2024 Full Year Results

Twelve months ended
31 December 2024

Nimesh Patel
Group Chief Executive Officer

Louisa Burdett
Group Chief Financial Officer

Spirax Group

Overview

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

- Group organic sales growth well ahead of global IP
- All three Businesses delivered organic growth; margins in line with expectations
- Focused on the controllables, delivering against operational priorities
- Positive ETS trajectory, on track to deliver margin target of 20%
- STS growth outside China 4%, well ahead of IP
- WMFTS Process Industries well ahead of IP; Biopharm broadly flat
- Protected margin through continued price discipline and efficiency savings
- Higher cash conversion, leverage reduced
- Decisive action taken to simplify the organisation

Continued IP outperformance

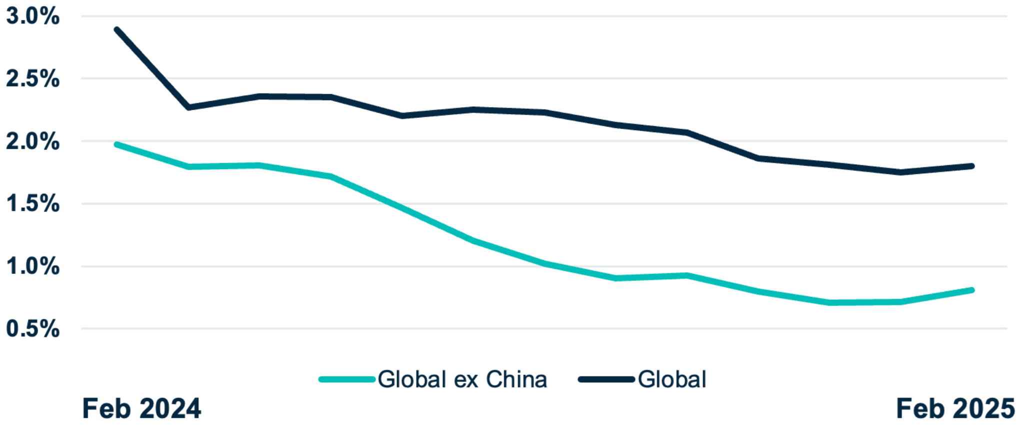
Strong operational progress

Well positioned for growth

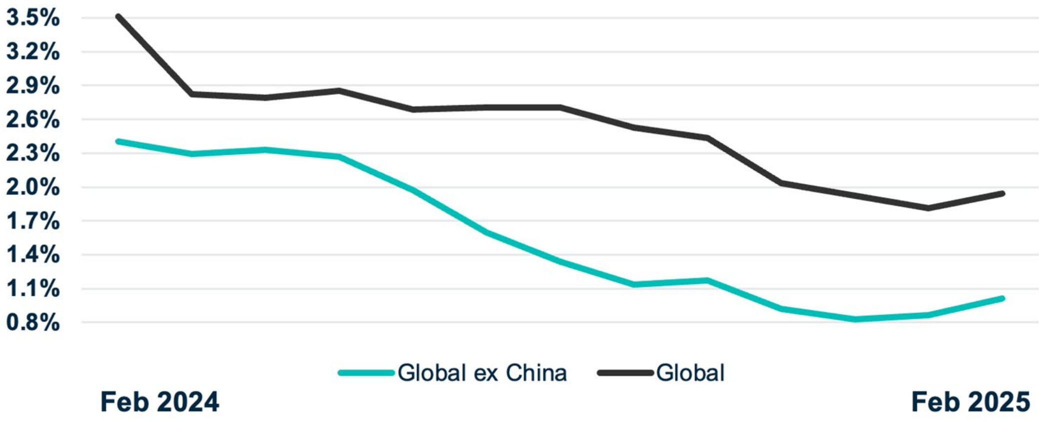
Global industrial production

Consistent downward revisions to full year and H2 IP forecasts, particularly in key markets

