Evolving for tomorrow's world…

Spirax Group plc Annual Report 2024

...to be future ready

Contents

For decades, our unique business model has supported our organic growth and industry-leading margins…

…enabling us to deliver critical solutions that enhance the safety, efficiency and sustainability of our customers' industrial thermal energy and fluid technology processes that sit behind the production of what people rely on in daily life. From food to pharmaceuticals and everything in between.

But the world we live in is constantly changing; shaped by emerging trends that are altering consumer behaviours.

As we set out to capture the opportunities we see from new structural drivers of growth, we are guided by our Vision. Our aim is to build for the future while preserving our unique strengths. We will do this by staying true to our Purpose and our Values and working together across Spirax Group to deliver growth.

We call this **Evolving for Tomorrow's World**.

- Read more about our business model on page 18
- Read more about what we do on pages 2 and 3
- Read more about our Vision on page 14
- Read more about global trends and how they support growth in our addressable market on pages 16 and 17
- Read more about our Together for Growth Strategy on pages 22 and 23

How Spirax Group is 'engineering your everyday'

Across our three Businesses, we bring together leading expertise in thermal energy (steam and electric) and fluid technology solutions. That means we design, engineer, manufacture and sell products and solutions that are essential to the efficient, safe and sustainable operation of our industrial customers' critical processes.

We work with leading food, drinks and pet food manufacturers and with the companies producing life saving medicines and vaccines. We work with farmers, dairy producers and brewers. And, we serve a broad range of critical sectors such as Power Generation, Oil & Gas, Chemicals, Transport, Semiconductor and Aerospace & Defence, through OEM partners or direct to the customer.

That's why it is very likely that our solutions sit behind the engineered processes of the things that you eat, drink, travel on, rely on, or use every day.

From the food on your table, the tyres on your car, your mobile phone, medicines and how you heat your home, the work of Spirax Group plays an essential role in daily life.

As the world evolves, so are we. As we get closer to our customers, we not only understand their needs today, but we anticipate their needs of tomorrow. We are evolving to meet those needs through our **Together for Growth** Strategy which you can read out about on pages 22 and 23.

Read about how we are evolving for tomorrow's world on page 1

Breakfast brought to you by Spirax Group

It is said that breakfast is the most important meal of the day, but did you realise Spirax Group, and the industrial processes we support, helps put it on your table?

Steam Thermal Solutions help customers to harness the power of steam to dry and roast both tea and coffee and it is used to pasteurise milk, making it safe to drink. Bread is baked in commercial convection ovens that use heating technology from **Electric Thermal Solutions.** Orange juice cartons are sustainably filled using **Watson-Marlow Fluid Technology Solutions'** pumps which preserve precious resources.

Even the energy used to toast your bread is generated with the help of Spirax Group.

Creating a more efficient, safer and sustainable breakfast table is just one example of the meaningful work we do together every day.

1 Wake up with a morning coffee brought to you by Steam Thermal Solutions (STS)

Instant coffee is produced using water heated by steam. The hot water is combined with ground coffee to create the rich flavour enjoyed by millions daily. Our systems support this process by removing condensate from the steam system which heats the water. By returning the condensate to the boiler house, Spirax Sarco condensate recovery solutions ensure the process is both efficient and effective.

Scan the QR code to find out more

2 A slice of toast brought to you by Electric Thermal Solutions (ETS)

Bread and other baked goods, including pastries and croissants, are cooked using heating technology from ETS. Chromalox's tubular heating elements are used in commercial convection heat ovens. Their exceptional heat transfer capabilities, and ability to be sized and formed based on customer requirements, offers flexibility and versatility, as well as reliability in cooking processes.

Scan the QR code to find out more

3 The perfect hit of vitamin C brought to you by Watson-Marlow Fluid Technology Solutions (WMFTS)

Orange juice is transported to and poured into cartons using our peristaltic pumping technology from WMFTS. As a high-viscose fluid, orange juice concentrate is challenging to transfer. Our hygienic Certa Pumps are 'low shear', produce minimal turbulence and agitation and prevent aeration or foaming, preserving product quality.

Scan the QR code to find out more

2024 at a glance

Revenue £ — KPI

£1,665.2m

		Organic Change %
2024	1,665.2	+4
2023	1,682.6	-1
2022	1,610.6	+14
2021	1,344.5	+17
2020	1,193.4	-3

Statutory operating profit £m

£304.6m

		Margin %
2024	304.6	18.3
2023	284.4	16.9
2022	318.8	19.8
2021	320.9	23.9
2020	249.0	20.9

Adjusted operating profit* £m — KPI

£333.9m

		Margin %
2024	333.9	20.1
2023	349.1	20.7
2022	380.2	23.6
2021	340.3	25.3
2020	270.4	22.7

All-workplace injury rate^ — KPI

2.31

2024	2.31
2023	2.37~†
2022	1.75
2021	2.22
2020	2.62

^ Per 100,000 hours worked

~ Includes 2022 acquisitions from this date

† Adjusted from 2.24 following an audit by Group H&S

Statutory earnings per share p

259.6p

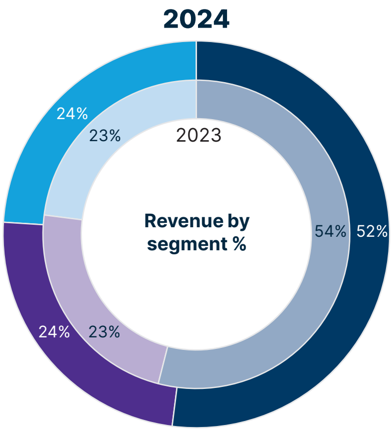
2024	259.6
2023	249.5
2022	305.1
2021	318.3
2020	235.5

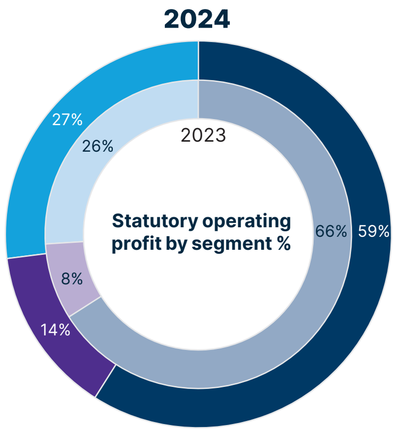
Adjusted earnings per share* p — KPI

286.3p

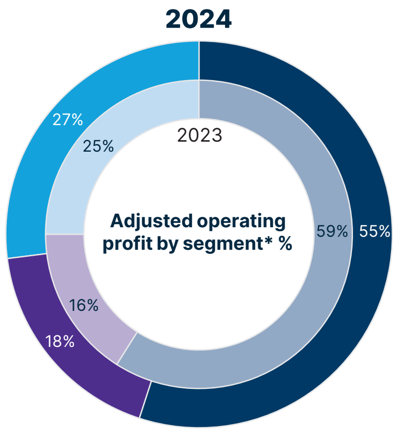
2024	286.3
2023	312.4
2022	377.2
2021	338.9
2020	256.6

See more on our KPIs pages 40 and 41





Before corporate expenses of £30.7 million. (2023: £27.8 million).



Before corporate expenses of £33.9 million. (2023: £27.8 million).

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

* All adjusted profit measures exclude certain items, which totalled a charge of £29.3 million (2023: charge of £64.7 million), as set out in the Appendix to the Financial Statements

The Group's three operating segments, as defined by IFRS 8, are Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions

> Our strategic goal is to drive long term, compounding growth for the benefit of all our stakeholders."

Tim Cobbold
Chair

We are executing our Together for Growth Strategy that is already demonstrating positive, early results

I was delighted to join the Board of Spirax Group in September 2024, before succeeding Jamie Pike as Chair on 1 January 2025. At this point it is appropriate to acknowledge Jamie's significant contribution to the development of Spirax Group over the past seven years as Chair and as a Non-Executive Director before that. 2024, his final year as Chair, proved to be highly significant and consequential in the evolution of both the Group, as it navigates a more challenging macroeconomic and trading environment, and for the Board, with the appointment of a new Chair, CEO and CFO. Jamie provided the expert leadership and composure so that this year of transition proceeded smoothly, and he leaves the Group and the Board well equipped to take advantage of the opportunities that lie ahead.

Whilst I am still early in my tenure, my initial impressions support the widely held external perceptions of the Group, as high quality and differentiated, with meaningful growth potential. It is clear that we face a more challenging macroeconomic and trading environment, and the new management team led by Nimesh, is providing the vision, strategy and leadership to respond in the current market environment and evolve the Group to take advantage of new opportunities as markets themselves evolve.

At the Capital Markets event in October 2024, Nimesh and his leadership team demonstrated the Company's long-term potential. They introduced the new growth strategy, **Together for Growth**, which builds on our strong positions in long term, attractive end markets whilst evolving the Group's differentiated business model. The first steps in implementing the **Together for Growth** Strategy have been taken, with positive early results. Our strategic goal is to drive long term, compounding growth for the benefit of all our stakeholders.

