed	**941.1**	**915.6**
Average capital employed (excluding leases)	**844.1**	**832.8**
Operating profit	304.6	284.4
Adjustments (see adjusted operating profit)	29.3	64.7
Adjusted operating profit	**333.9**	**349.1**
Adjusted operating profit (excluding leases)	**330.7**	**346.8**
Return on capital employed	**35.5%**	**38.1%**
Return on capital employed (excluding leases)	**39.2%**	**41.6%**

A reconciliation of capital employed to net assets as reported under IFRS and disclosed on the Consolidated Statement of Financial Position is given below.

	2024 £m	2023 £m
Capital employed	**943.5**	**938.7**
Goodwill and acquired intangibles	1,038.1	1,087.0
Investment in Associate	3.3	3.0
Post-retirement benefits	(42.5)	(51.4)
Net deferred tax	(29.4)	(37.2)
Non-current provisions and long-term payables	(12.5)	(19.0)
Lease liabilities	(95.1)	(96.7)
Net debt	(596.2)	(666.7)
Net assets as reported under IFRS	**1,209.2**	**1,157.7**

Net debt including lease liabilities

A reconciliation between net debt and net debt including lease liabilities is given below. A breakdown of the balances that are included within net debt is given within Note 7. Net debt excludes lease liabilities to be consistent with how net debt is defined for external debt covenant purposes, as well as to enable comparability with prior years.

	2024 £m	2023 £m
Net debt	596.2	666.7
Lease liabilities	95.1	96.7
Net debt including lease liabilities	**691.3**	**763.4**

Net debt to earnings before interest, tax, depreciation and amortisation (EBITDA)

To assess the size of the net debt balance relative to the size of the earnings for the Group we analyse net debt as a proportion of EBITDA. EBITDA is calculated by adding back depreciation and amortisation of owned property, plant and equipment, software and development to adjusted operating profit. Net debt is calculated as cash and cash equivalents less Bank overdrafts, short-term borrowings and long-term borrowings (excluding short-term and long-term lease liabilities). The net debt to EBITDA ratio is calculated as follows:

	2024 £m	2023 £m
Adjusted operating profit	333.9	349.1
Depreciation and amortisation of property, plant and equipment, software and development	46.3	44.1
(Profit)/loss on disposal of property, plant and equipment	(3.8)	0.1
EBITDA	**376.4**	**393.3**
Net debt	**596.2**	**666.7**
Net debt to EBITDA	**1.6x**	**1.7x**

The components of net debt are disclosed in Note 7.

Organic measures

As we are a multi-national Group of companies, who trade in a large number of foreign currencies and also acquire and sometimes dispose of companies, we also refer to organic performance measures throughout the News Release. These strip out the effects of the movement of foreign currency exchange rates and of acquisitions and disposals. The Board believe that this allows users of the accounts to gain a further understanding of how the Group has performed. Exchange translation movements are assessed by re-translating prior period reported values to current period exchange rates. Exchange transaction impacts on operating profit are assessed on the basis of transactions being at constant currency between years.

The incremental impact of any acquisitions that occurred in either the current period or prior period is excluded from the organic results of the current period at current period exchange rates. For any disposals that occurred in the current or prior period, the current period organic results include the difference between the current and prior period financial results only for the like-for-like period of ownership. No acquisitions or disposals took place in the current or prior year.

The organic percentage movement is calculated as the organic movement divided by the prior period at current period exchange rates, excluding disposals for the non like-for-like period of ownership. The organic bps change in adjusted operating profit margin is the difference between the current period margin, excluding the incremental impact of acquisitions, and the prior period margin excluding disposals for the non like-for-like period of ownership at current period exchange rates.

A reconciliation of the movement in revenue and adjusted operating profit compared to the prior period is given below.

	2023 £m	Exchange £m	Organic £m	**2024 £m**	Organic	Reported
Revenue						
Steam Thermal Solutions	910.1	(51.1)	8.9	**867.9**	1%	(5)%
Electric Thermal Solutions	378.5	(10.0)	36.1	**404.6**	10%	7%
Watson-Marlow Fluid Technology Solutions	394.0	(13.2)	11.9	**392.7**	3%	-
Total	**1,682.6**	(74.3)	56.9	**1,665.2**	**4%**	**(1)%**
Adjusted operating profit						
Steam Thermal Solutions	224.0	(21.4)	1.5	**204.1**	1%	(9)%
Electric Thermal Solutions	59.2	(2.1)	7.6	**64.7**	13%	9%
Watson-Marlow Fluid Technology Solutions	93.7	(4.6)	9.9	**99.0**	11%	6%
Steam Thermal Solutions	(27.8)	-	(6.1)	**(33.9)**		
Total	**349.1**	(28.1)	12.9	**333.9**	**4%**	**(4)%**
Adjusted operating profit margin	**20.7%**			**20.1%**	**10bps**	**(60)bps**

Analysis by operating segments

2024	**Revenue £m**	**Adjusted operating profit £m**	**Adjusted operating profit margin**
Steam Thermal Solutions	867.9	204.1	23.5%
Electric Thermal Solutions	404.6	64.7	16.0%
Watson-Marlow Fluid Technology Solutions	392.7	99.0	25.2%
Corporate	-	(33.9)	
Total	**1,665.2**	**333.9**	**20.1%**
Net finance expense		(43.7)	
Share of loss of Associate		(2.0)	
Adjusted profit before taxation		**288.2**	

2023	**Revenue £m**	**Adjusted operating profit £m**	**Adjusted operating profit margin**
Steam Thermal Solutions	910.1	224.0	24.6%
Electric Thermal Solutions	378.5	59.2	15.6%
Watson-Marlow Fluid Technology Solutions	394.0	93.7	23.8%
Corporate	-	(27.8)	
Total	**1,682.6**	**349.1**	**20.7%**
Net finance expense		(39.9)	
Share of loss of Associate		-	
Adjusted profit before taxation		**309.2**	

The reconciliation for each operating segment for adjusting items is analysed below

2024

	Amortisation of acquired intangibles £m	Asset related impairment £m	Disposal of Associate £m	Acquisition related items £m	Total £m
Steam Thermal Solutions	(5.2)	-	-	-	(5.2)
Electric Thermal Solutions	(25.9)	-	-	7.3	(18.6)
Watson-Marlow Fluid Technology Solutions	(3.0)	(5.7)	-	-	(8.7)
Corporate	-	-	3.2	-	3.2
Total	**(34.1)**	**(5.7)**	**3.2**	**7.3**	**(29.3)**

2023

	Amortisation of acquired intangibles £m	Reversal of fair value adjustments to inventory £m	Restructuring costs £m	Acquisition -related items £m	Disposal of Associate £m	Impairments £m	Total £m
Steam Thermal Solutions	(4.5)	-	-	(0.4)	-	(13.9)	(18.8)
Electric Thermal Solutions	(29.5)	(1.3)	2.3	(4.9)	-	-	(33.4)
Watson-Marlow Fluid Technology Solutions	(3.2)	-	(7.5)	-	-	(1.8)	(12.5)
Corporate	-	-	-	(0.4)	0.4	-	-
Total	**(37.2)**	**(1.3)**	**(5.2)**	**(5.7)**	**0.4**	**(15.7)**	**(64.7)**