Global forecasts consistently revised downward through 2024



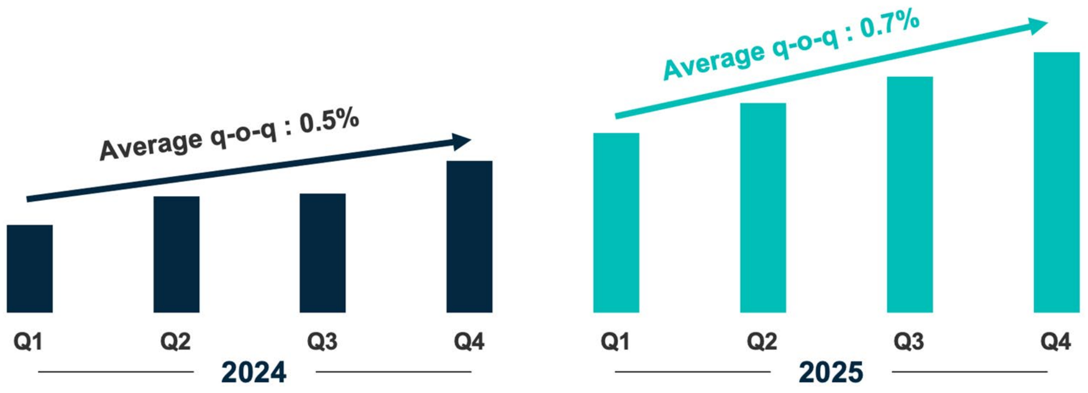
Forecast H2 recovery did not materialise



IP remained negative in key markets

2024	H1	H2	FY
USA	(0.3)%	(0.4)%	(0.3)%
Germany	(5.3)%	(4.0)%	(4.7)%
France	(0.1)%	(0.9)%	(0.5)%
Italy	(3.2)%	(3.0)%	(3.1)%
UK	(0.1)%	(1.2)%	(0.6)%
Global (excl. China)	**0.6%**	**1.0%**	**0.8%**