The priority for the Board under my leadership will be to support Nimesh and the leadership team in the successful implementation of the **Together for Growth** Strategy and I look forward to working alongside my Board colleagues and the Group Executive Committee (GEC) to do so.

I am committed to maintaining an open dialogue with shareholders and recognise the value that can offer. In November 2024, I wrote to the top 20 shareholders offering to meet them with a view to gaining a better understanding of their views and perspectives. I have since met nine of them with more to follow. My sense, following these initial exchanges, is that whilst there remains considerable support for the Group and the approach being taken, there is also the recognition that the Group will have to balance well, its focus on operational priorities and investing for future growth, in this tougher trading environment. The strategy roadmap on page 23 of this Report sets out that plan.

Board and leadership changes

I succeeded Jamie Pike, who stepped down from the Board on 31 December 2024 after serving over ten years, including seven as Chair. During Jamie's tenure, the Group made 14 strategic acquisitions, built a third Business, Electric Thermal Solutions, invested significantly in sustainability, decarbonisation, inclusion and digital and became a constituent of the FTSE 100 Index. Jamie also led the evolution of the Board, broadening the range of skills and experience, equipping the Board to keep pace with the needs of the Group as it became larger and more complex. On behalf of the Board, management and all colleagues, I would like to thank Jamie for his significant contribution to the Group.

Jane Kingston, Chair of the Remuneration Committee and Non-Executive Director since 2016 will complete her tenure on the Board in September. As announced on 31 January, Jane will be succeeded by Maria Antoniou, who joins the Board in June. I look forward to welcoming Maria onto the Board, confident that in addition to chairing the Remuneration Committee, her wider business background will enhance the Board's range of skills and experience. Further details can be found on page 117 of the Nomination Committee Report.

As has been reported previously, in January 2024, Nimesh Patel, formerly CFO, became Group Chief Executive Officer and succeeded Nicholas Anderson, and Louisa Burdett was appointed as CFO, joining the Group and the Board in July 2024. Céline Barroche joined the Group in September 2024 as Group Legal Counsel and Company Secretary, following the retirement of Andy Robson.

In August 2024, we announced Andrew Mines as the successor to Armando Pazos as Managing Director of Electric Thermal Solutions (ETS), having led the Watson-Marlow Fluid Technology Solutions (WMFTS) Business since 2020. On 6 January 2025, Stuart Roby joined the Group as Managing Director of WMFTS.

You can find biographies of all Board and GEC members on pages 102 to 104 of the Governance Report.

Board highlights

The Board met seven times and twice on an ad hoc basis in 2024. Whilst the Board considered a wide range of matters the most significant included:

Leadership changes

- Overseeing the transition of the Executive Leadership
- Approving the changes to the Group Executive Committee (GEC) referred to above
- The recruitment of a new Chair to replace Jamie Pike on his retirement from the Board

Group strategy

- The Board approved the new **Together for Growth** Strategy, ensuring it was well aligned to the Group's Purpose and Vision, as well as the expectations of stakeholders
- Strategic progress on the Growth Drivers of Decarbonising Thermal Energy and Digital and Services were also kept under review

Trading and performance

- The Board supported and challenged constructively the GEC as they navigated the tougher macroeconomic and trading environment in 2024

IT infrastructure and applications

- Following the decision in 2023 to initiate an ERP upgrade programme, the Board maintained close oversight of the process and in December 2024, approved the decision to align all three Businesses around a single common design

Governance and reporting

- At a time of significant upcoming regulatory and reporting change, including but not limited to changes to the UK Corporate Governance Code, the Board worked with the GEC to support the ongoing development of the necessary processes and systems to ensure the Group is in a position to comply as the changes come into effect

The Board visited Spirax Group facilities in Cornwall, UK (WMFTS), China (Spirax Sarco) and France (Vulcanic). These visits are valuable opportunities to meet the local leadership teams and colleagues and to triangulate activities in the Group with the strategic plans the Board reviews on a regular basis.

Colleagues

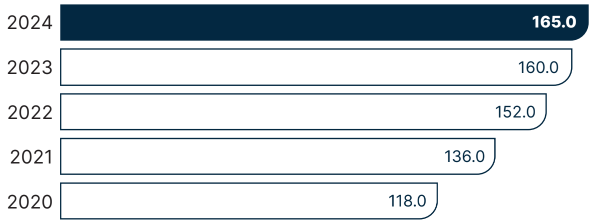
Colleagues across the Group have demonstrated again their dedication and adaptability by continuing to make progress on the strategic development of the business at the same time as operating in a tougher trading environment. The agility and readiness to respond to change will be a key attribute going forward. I would like to acknowledge the part played by colleagues across the Group towards the development of the business and to offer, on behalf of the Board, our sincere thanks and appreciation for their hard work and dedication. I very much look forward to having the opportunity to meet with more colleagues during 2025.

Board effectiveness

The Board conducted an external and independently facilitated Board evaluation in 2024, details of which can be found in the Nomination Committee Report on pages 116 to 118. As a new Chair this provides an invaluable insight into the operation of the Board upon which I will build, together with Board colleagues. The result of any development in the operation of the Board and its Committees will be reported in the 2025 Annual Report.

Dividend per share p

165.0p



Section 172 Statement

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the Directors have prepared a Statement describing how they have had regard to the matters set out in Section 172 when performing their duty to promote the success of the Company. This can be found on pages 8 to 10 of the Strategic Report and on page 99 of the Governance Report.

Dividends

The Directors are proposing the payment of a final dividend of 117.5 pence per share (2023: 114:0 pence). Subject to approval of the final dividend by shareholders at the AGM on Wednesday 14 May 2025, the total Ordinary dividend of the year will be 165.0 pence, an increase of 3% over the Ordinary dividend of 160.0 pence per share for the prior year.

I look forward to welcoming shareholders to our 2025 AGM and I remain available to meet with shareholders throughout the year.

Tim Cobbold
Chair
10 March 2025

Evolving for our stakeholders

The long-term success of our Group relies on our interactions with all stakeholders. This requires effective engagement, constructive working practices, and consideration of all stakeholder perspectives to create and maintain value for everyone involved.

Overview

This section, from pages 8 to 10, is our Section 172 Statement. It outlines how the Directors have acted in good faith to promote the Company's success for our shareholders, considering and engaging with wider stakeholders, and addressing the matters in Section 172(1) (a) to (f) of the Companies Act 2006.

Considering these broad interests is an essential aspect of the Board's decision-making process. Occasionally, the Board must balance the competing interests of various stakeholders and other factors in executing our **Together for Growth** Strategy. The Board has delegated the responsibility for the day-to-day operations of the Businesses to the Group Executive Committee. Consequently, many decisions and actions undertaken have Board approval through these delegated responsibilities.

An overview of the guiding principles for these statutory duties are detailed on page 10 and serve as guidance for the Group as a whole when making decisions. The Board regularly receives updates on key initiatives carried out by the Group that impact stakeholders, ensuring they can understand and, when necessary, challenge management decisions.

Understanding what matters to our stakeholders

Our colleagues

Colleagues want to work in a culture where they can be themselves, feel they belong, are supported to be at their best and encouraged to make a difference for others, as well as our planet. They want to achieve better balance in their work and personal lives, while pursuing opportunities for development and to be fairly rewarded and recognised for their contributions.

Examples of how we engaged: Board focus groups, Leadership OpCo visits, hybrid working survey, safety culture survey, Global Safety Stand Down event, Business Town halls, Colleague networks, Colleague conferences, Coffee talks, Spark learning platform, webinars, global communications activity and One Place colleague platform.

Our customers

Customers want trusted product quality combined with local knowledge, insights, expert speed of response. Solving what was previously an unrecognised need can often be fundamental to the efficiency, safety and sustainability of our customers' operations. This reinforces the importance of our direct sales business model with our engineers able to 'walk our customers' plants' or increasingly through our investment in Digital and Services, 'walk their plants' data', converting those insights into solutions and improving customer service.

Examples of how we engaged: 2,150 direct sales engineers making customer visits, Voice of Customer surveys, senior management customer meetings, product field trials, digital insights delivery, customer feedback loops, testimonial development and strategic account management forums.

Our communities

Local communities want to be engaged and feel supported by businesses operating on their doorsteps. They understand that business and communities can create mutual benefit and that current and future generations flourish when those relationships are working well.

Examples of how we engaged: Encouraged colleagues to nominate their local projects for funding from Spirax Group Education Fund and use their three days' paid volunteering leave to support initiatives benefitting our local communities. Invited certain local charities to join events and raise awareness within our organisation about the work they do and communities they serve.

Our environment

Across the globe, Governments, Environmental Agencies, businesses and industry, as well as the wider population, are becoming increasingly concerned about the future of our planet and are taking more actions to limit the global temperature rise, to increase sustainable practices and protect the Earth's precious resources and biodiversity.

Examples of how we engaged: With charitable partners through our 'One Plant' initiative to plant or maintain trees and woodland globally. With SBTi on scope 3 consultations and target setting. Worked with suppliers to trial sustainable packaging options and with regulators and local agencies on site and project specific environmental and sustainability matters.