Quarterly 2025 IP forecast to grow q-o-q and at a higher rate than 2024



Biopharm demand

Double digit growth in orders in 2024; but orders still lower than sales

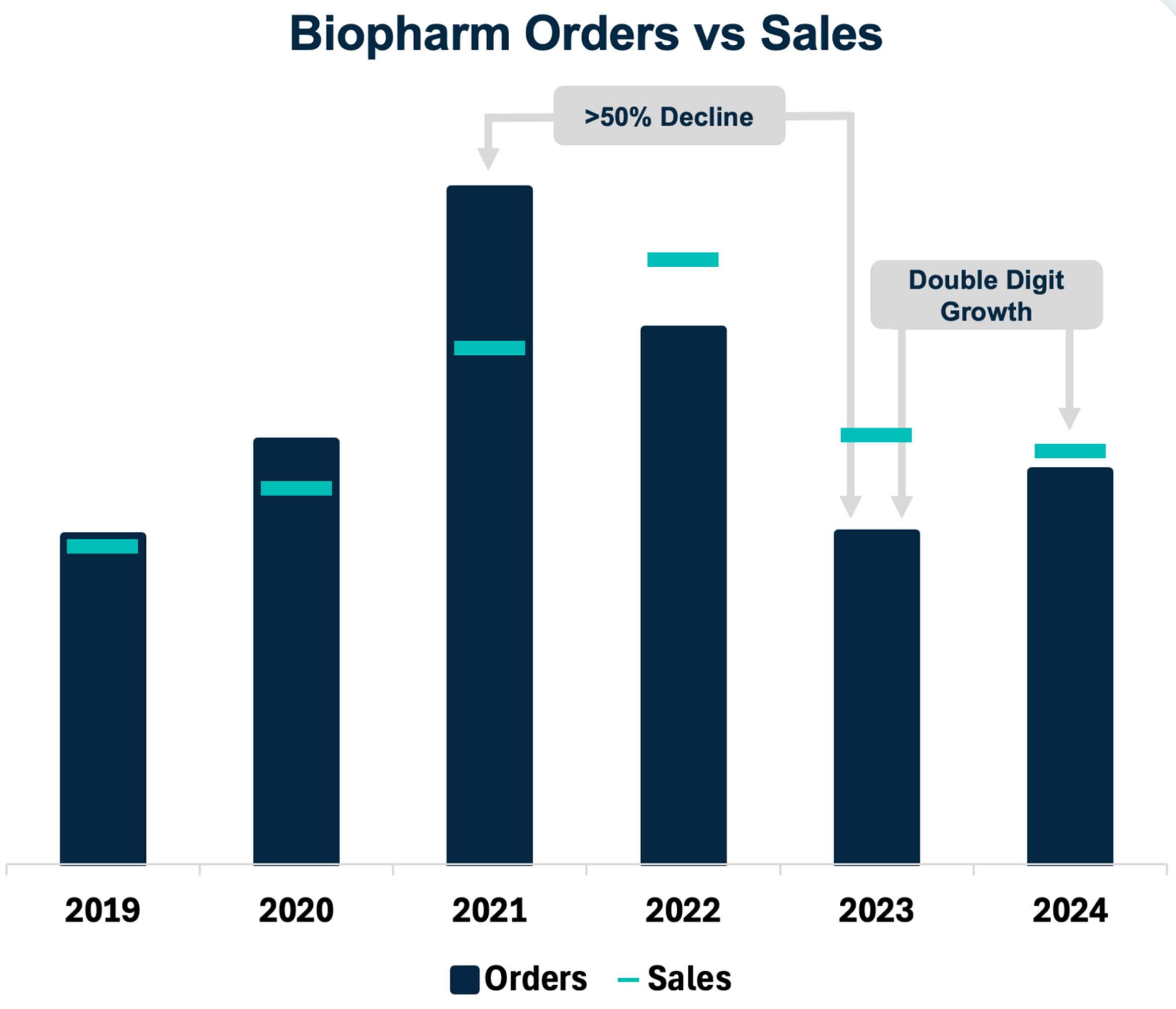
- Sales above new order intake since 2022
- Orderbook normalised by end 2024
- Orders beginning to recover; off low base
- Orders and sales growth from end-users
- Large OEM demand volatile but improving

~50% WMFTS Sales

~12% Group Sales

~75% Non-OEM end users

~25% OEM



Financial review

Louisa Burdett
Group Chief Financial Officer

Financial summary

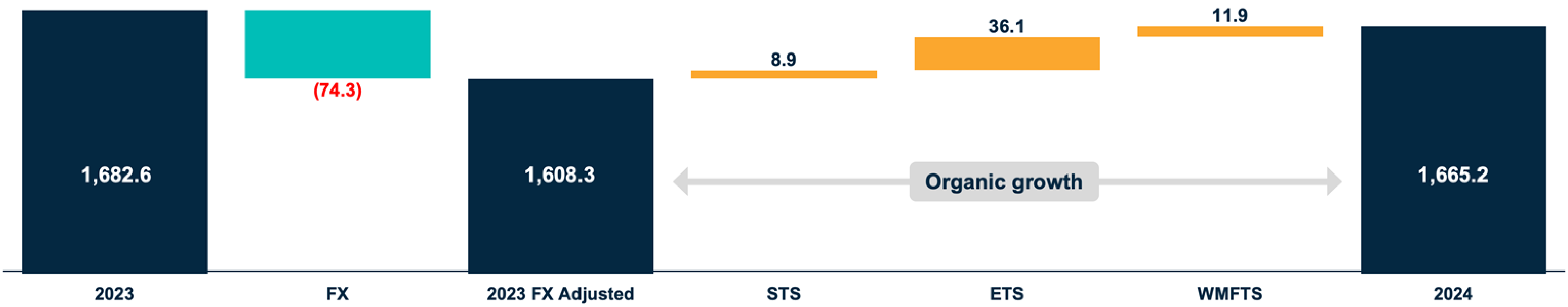
In line with our expectations

12 months to 31 December (£m)	2024	2023	Reported	Organic*
Revenue	**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
Net finance expense	**(43.7)**	(39.9)		
Adjusted pre-tax profit	**288.2**	309.2	(7)%	
Adjusted effective tax rate	**26.5%**	25.5%	100bps	
Adjusted EPS	**286.3p**	312.4p	(8)%	
DPS	**165.0p**	160.0p	3%	

** Organic measures are at constant currency and exclude contributions from acquisitions and disposals*
See Appendix III for definition and reconciliation of adjusted profit measures.