Our suppliers

Many of our suppliers care about the impact they have on the planet and want to form mutually beneficial, long-term partnerships that help them fulfil their potential, as well as their sustainability goals, as they continue on their journey.

Examples of how we engaged: Survey and training module completion through the supplier portal. Supplier onboarding and continuous improvement/best practice alignment plans. Provided guidance on sustainability matters, to support the transition to net zero.

Our shareholders

Our shareholders own the business and have invested their capital in our Company. They expect accurate, transparent and reliable reporting on strategic, operational and sustainability factors, regular communications on performance and governance and value to be delivered in both the short and long term.

Examples of how we engaged: Financial and other reports and trading updates, Full and Half Year Results meetings and investor roadshows. AGM and Capital Markets Day. Annual programme of 1-2-1 meetings, including with the new Chair and attending investor conferences. See full list on pages 100 and 101 of the Governance Report.

Key Board decisions

The long-term success of our Group is influenced by the way we engage with all our stakeholders and reflect on their views. Considering these broad interests is an important part of the way the Board makes decisions. Below we have highlighted two key Board decisions made during 2024 and how these take into account the views and needs of our stakeholders in making those decisions.

New Vision and **Together For Growth** Strategy

Stakeholders considered

In June 2024, the Board approved both a new Vision and the **Together For Growth** Strategy. This was the result of thorough engagement with numerous stakeholders over many months, to refresh our view of what matters to them and reflect these in our strategy planning.

This was led by the Group CEO, who reported to the Board on the output from these activities regularly. Through extensive colleague engagement, including more than 20 operating company visits, workshops, focus groups, as well as customers and other stakeholders sharing their thoughts with the senior management team, the feedback was captured and distilled into our new Vision. These insights also supported the creation of the new Group strategy called **Together For Growth.** More details can be found on pages 22 and 23.

Customers: As part of the strategic discussions, the Board considered global mega trends and the impact they will have on customers' evolving needs, through sales force feedback, Voice of Customer surveys and meetings with senior management.

Shareholders: The need to take a balanced approach to delivering short-term performance while ensuring the Group defines and sets clear priorities for the medium term and enabling investment for long-term sustainable growth.

Colleagues: Through the Colleague Engagement Committee and other engagement channels, the Board has heard and was mindful of our colleagues' feedback to simplify structures, reduce administrative burdens and increase collaboration across our Businesses and the Group.

Environment: Decarbonisation is at the heart of our long-term growth capability and central to our Purpose and Vision to deliver a low-carbon, resource-efficient world.

Link to strategy:

Read more on pages 22 and 23

A common design for ERP across three Businesses

Stakeholders considered

In December 2024, the Board approved the decision to align all three Businesses around a single common design for our ERP and underlying processes.

This approach will optimise our investment by standardising the way we do business across our OpCos, driving simplification and providing common tools.

One of our OpCos rolled out its new ERP during 2024 and the rich learnings from the exercise have been fed back to enhance the overall Group-wide project.

Colleagues: The Board heard consistent feedback from colleagues that they want to work with standard, more automated processes to increase productive time, promote better collaboration and enhance job satisfaction.

Customers and Suppliers: The project has great potential to enhance relationships with customers and suppliers by streamlining all elements of our 'sales to delivery' processes and improving communication and engagement.

Shareholders: A common ERP design and more standard underlying processes will improve our overall efficiency and enable us to consider how to leverage the benefits of the Group's scale.

Link to strategy:

Read more on pages 22 and 23

Growth Drivers:

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

Guiding principles

a the likely consequences of any decision in the long term

Our Purpose, Values, and Vision define the Group's aspirations for the next decade.

The Board prioritises the long-term interests of key stakeholders.

Our **Together for Growth** Strategy aims to leverage structural growth opportunities. It focuses on enhancing operations, providing meaningful work in a supportive, inclusive environment, and fostering development and capability growth. Our Sustainability Strategy, **One Planet: Engineering with Purpose**, guides our environmental, social, and governance performance.

For more information see pages 14 and 15

b the interests of our colleagues

The Board receives feedback from colleagues on various topics through the Colleague Engagement Committee (CEC), regular interactions during site visits, presentations from senior managers, updates on whistle-blowing arrangements, and sharing results of broader engagement activities. This feedback is considered by the Board when making strategic and business decisions.

See page 112 to 115 in our CEC report for how our Board engages with Colleagues and in our Strategic Report on page 9 for our broader colleague engagement

c the need to foster business relationships with suppliers, customers and others

The Board acknowledges the importance of maintaining business relationships with suppliers and customers. These factors are considered in all decisions. The Board receives regular updates on progress regarding sustainability goals, including supplier engagement and Growth Drivers which form part of our **Together for Growth** Strategy that are particularly focused on customer-centric activities, commercial excellence, and digital solutions for customers.

see pages 8 and 9 for information on Board Engagement and broader engagement in our Strategic Report on pages 24 to 27

d the impact of Spirax Group's operations on the community and the environment

Our **One Planet** Sustainability Strategy guides our relationship with the environment and the communities we interact with.

The Board receives regular updates on sustainability through the Group Sustainability Director who leads the Group Sustainability Management Committee and provides quarterly reports. Some Board members also assist the Spirax Group Education Fund in selecting and allocating funds to projects that address educational needs in local communities.

For more information see pages 56 to 77 in our Sustainability Report

e the desirability of maintaining a reputation for high standards of business conduct

Our reputation is a vital asset, and we are committed to integrity and ethical business conduct. All colleagues and Board members must follow our Management Code of Conduct. In 2024, we focused on embedding policies, especially against fraud, and provided Board training. Spirax Group has a zero-tolerance policy for bribery and corruption with any parties. We also offer a whistle-blowing facility supported by our Whistle-blowing Policy for reporting serious misconduct or wrongdoing.

For more information see pages 63 in our Sustainability Report

f the need to act fairly between our shareholders

The Board values our shareholders and investors as key stakeholders. Through monthly calls, regular meetings, and forums with shareholders, their advisers, and the investment community, we stay informed of investor views and address any concerns.

For more information see page 8 in our Strategic Report and pages 100 and 101 of our Governance Report

> All three of our Businesses delivered organic sales growth and margins in line with our expectations."

Nimesh Patel
Group Chief Executive Officer

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.

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.

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 on the next page (further details are included in the Operating Review on pages 42 to 55).

* per 100,000 work hours

Operational priorities

Commercial Excellence

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

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

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

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

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.

Nimesh Patel
Group Chief Executive Officer
10 March 2025

Creating a bold Vision, together

Spirax Group has a well-established Purpose and core Values. In 2024, with a new Group CEO and his leadership team at the helm, we went deep into the organisation to hear from colleagues around the world. We listened to their pride in our Purpose, their passion for solving customer problems, heard about the challenges they faced and asked what support they needed.

These conversations brought many insights, all centred around how we continue to drive long term, compounding growth at industry-leading margins.

That's why we set out to define a Vision that would set our direction, building on our Purpose and Values.

Purpose

At Spirax Group we are defined by our common Purpose:

To create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world.

We exist to help our industrial customers make their processes safer, more efficient and more sustainable.

All our stakeholders benefit from our products and solutions, as well as the things we do with the money we make.

Our stakeholders

- Colleagues
- Environment
- Customers
- Suppliers
- Communities
- Shareholders

Values

Our six core Values are common to all of us across our Group.

They are the guiding principles we use to underpin our decision making, guide our conduct and define our culture.

By living our Values every day, we build a sustainable business that is more successful and a better place to work.

- Safety
- Excellence
- Collaboration
- Respect
- Customer focus
- Integrity

Our Vision for the future

Our Vision has five important characteristics that will shape the future of Spirax Group as we evolve for tomorrow's world. These are the things that matter the most to us, and to the people around us.

1. A trusted global leader

Being trusted is important to us; it speaks to our core Values, our heritage, our track record and the value we place on all our relationships.

2. Highly connected with customers

Being highly connected with customers means we build close, local relationships in physical and digital realms.

3. Obsessed with our customers' evolving needs

Because we are obsessed with the needs of our customers, we are relentless in seeking deeper insights about their requirements today, as well as for the future.

4. Delivering solutions that serve people

Our solutions help solve real-world problems. We play a role in so many of the critical industries that people, all over the world, rely on for food, medicines, healthcare and many of the consumables used in daily life.

5. Enable the transition to a low-carbon, resource-efficient world

Our solutions to decarbonise industrial thermal energy use help to reduce carbon emissions from industrial manufacturing.

We also want to expand our solutions, which protect precious resources, like water, as well as finding new ways to extend product lifecycles, reducing waste.

As we evolve to capture the opportunities we see from new drivers of growth, we'll be guided by our Vision as we work together across our three Businesses.

Business model

Our products, solutions and expertise are critical to the operating efficiency and safety of our customers' thermal energy and fluid technology processes.

Our global direct sales force serves our customers, through building close, local relationships, with a focus on consultative, solution-selling and pricing based on customer economics.