Sales bridge

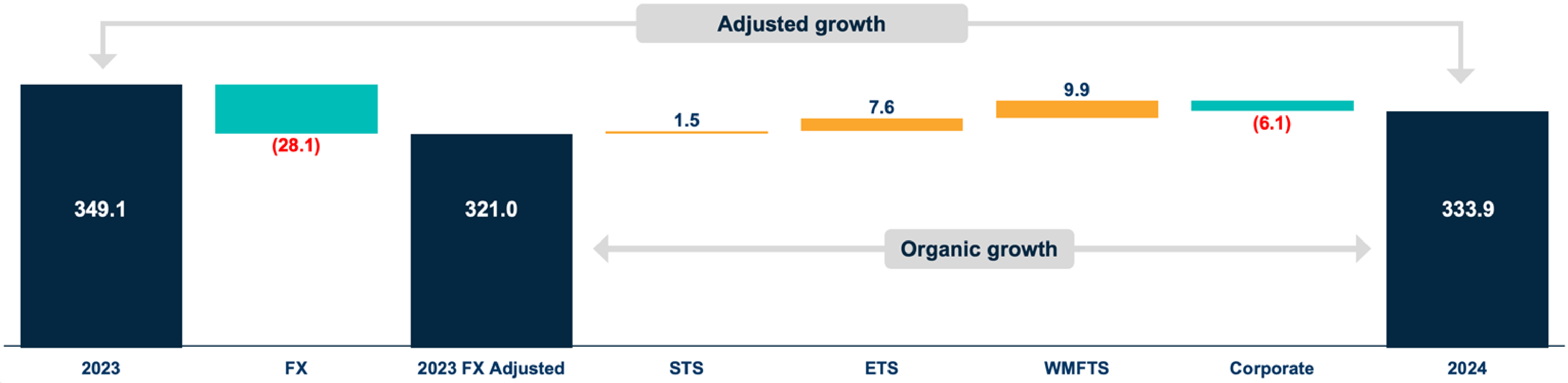
Growth well ahead of IP



	2024	2023	Year-on-year organic growth			
	£m	£m	2024 H1	2024 H2	2024 FY	2023 FY
STS	867.9	910.2	(1)%	3%	1%	8%
ETS	404.6	378.5	5%	15%	10%	2%
WMFTS	392.7	394.0	3%	3%	3%	(19)%
Group	**1,665.2**	**1,682.6**	**1%**	**6%**	**4%**	**(1)%**

Profit bridge

Margin modestly ahead organically; investing in future growth



	Trading Profit (£m)		Organic Change	Trading Margin				Organic Change
	2024	2023	YoY	2024 H1	2024 H2	2024	2023	YoY
STS	204.1	224.0	1%	23.5%	23.6%	23.5%	24.6%	(10)bps
ETS	64.7	59.2	13%	14.7%	17.2%	16.0%	15.6%	50bps
WMFTS	99.0	93.7	11%	24.6%	25.9%	25.2%	23.8%	180bps
Corporate	(33.9)	(27.8)	22%	-	-	-	-	-
Group	**333.9**	**349.1**	**4%**	**19.4%**	**20.7%**	**20.1%**	**20.7%**	**10bps**

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Adjusted cash flow

Strong cash conversion from working capital management and lower capex

- Cash conversion ahead of guidance
- Lower capex due to deferral of two large programmes: ERP (2025) and Gestra manufacturing facility in Germany
- Working capital inflow driven by improved inventory management
- Net interest higher due to refinancing of fixed rate debt at end 2023
- Income tax lower due to lower profits and in-year incentive from investment in the USA