See more on pages 18 and 19

Three Engines for Growth

Our three high quality growth engines of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions, each tap into significant mega trends and position us for strong growth at attractive margins.

Steam Thermal Solutions

Electric Thermal Solutions

Watson-Marlow Fluid Technology Solutions

See more on pages 20 and 21

Together for Growth

Together for Growth is the name of our growth strategy. It sets out how we will work together across Spirax Group through five Growth Drivers, to drive growth over the short, medium and long term to achieve our Vision.

Growth is what will sustain our Group. It enables us to invest in what is important to us, as well as supporting all the people who rely on us (our stakeholders).

Our Growth Drivers

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

See more on pages 22 and 23

Scan the QR code to find out more

Unlocking growth from opportunity...

We are working to position **Spirax Group** to benefit from global trends that will drive long term, compounding growth for decades to come.

1. Emerging middle class:

Characterised by an additional 800+ million people, largely across Asia and Africa, with higher spending power driving increased consumption. Impacting sectors such as Food & Beverage, Energy and Power, which represented over a quarter of our sales in 2024. This increase in consumer demand drives the need for process efficiency and productivity improvements, as well as capacity expansion across our customers' operations.

800m people
entering the middle class population

2. Resource efficiency and sustainability:

Our customers are setting reduction targets for greenhouse gas emissions and water use.

The unique combination of Steam Thermal Solutions and Electric Thermal Solutions, together with our products to reduce customers' carbon dependency through the electrification of industrial thermal processes, is a powerful differentiator for Spirax Group. Our full suite of decarbonisation solutions have the potential to address around >5% of global carbon emissions, comparable to that of the international aviation and shipping industries combined emissions^. While our Watson-Marlow Fluid Technology Solutions Business is a key enabler of resource efficiency such as in the Water & Wastewater sector.

>5%
of global carbon emissions addressable through our full suite of decarbonisation solutions

3. Ageing global population:

Over the next decade, it is expected that one in six people in the world will be aged 65 or over, almost doubling this global population requiring increased healthcare provision. This is fuelling innovation in the Pharmaceutical & Biotechnology (Biopharm) sector to develop and produce new treatments. Biopharm and Healthcare, accounted for 18% of our sales in 2024 and through WMFTS, we are already a world leading provider of products and solutions to the Biopharm sector.

65 years
Age of 1 in 6 people by 2035

4. Changing lifestyles:

Changing lifestyles are driving consumer choices around technology, sustainability and health. Technology is playing an increasingly important role in everyday life and our Industrial Equipment Heating Division in ETS, is a leading provider of critical thermal electric solutions to the Semiconductor sector. Both STS and WMFTS have built a presence in the complex production chain of Electric Vehicle batteries. WMFTS is also building a presence in the Future Foods sector which includes working with start-ups developing cell-based protein as a sustainable food source to tackle food scarcity challenges, with technologies that are highly adjacent to those used in the Biopharm sector.

9.7bn
Projected global population by 2050*

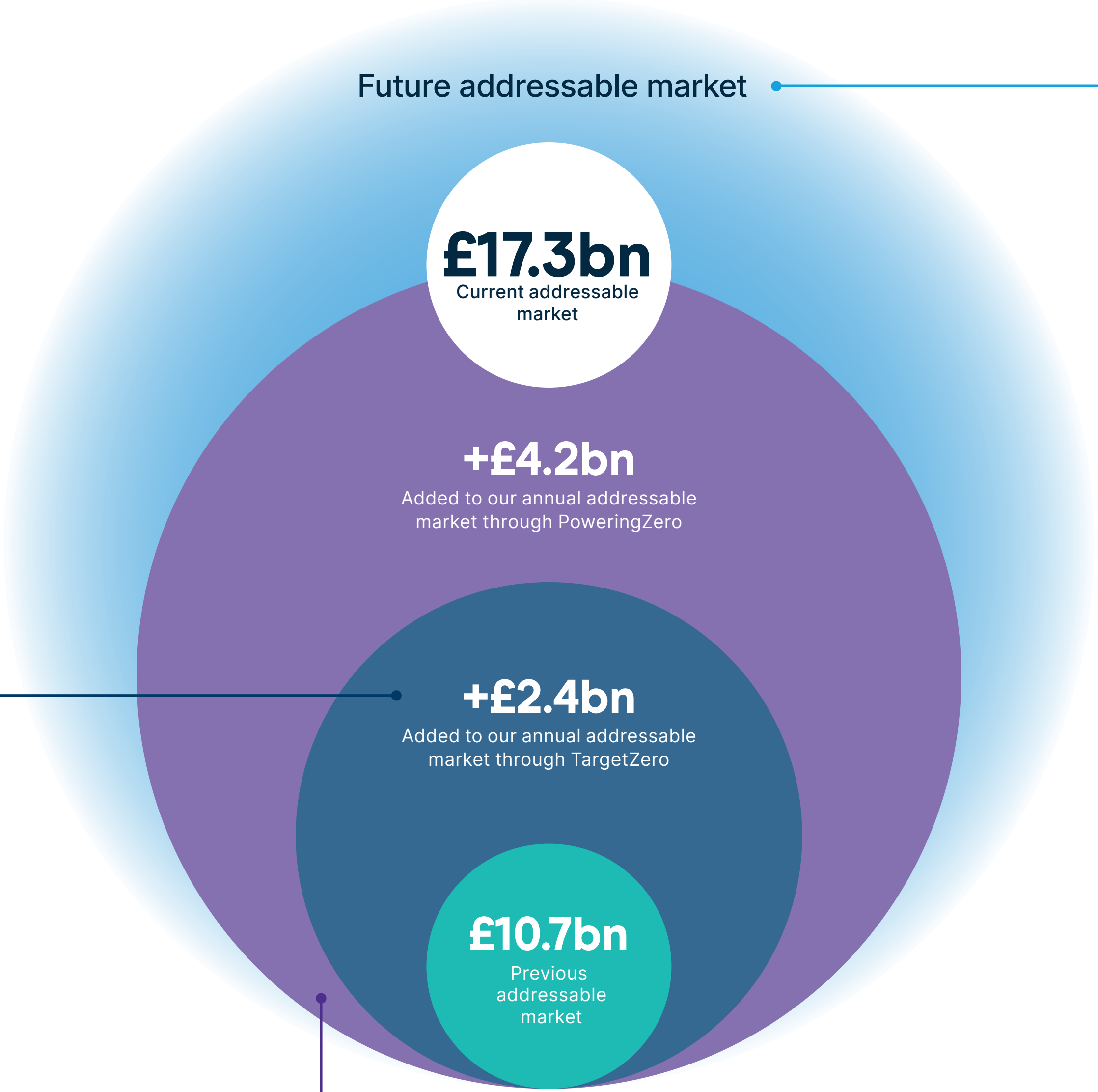
Overall, these four global trends underscore our potential for growth, through the structural attractiveness of our existing end markets and through our increased addressable market opportunities. This is how we will sustain and accelerate our long term, compounding growth over decades.

* Data source: United Nations, Department of Economic and Social Affairs, Population Division (2024). World Population Prospects 2024, Online Edition

^ 2022 data: www.climatetrace.org

…expanding our annual addressable market

The impact of these mega trends on our ability to accelerate long-term growth is evidenced through a **60%** increase in our annual addressable market.



Electrification of steam generation

Solutions we refer to as TargetZero add £2.4 billion to our annual addressable market. This opportunity is sized on today's installed base of fuel-fired boilers in our target sectors and regions and an assumption of adoption over multiple years constrained by factors such as customer appetite to invest, availability of green electricity and grid transmission capacity.

Decarbonisation of thermal energy, beyond steam

Solutions we refer to as PoweringZero from ETS add a further £4.2 billion to our annual addressable market as we continue to deploy our Low Voltage and Medium Voltage solutions in target sectors and regions to support the electrification of critical industrial processes that currently rely on the direct burning of fossil fuels today. Like our TargetZero solutions, this number assumes adoption over multiple years with take up constrained by the same factors as identified for the electrification of steam generation.

Future expansion of our addressable market

We expect our annual addressable market to expand further linked to IP-related growth, pricing, recoveries in the Biopharm and Semicon sectors and new target high growth sectors.

Evolving from strong foundations...

Solving customer problems has long been at the heart of our differentiated 'Customer Solutions' business model.

What we do

Our products, solutions and expertise are critical to the operating efficiency and safety of our customers' thermal energy and fluid technology processes.

How we create customer value

Our 2,150 direct sales engineers serve our customers through building close, local relationships that focus on consultative, solution-selling and pricing based on the customer's economics.

Our sales are mostly funded from customers' operational budgets rather than capital expenditure and our average invoice size is circa £3,000, so our local customer focus and relationships are key to our success.

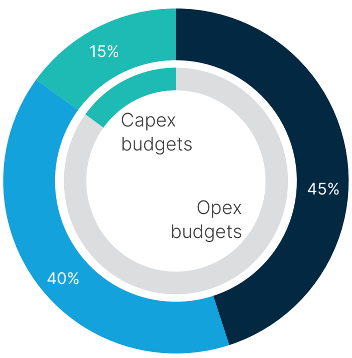
Focus on high growth sectors and applications

We have a global footprint with a direct presence in 68 countries and are highly diversified across sectors. A high proportion of sales are derived from defensive end-markets. This approach enables us to target sectors where our solutions are mission-critical to our customers' processes and reflect the value we provide in our pricing.