12 months to 31 December (£m)	2024	2023
Adjusted operating profit	**333.9**	**349.1**
Capital expenditure (net)	(83.6)	(102.8)
Working capital changes	1.0	(9.3)
Depreciation, amortisation, repayment of lease liabilities & other	40.2	44.7
Adjusted cash from operations	**291.5**	**281.7**
Adjusted cash conversion*	**87%**	**81%**
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)
Issue of share capital and purchase of EBT shares	1.9	(10.8)
Restructuring costs	(2.4)	(8.1)
Disposals/(Acquisitions) of subsidiaries/associates	5.3	(7.7)
Cash flow for the period	**58.7**	**11.8**
Exchange movements	11.8	11.9
Net debt at 31 December (excluding lease liabilities)	**596.2**	**666.7**
Net debt to EBITDA	**1.6x**	**1.7x**

**Adjusted cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit*

Operational drivers and 2025 Business outlook

Focusing on the controllables in a challenging trading environment

Steam Thermal Solutions

- Growth outside China, ahead of IP
- China lower due to large projects
- Double-digit growth in China MRO sales
- Impact on Korea from political instability

Low-single digit organic growth

Margin: **broadly level with 2024**

Electric Thermal Solutions

- Strong growth in Industrial Process Heating
- Ogden expansion on track
- Semicon demand has begun to recover

Mid to high-single digit organic growth

Margin: **continued progress on 2024**

Watson-Marlow Fluid Technology Solutions

- Double-digit growth in Biopharm orders
- Order book normalised
- Strong growth in sales and market share in Process Industries