Where we focus

How we generate revenue

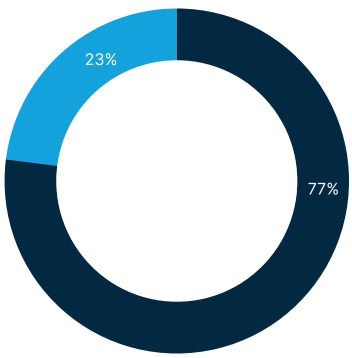
85% of Group revenue is generated from annual maintenance and operational budgets with 40% of Group revenue generated from solution-sales.



- Maintenance and repair sales: typical invoice value £1.5k
- Solution-sales: typical invoice value £10-70k
- Large project solution-sales: typical invoice value >£100k

With strong routes to market

Our direct sales approach plays an important role as our engineers engage with customers to demonstrate the benefits of our products, solutions and services.



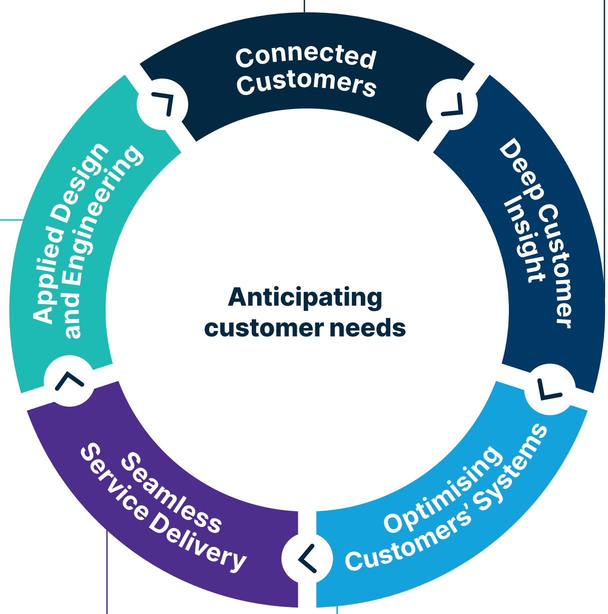
- Direct sales
- Indirect sales

...to create customer partnerships

We know that our customers' needs are evolving and that means the way in which we deliver our solutions is evolving too. At our Capital Markets event in October 2024, we shared how we are building on our already strong and differentiated business model, evolving its focus from **Customer Solutions,** where we understand customer needs, to **Customer Partnership** where we anticipate customer needs. We are doing this by evolving our sales model:

1. Customer Closeness evolves to **Connected Customers**
Our local direct sales presence underpins our close customer relationships. Through being even more highly connected with customers, both physically and digitally, we will move from point-in-time sales to more frequent and even continuous engagement.

2. Deep Process Insight evolves to **Deep Customer Insight**
Our deep process insight and technical expertise delivers solutions that enhance our customers' efficiency, safety and sustainability. Through digitally-led, data-driven insights we will deepen our understanding of customers' specific and critical needs to serve them better.



3. Wide Product Range evolves to **Optimising Customers' Systems**
Our wide product range underpins our tailored approach to improving the efficiency of customers' discrete processes. Through an expanded and holistic understanding of our customers' needs, across multiple processes, we will elevate our optimisation solutions to system and plant level.

4. Responsive Manufacturing evolves to **Seamless Service Delivery**
Our customers rely on our ability to react quickly to their needs and maintain their critical production processes. Through deeper insights and continuous engagement, we will proactively identify their needs, delivering a more seamless service and building enduring partnerships.

5. Applied Engineering evolves to **Applied Design and Engineering**
Our applied engineering skills are critical to solving customers' problems. Through building on our design engineering capability we will deliver the more bespoke solutions that our customers will require in the future.

Our evolving business model is how we will maintain and build on our competitive advantage and drive growth.

Read about how we are already delivering against these aspects of Customer Partnership on pages 12 and 13

Find out how our investment priorities are supporting our evolution to Customer Partnership on pages 26 and 31

Our three engines for growth

Our three high quality growth engines of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions, each tap into significant mega trends and position us for strong growth at attractive margins.

Steam Thermal Solutions

We're leading the way by combining steam technologies with our Electric Thermal Solutions Business to decarbonise the production of steam in customers' facilities.

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

Electric Thermal Solutions

We create electrical process heating and temperature management solutions, including industrial heaters and systems, heat tracing and a range of component technologies. Our electrical process heating and temperature management solutions improve process efficiency through better thermal energy management and control systems.

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

Watson-Marlow Fluid Technology Solutions

Our pump and fluid path technologies provide industry-leading, sustainable solutions to deliver secure and accurate metering, dosing, transfer and filling for niche industries, including Pharmaceutical & Biotechnology, Food & Beverage Production and Healthcare.

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

Long-term ambition

>x2
Industrial Production growth

Sustainable margin:
23.5%+

>x2
Industrial Production growth

Sustainable margin:
20.0%+

High
single digit organic growth

Sustainable margin:
30.0%+

Percentage of Spirax Group Sales by Sector[1]

Food & Beverage **20%**

Pharmaceutical & Biotechnology **18%**

OEM Machinery **11%**

Oil & Gas **7%**

Chemicals **7%**

Power Generation **5%**

Healthcare **4%**

Buildings **3%**

Water & Wastewater **3%**

Semiconductor **3%**

Transport **3%**

Mining & Precious Metal Processing **2%**

1 14% of Group Revenues to 'other' industries including Pulp & Paper, Aerospace & Defence and Textiles

Scan the QR code to find out more

Working together to achieve our ambition

Across the Group we are united in our ambition to deliver long term, compounding organic revenue growth. We will achieve this by working together across our three Businesses and together in partnership with our customers, to evolve to meet the needs of tomorrow's world, capturing the significant opportunity we see ahead of us and delivering on our ambition. We have enshrined this approach in our **Together for Growth Strategy** Growth Drivers.

Our Growth Drivers

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.

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.

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.

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.

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.

Read about the progress we are making in each Growth Driver on pages 45, 49 and 53 of our Operating Review

How we drive long term, compounding growth

1 By addressing our Operational Priorities:

Commercial Excellence
Continued focus on driving organic growth with increased customer-facing time

Operational Excellence
Improving margins through efficiency and optimisation

Organisational Fitness
Simplifying our organisation, reducing duplication

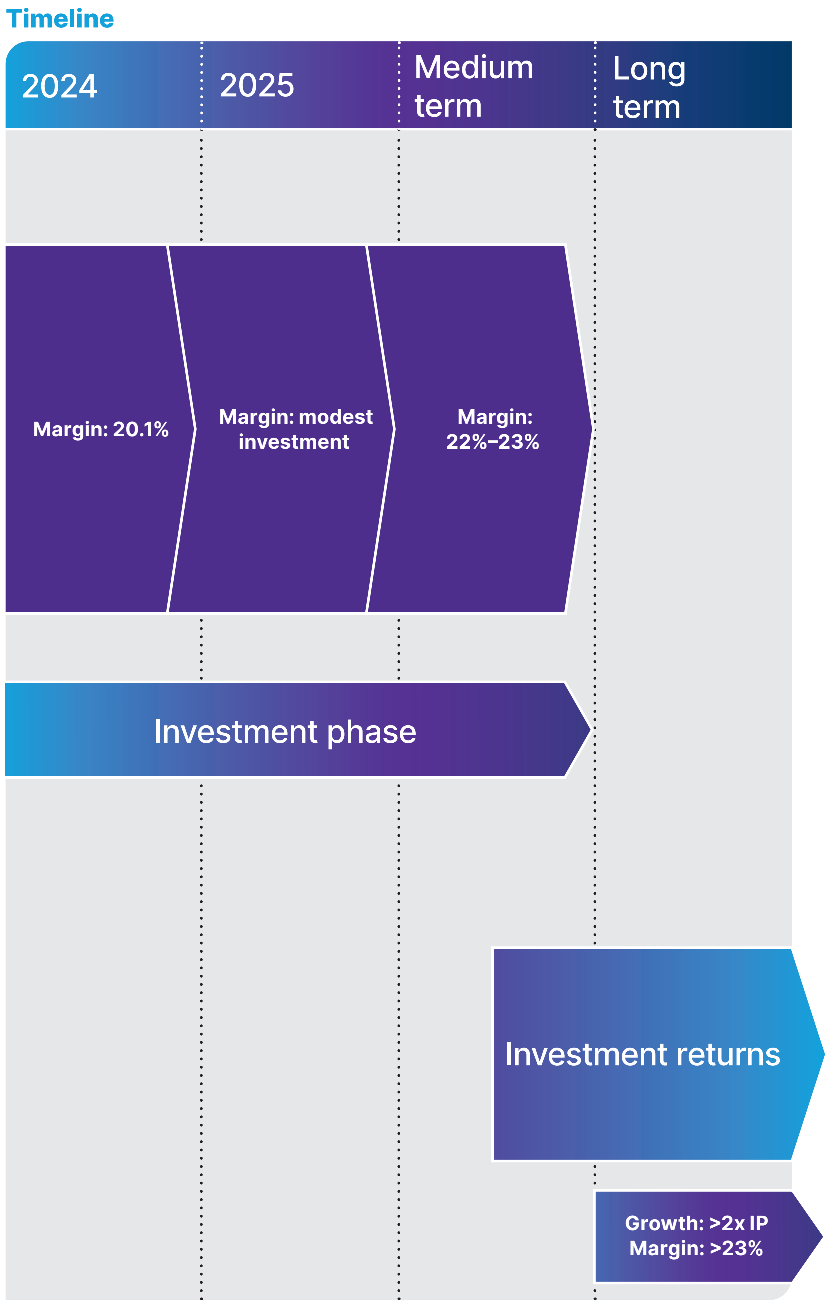
2 We drive growth in the medium term and create capacity to invest...