Mid-single digit organic growth

Margin: **increase compared to 2024**

Group outlook

Organic growth in sales, profit and margin

Revenue

- Organic revenue growth consistent with 2024
- Growth well ahead of IP

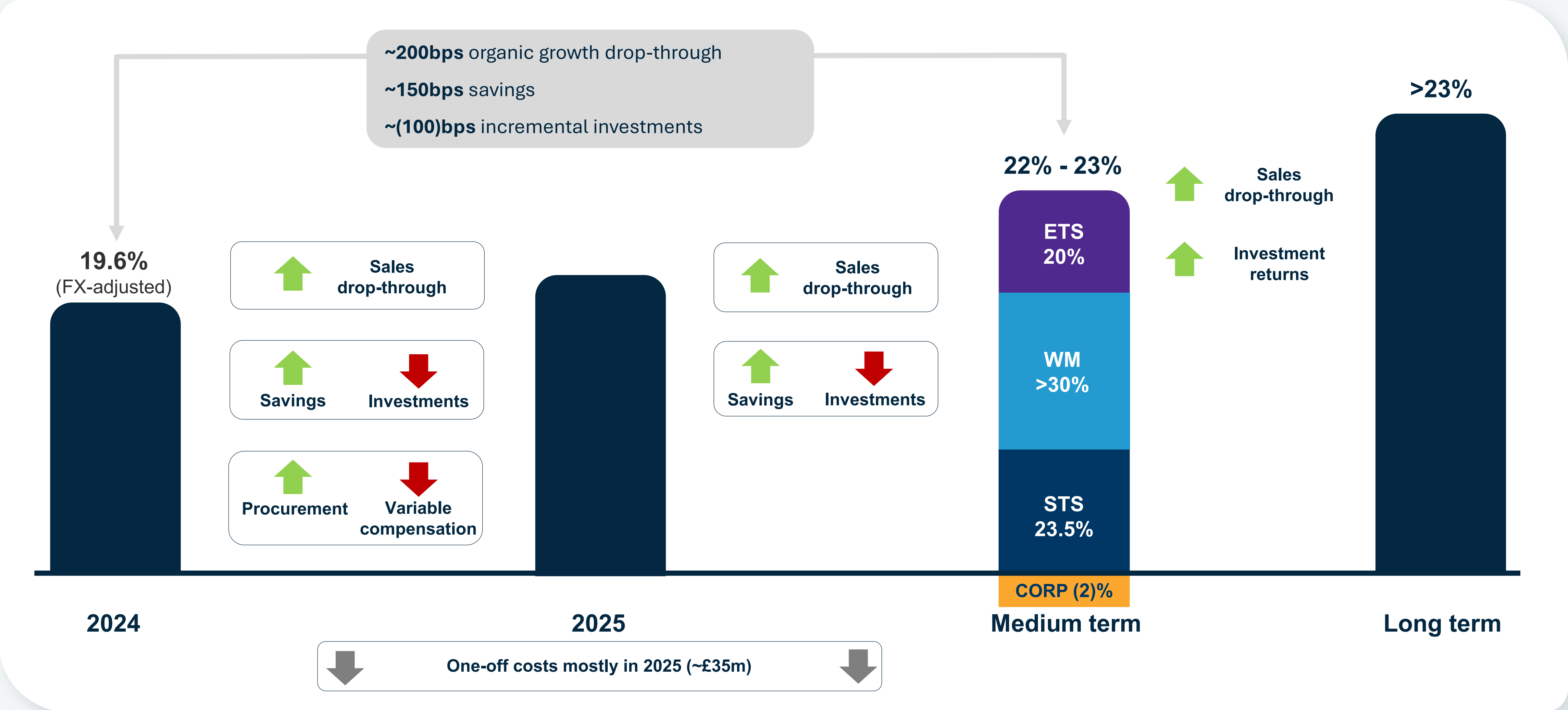
Profit

- Adjusted margin ahead of FX adjusted 19.6% in 2024
- Mid-single digit organic growth

Restructuring

- One-off restructuring costs, ~£35m (cash) plus ~£5m (non-cash)
- ~£35m annualised savings (~40% achieved in 2025)
- Reinvestment in growth

Medium term margin improvement plan



Executing our strategy

Nimesh Patel
Group Chief Executive Officer

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Together for Growth

Three engines of growth with a common business model

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

- **2,150** direct sales engineers
- **60%** sales to defensive sectors
- **~70** countries with direct sales presence
- **100k** customers and large installed base
- **85%** revenues from Opex budgets

Capturing opportunity through our strategy

£17bn market opportunity

- Commercial Excellence
- Operational Excellence
- Organisational Fitness
- Digital and Services
- Decarbonising Thermal Energy

Key Operational Priority | Investing for Growth

For long term, compounding growth

- Growth > 2x IP
- Margins > 23%
- Strong EPS growth
- Improving returns

Operational priorities

Focused actions to enhance our effectiveness, efficiency and support investment in growth

Commercial Excellence
How we drive growth

- Increase in customer-facing headcount
- Growth well ahead of IP in target sectors
- Leveraging process expertise globally (China EV Battery)
- New product launches expanding market (WM Architect and Qdos H-Flow)

Maximising the value of our direct sales engineers' expertise and relationships

Operational Excellence
How we improve margins

- Beginning to deliver procurement savings
- Consolidated US manufacturing footprint (ETS and WMFTS)

Optimisation of manufacturing footprint and enhancing customer service levels

Organisational Fitness
How we become more effective

- Reducing management layers
- Consolidation of non-sales activity across Operating Companies
- Concentrating technical and services expertise to be deployed within regions
- Driving greater collaboration on sales opportunities between ETS divisions

Simplifying our organisation to be more agile, scalable and customer focused

Restructuring charge: ~£35 (cash) + ~£5m (non-cash) with annual benefits ~£35m

Investment in growth

Commercial and Operational Excellence

Driving growth from our installed base and through increased manufacturing throughput

STS: reshaping commercially in China

- Focusing on our significant installed base to drive MRO Growth:
  - Base mapped to prioritise opportunities
  - Hired MRO-specialist sales engineers
  - Retrained large-project engineers; realigned incentives

Double-digit MRO growth in 2024

Triple stack heater

Improving throughput at our ETS Ogden facility:

- Improved routings
- Improved resource planning
- Reduced complexity
- Reduced tooling requirements
- Reduced scrap rates
- Higher productivity/ reduced lead times