3 ...in our future growth through two key drivers...

Digital and Services
Driving growth through being more connected to customers

Decarbonising Thermal Energy
Driving growth by enabling the decarbonisation of industrial thermal energy use

4 ...to deliver on our long-term objectives



Preserving local presence...

During 2024, we have been taking steps to simplify our organisation and maintain focus on serving our customers.

Our organisational structure served us well, as we expanded our sales and manufacturing footprint. Today, the Group is larger and more complex with over 140 operating companies (OpCos) compared to fewer than 70 10 years ago. We have a large number of small OpCos with significant duplication of activity. Our manufacturing footprint has also grown significantly and become more fragmented.

Evolving for tomorrow's world means protecting our strengths, such as our local sales presence, while simplifying our structure to leverage our scale.

It also means getting closer to our customers, to understand their needs today, as well as to anticipate their needs tomorrow. Developing more agility in our ability to respond quickly to their changing requirements through our products, solutions and solutions. That's why we are:

- Protecting our direct sales force and maintaining our local presence which underpins our close customer relationships
- Concentrating our operating companies, within our geographic regions, enabling us to leverage our resources and our scale
- Getting even closer to our customers by removing layers of sales management and creating more customer-facing time
- Optimising our manufacturing footprint, closing some smaller sites and relocating production
- Focusing on efficiency gains that enable reinvestment to deliver long-term value, while keeping pace with a challenging trading environment

Evolution in action

EMEA sales restructuring

In STS EMEA we have begun restructuring our sales operations to improve efficiency, reduce complexity and offer our colleagues' improved career paths.

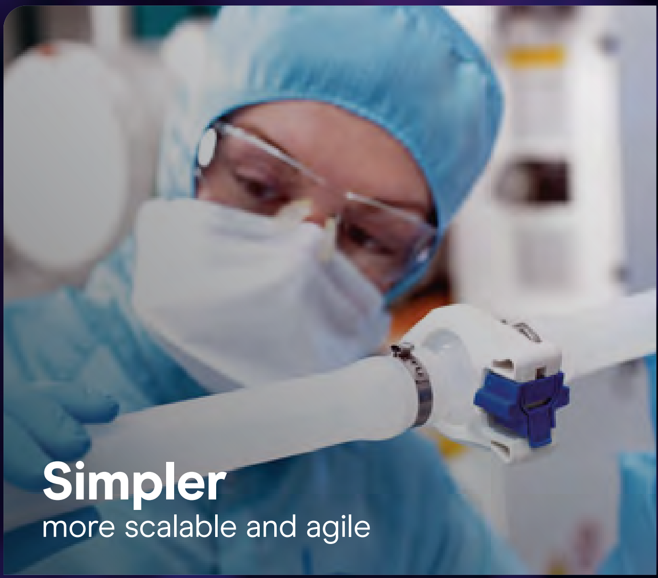
At the end of 2024, we had 19 sales operating companies (OpCos) of varying sizes which meant that there were a number of smaller OpCos which lacked the critical mass to be able to give their full focus to our customers. Through our organisational changes to simplify our structures, we have consolidated into 10 larger units, removing the regional sales layer, bringing our operations closer to the customer, eliminating duplication of efforts, simplifying our administrative processes and reducing overheads.

These steps reflect early progress on our journey towards a new EMEA operating model, with our restructured team focusing on growth and developing new ways of working.

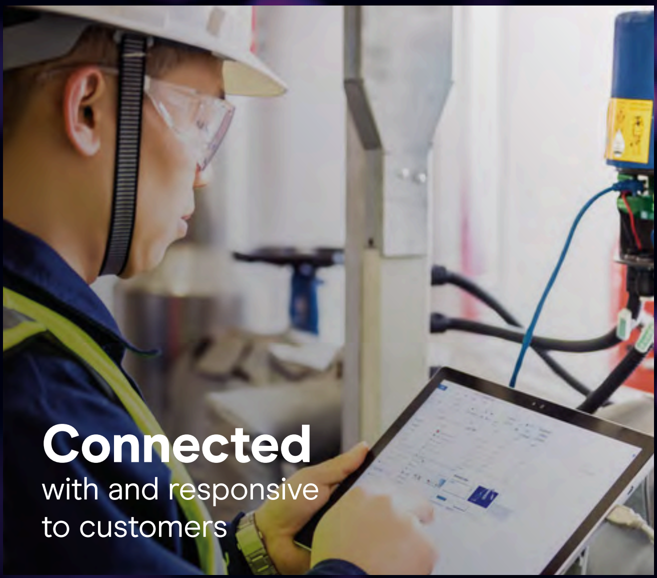
Mai Møllekær, STS Divisional Director, EMEA

...while building a simpler and more customer-focused future

Through these actions we are evolving Spirax Group for the future, building an organisation that is:

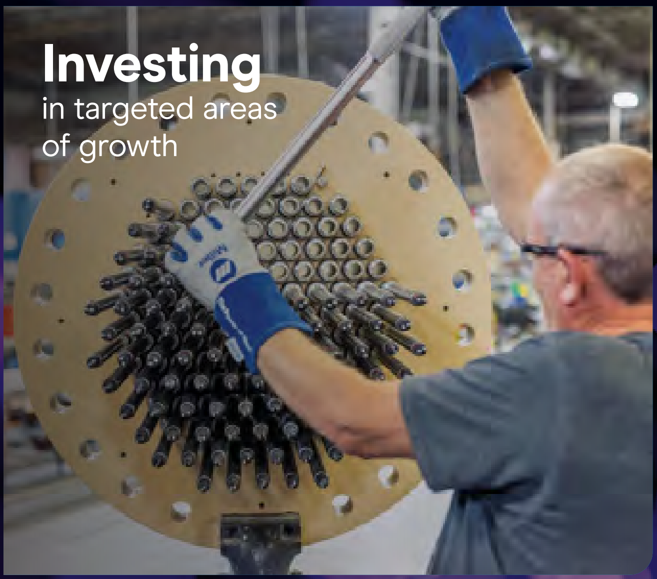


Simpler
more scalable and agile



Connected
with and responsive to customers

Efficient
and better able to leverage specialist capability



Investing
in targeted areas of growth

Links to our Vision

1 2 3 4 5

Read more on page 14

Links to our Together for Growth Strategy

Read more on pages 22 and 23

Using data and insights...

We want to be obsessed with our customers' changing needs. That means understanding the challenges and problems they face today, as well as anticipating their needs in the future.

We will do this by becoming even more connected to customers, augmenting the physical 'walk the plant' capabilities of our 2,150 direct sales engineers (DSEs) with connected and AI-enabled digital products that enable us to 'walk the data'. By leveraging our DSEs deep knowledge of customer operations and product application processes and by collecting and analysing our customers' critical data, we are able to model patterns and predict outcomes, including potential process downtime.

It's these insights that drive our ability to be customer obsessed. By being able to better anticipate customer needs, we become more agile in our ability to respond, providing customers with the right solution, at the right time.

Being digitally connected to our customers also enables us to improve their experience, supporting their end-to-end needs through new services and enhanced solutions, delivered through our 'Connect' IIoT platform, launching in the first half of 2025. The platform will be a critical enabler for driving increased and recurring revenue streams, as well as providing 'always on' customer value delivery.

Through this digital journey we aim to deliver tailored solutions that are firmly rooted in our insights, with expert support to address a broader set of customer needs that demonstrate our evolving role as a trusted customer partner.

Evolution in action

Digital service identifies failure; stops trouble from brewing...

The problem

Our customer, an international brewer, with more than 300 installed steam traps, was impacted by significant steam loss and reduced efficiency due to having limited visibility of real-time performance data.

> "Without the software we would not have identified the failure for a very long time."
>
> **Customer Energy Manager**

The solution

Typically, a steam trap survey would be undertaken annually, meaning that any failures in the system could stay undetected for up to 12 months. The STS EcoBolt Steam Trap Monitoring Service addresses this issue. As part of a trial, STS installed monitors on four steam traps within the main brewing process. By connecting these monitors to our digital platform dashboard, the customer and our sales engineers were able to monitor performance, energy consumption and detect failures in their critical operations.