~40%
Increase in Ogden sales in 2024

20%+
Reduction in backlog

Investing in our future

How we enhance long term compounding growth

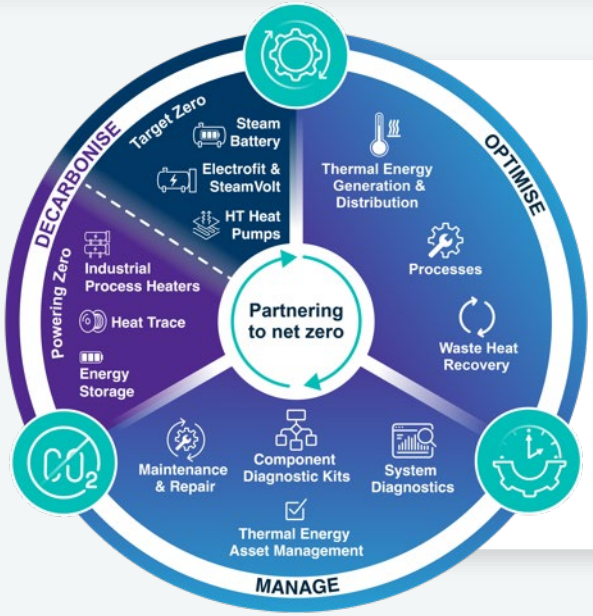
Digital and Services

Customer relationship
- More frequently connected with over 1,000 customers

Our products
- Machine-learning-enabled pumps

Our operations
- Deeper insight from over 10,000 connected assets

Direct sales capability
- Proprietary LLM tools ('MiM')



Decarbonising Thermal Energy

- **Combining expertise across STS and ETS**
- **Investing in technology and capability:**
  - New resistive heating product development: higher temperature, higher voltage
  - High Temperature heat pumps (HTHP)

Summary and key takeaways

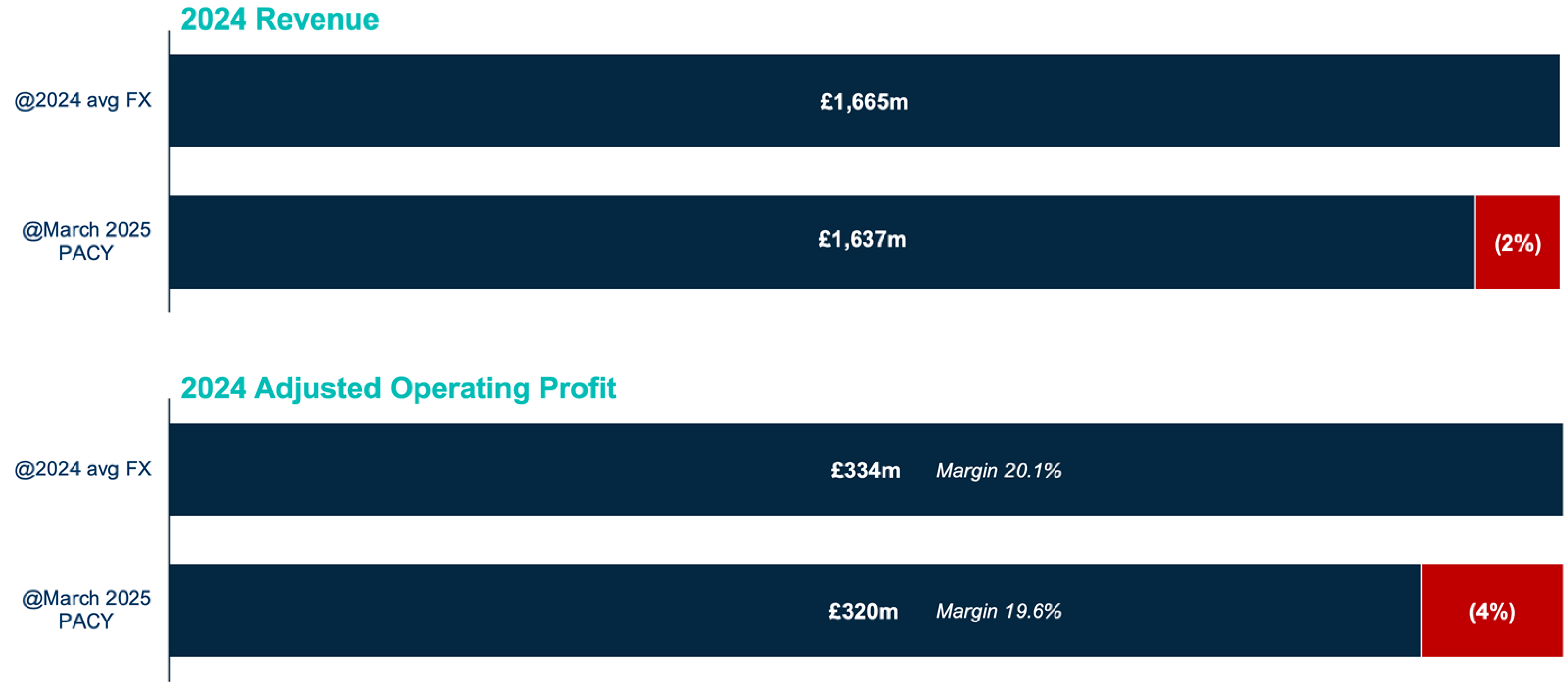
- Outperforming IP in 2024 in continuing tough markets
- Focused on controllables and driving operational improvement
- Decisive action taken to simplify the organisation

- Focused execution against our operational priorities
- Targeted investments to support future organic growth
- Significant long term, compounding growth opportunity

Appendix

Appendix I

Impact on 2024 reported financial performance if current exchange rates prevailed through 2025



PACY: Projected Current Year Average

Appendix II

Exchange rate exposure and impacts

Average exchange rates	Average 2024	Average 2023	Change
US dollar	1.28	1.24	(3)%
Euro	1.18	1.15	(3)%
Renminbi	9.18	8.80	(4)%
Won	1,741	1,626	(7)%
Real	6.93	6.22	(11)%
Argentine peso	1,169	383	(206)%

Appendix III

Reconciliation of Operating profit to Adjusted operating profit

The Group uses adjusted figures as key performance measures in addition to those reported under IFRS. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. Adjusted operating profit and pre-tax profit excludes certain items, which are analysed below.

12 months to 31 December (£m)	2024	2023
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
Significant software related impairment	—	13.9
Restructuring costs	—	5.2
Reversal of acquisition-related fair value adjustments to inventory	—	1.3
Total adjusting items	**29.3**	**64.7**
Adjusted operating profit	**333.9**	**349.1**

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Appendix IV

Additional guidance (for modelling purposes)

	2024 Actual	2025 Guidance
Exchange rate impact	Revenue: 5% adverse Adjusted Operating Profit: 8% adverse	Revenue: 2% adverse Adjusted Operating Profit: 4% adverse
Corporate costs	£34m	£40m
Middle column restructuring costs	-	Cash costs: ~£35m Non-cash costs: ~£5m
Capex (as a percentage of sales)	5%	5% - 6%
Adjusted Effective Tax Rate	26.5%	27%
Net Finance Cost	£44m	Similar to 2024
Number of shares in issue (million)	73.7	73.7

Environmental and social progress

Key strategic targets:

On track to achieve net zero scopes 1 and 2 GHG emissions by 2030, having achieved 50% reduction (vs. 2019 baseline) ahead of 2025 interim target

Targeting 20% reduction (vs. 2019 baseline) in Group energy usage from plant, equipment and building assets by 2025

Progress in 2024

- **Scopes 1 & 2 emissions 52%* lower than 2019 (baseline year)**
- **Group energy usage 16%* lower compared to 2019 (baseline year)**
- **Water consumption reduced by 11%* from 2023**
- **>160* biodiversity projects completed in 2024**
- **>30,000* volunteering hours completed in 2024**

** Including acquisitions*