The impact

The results were immediate, with the dashboard identifying a steam trap having 'failed open'. Without the monitoring in place, the customer would have been unaware that they were losing money, which over the period of one year could have cost as much as £3,200 with 13.2 tonnes of CO_2 being emitted as a result of thermal energy being wasted because of the failed steam trap. With EcoBolt in place, the time from trap failure to replacement was just 23 days. A later survey identified around 15% of the customer's steam traps had failed, demonstrating the significant value potential from digital monitoring for our customers' economics, as well as for our planet.

...to drive our obsession with customers' changing needs

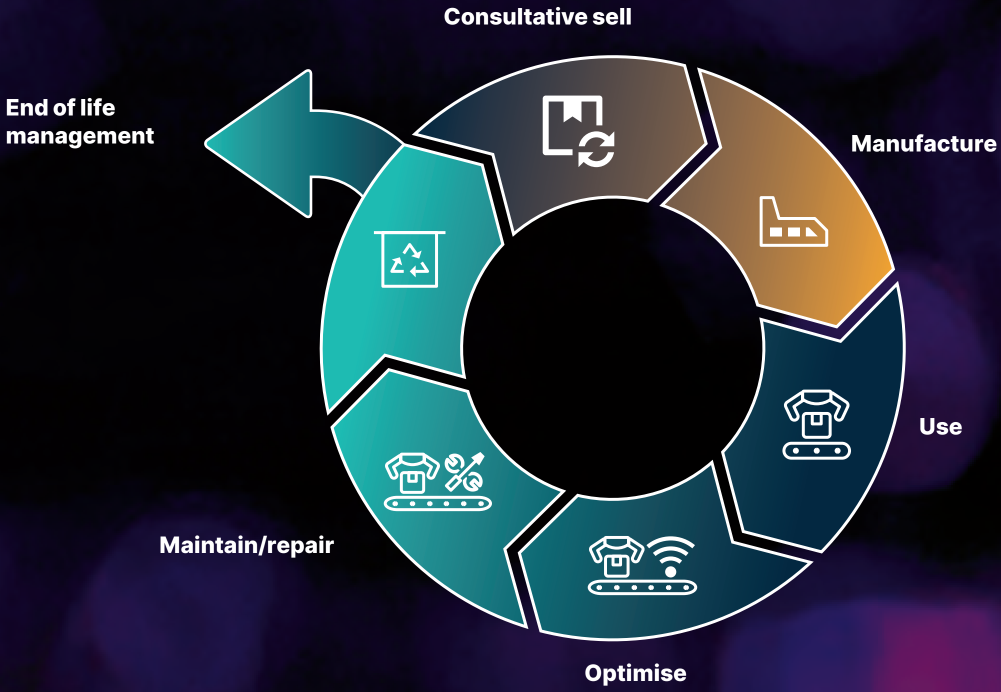
How Digital and Services deliver more customer value;

Insights:
Data is collected and analysed through connected and intelligent products, generating actionable insights that drive better customer solutions.

Enablement:
Best-in-class technology is combined with our application knowledge built over decades of being close to our customers to drive superior customer experience.

Services:
Deeper insights combined with our ability to support customers throughout more of their product lifecycle, create digital services for optimising critical processes, supporting predictive, proactive maintenance, and rapid repair. Keeping our customers' critical processes and equipment operating at maximum efficiency for as long as possible and supporting appropriate end of life product disposal.

Multiple revenue opportunities across the product lifecycle from Digital and Services



Links to our Vision

1 2 3 4 5

Read more on page 14

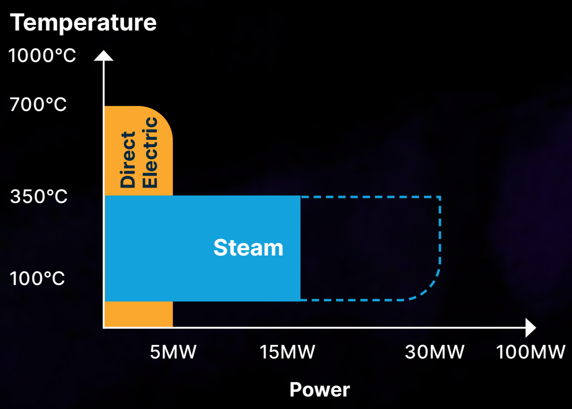
Links to our Together for Growth Strategy

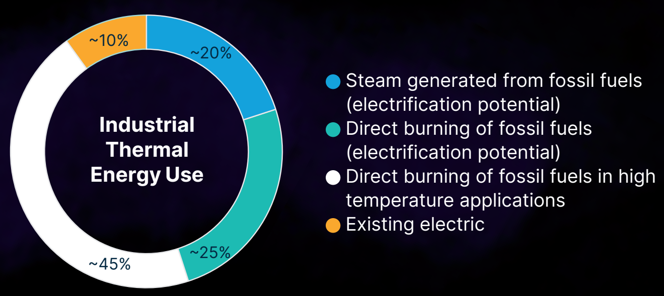
Read more on pages 22 and 23

Well positioned and ready...

Our steam and electric thermal energy management capabilities enable us to deliver solutions that decarbonise industrial thermal energy use and account for >5% of global carbon emissions today.

How we help customers deliver on their net zero requirements





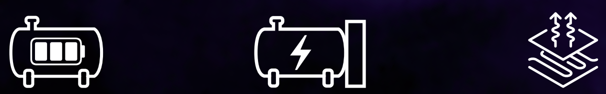
These charts show the sources of industrial thermal energy use and the operating capabilities of steam and electric solutions. Steam is typically utilised at temperatures between 100°C and 350°C, in applications where higher power loads are required. It is also more versatile in its uses and remains the most efficient method of transferring thermal energy from point A to point B. This is why steam remains critical to our customers' processes.

Electric solutions are utilised where higher temperatures are required, typically with lower power loads and where greater control is critical.

As a global leader in industrial thermal energy solutions, there is huge value to be unlocked from our combined expertise. That is our unique proposition. To help our customers reach their net zero goals through electrifying the generation of steam and replacing the direct burning of fossil fuels through direct electric technology. When combined with access to green electricity customers can reduce their scopes 1 and 2 emissions to zero.

And, as we highlighted on page 17 of the Report, this unique capability creates an additional £6.6 billion of annual addressable market opportunity for Spirax Group and highlights why ETS is so important to our future evolution and growth. Through its proprietary technology, proven track record in new product development, along with differentiated design engineering and bespoke manufacturing expertise, ETS' capabilities are critical to the decarbonisation opportunity of:

1. Steam generation through our **TargetZero** solutions



Steam Battery | Electrofit & SteamVolt | HT Heat Pumps

2. Replacing fossil fuel-fired direct heat with electric through our **PoweringZero** solutions

Industrial Process Heaters | Heat Trace | Energy Storage

...to lead in energy transition through decarbonisation

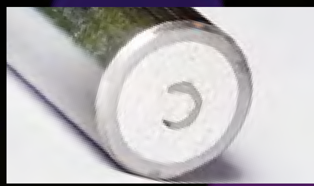
How an 'element' became indispensable to modern life

TargetZero and **PoweringZero** solutions all reply on one seemingly simple component. The electric heating element.

Our heating elements consist of four primary parts:

1 The Nichrome Resistance Wire, which provides the necessary heat

2 Magnesium Oxide Insulation, which offers dielectric strength to contain the electricity while being an excellent thermal conductor



3 The Metal Sheath, which allows the element to be directly immersed in industrial processes

4 The Termination, which seals the element and provides the electrical connection

5 These components are core to our range of Low and Medium Voltage heating solutions that enable decarbonisation of thermal energy use

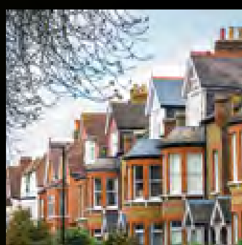
Powering the engineered solutions we all rely on

Our ability to transform these raw materials into highly engineered, mission-critical heating systems is what sets us apart as global leaders in both traditional Low Voltage and Medium Voltage electric heating technology. The element may seem simple, but the technology behind it is complex and highly engineered to deliver solutions essential to everyday life.

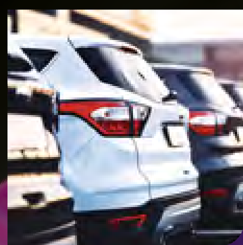
Supporting healthcare

Growing food

Powering technology



Heating homes



Putting cars on the road

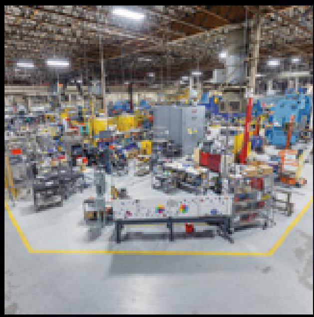
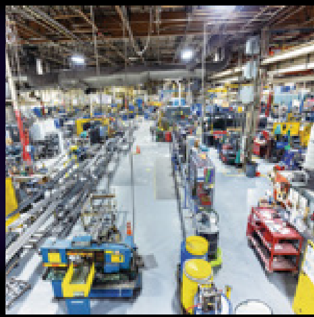
Our LV and MV manufacturing is undertaken at our Ogden facility in Utah, USA, which has already delivered:

10,000
Medium Voltage heating elements

79
projects

137
systems

270MW
of installed capacity


You can read more about how Ogden production is pivotal to the decarbonisation of thermal energy use and the work of our team there to increase throughput on pages 50 and 51.

Investing further in our unique capabilities

As part of our evolution to capture the significant opportunity from decarbonisation, we are also investing further in our skills, capabilities and technologies.

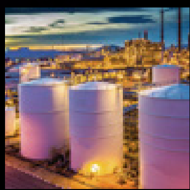
This also includes the next generation technologies required to serve sector specific needs, building on our current capabilities across Low Voltage and Medium Voltage technologies that currently serve sectors with temperature requirements between 400 and 700°C, and increasing these to address sectors with temperature requirements of 700°C and above.

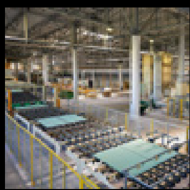
Heating temperature requirements of key industries

<120°C — 1000°C


Food & Beverage


Building & Construction


O&G Processing


Gypsum & Board


Energy Storage


Petrochemical


Metal Processing

Existing LV Technology — Delivering today up to 700°C

Existing MV Technology — Delivering today up to 400°C

Next Generation MV Technology — Coming soon (2025-2026) up to 700°C

Next Generation LV and MV Technology — Longer term (2026+) >700°C

Powering Growth through Powering Zero

ETS has the capability to become a significant growth engine within Spirax Group. The combination of its market leading expertise in its targeted high growth sectors and applications combined with its complementarity to STS, will support delivery of mid-single digit organic growth over the medium term with a clear pathway to a 20% margin.

We have a track record of solving customer problems within their critical applications using our proprietary technologies and we have strong demand tailwinds and a record orderbook in both our Industrial Heating and Industrial Equipment segments.

In combination, the total decarbonisation opportunity we have across Spirax Group is material and that is why we are investing in these capabilities for the pursuit of multi-decade growth.

Read more about the operational improvements and investments we are making in our manufacturing capabilities to support this growth on pages 50 and 51.

Evolution in action

A trusted decarbonisation partner

We recently produced a 43-page assessment report following a visit by an ETS sales engineer to a speciality material manufacturer, producing high-end chemical additives.

Our report identified numerous opportunities across our TargetZero and PoweringZero solutions portfolio to decarbonise the manufacturing footprint and improve energy efficiency through electrification linked to a green electricity source.

And these results are quite typical when taking a holistic approach to thermal energy. Our report identified opportunities to electrify all facets of process heating in their single production plant, including the electrification of steam production through our TargetZero solutions, as well as electrification of their direct process heating and heat tracing needs through our PoweringZero solutions.

In total, we identified opportunities to reduce this plant's carbon footprint by 9,211 tons of CO_2 per year and to reduce their operational energy consumption for thermal processes by 19%.

This is the power of ETS within the Spirax Group. It's what happens when you combine the world's leading steam company with the world's leading electric heating company. You get the world's leading thermal energy capability, able to transition industrial process heating towards a more sustainable future.

Target Zero / Powering Zero

	Steam Systems		Process Heating	
Output	**Carbon** (CO_2/yr)	**Energy** (MWh)	**Carbon** (CO_2/yr)	**Energy** (MWh)
Spirax Group solutions	**0**	**38,128**	**0**	**3,091**

Links to our Vision

1 2 3 4 5

Read more on page 14

Links to our Together for Growth Strategy

Read more on pages 22 and 23

> On an organic basis sales were 4% higher, driven by growth in all three Businesses: STS (1%), ETS (10%) and WMFTS (3%)."

Louisa Burdett
Chief Financial Officer

Continued discipline enabled us to maintain the right mix of operating costs and protect our investment in long-term growth opportunities.

£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.

Fundamentals of financial resilience

The macroeconomic environment continued to be challenging in 2024 with global Industrial Production growth (IP) of 1.7%, with particular challenges in North America (-0.3%) and Europe (-0.3%). Additionally, the Group continued to be impacted by two specific external challenges in the Pharmaceutical & Biotechnology (Biopharm) and Semiconductor (Semicon) sectors, which held back sales progress in WMFTS and margin progress in ETS respectively. Despite this challenging backdrop the financial results reflect the relative resilience of the business model. The Group continued to focus on organic growth supported by its unique direct sales model and continued to invest in key strategic initiatives that will drive future growth including supporting decarbonisation solutions and building additional digital capability. The Group's long-standing track record of increasing returns to shareholders has continued with a proposed year-on-year increase in ordinary dividend of 3%.

The Group's products and solutions continue to support critical industrial processes across a broad range of industries and geographical markets. As in previous years, the Group outperformed Global IP due to our solutions-sales ability (accounting for 40% of sales) and a significant base business in maintenance and repair sales (accounting for 45% of sales). These sales are funded from customers' operating budgets. The remaining 15% of sales are related to large projects, funded from customers' capital expenditure budgets, which are more heavily influenced by economic cycles. Approximately 60% of sales are to defensive, less cyclical sectors and no single customer accounts for more than 1% of Group sales.

Resilience over the short, medium and long term

The Group's business model continued investments to support future growth and strong cash conversion, position us well to adapt to economic cycles. Our Going Concern and viability analysis provides confidence in the robust nature of both the business and capital structure, even when analysed under a number of potential downside scenarios.

The Group has undertaken scenario-based modelling of the key risks identified that could impact the business, the results of which underpin confidence in the short and medium-term resilience of the Group. The continued implementation of the strategy supports longer-term resilience, and the Group continues to closely monitor and respond to the changing external economic, environmental, and social factors that will impact the markets in which the Group operates in the future.

Going Concern Statement

When managing liquidity, the Group's principal objective is to safeguard the 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 $150m of Bank Term loan which matures in October 2025 and is reflected in the cash flow forecast model. The Group's debt facilities contain a leverage (Net debt/EBITDA) covenant of up to 3.5x. Certain debt facilities also contain an interest cover (EBITDA/Net Finance Expense) 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 divided by adjusted earnings before interest, tax, depreciation and amortisation) was 1.6x (31 December 2023: 1.7x), interest cover (adjusted earnings before interest, tax, depreciation and amortisation divided by net bank interest) was 10x at 31 December 2024 (31 December 2023: 10x).

Reverse 'stress testing' was also performed to assess the level of business under-performance 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 cash flow modelling does not consider 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.

Having assessed the relevant business risks (as outlined in our Principal Risks on pages 83 to 87); the potential impact of any climate change related risks (as outlined within the Task Force on Climate-related Financial Disclosures section on pages 88 to 96), and the liquidity and covenant headroom available under several alternative scenarios (as set out in the viability assessment below), the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

Assessment of prospects and viability

The Board assessed the prospects of the Group through its annual strategic and five year financial planning process in June 2024. In conjunction, it considered the Group's current financial position, business strategy, the Board's risk appetite and the potential impacts of the Group's Principal Risks. The eight Principal Risks that have been identified are listed on pages 83 to 87.

The Board has adopted a five-year viability assessment, which it believes to be appropriate as this timeframe is covered by the Group's forecasts; considers the nature of the Group's Principal Risks, a number of which are external and have the potential to impact over short time periods; and is in alignment with the Group's principal committed financing facility duration. While the Board has no reason to believe that the Group will not be viable over a longer period, given the inherent uncertainty involved over more extended time periods, the Board believes that a five-year period provides a reasonable degree of confidence while still providing a longer-term perspective.

In making their assessment, the Board completed a robust assessment, supported by detailed cash flow modelling, of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. In addition to completing an impact assessment of the Principal Risks, the Board considered the probability of the occurrence of the risks, the Company's ability to safeguard against them and the effectiveness of mitigating actions. In every modelled scenario the Group is able to demonstrate that it continues to remain viable. The scenarios modelled that support this process are as follows.

Assessment of viability continued

Scenarios modelled[1]	Links to Principal Risks
Scenario 1: Revenue Fall The Group's operations are subjected to a material and unexpected reduction in demand due to a crisis occurring in China. The crisis in China results in the nationalisation of the China based operations. **Assumptions:** • Sales: Immediate loss of revenue from Chinese businesses. Global IP declines by 8% (in line with 2009 financial crisis), driving an 8% decline in Group Revenue in FY 2025, with recovery back to base case from FY 2027 to FY 2029 • Margin: Immediate loss of profit from Chinese businesses, alongside a reduction in earnings due to decline in sales • FX: Due to global volatility a flight to western currencies occurs. This results in GBP strengthening against all major APAC currencies by 20%	**Risk 1:** Economic and political instability **Risk 2:** Significant exchange rate movement **Risk 5:** Loss of manufacturing output at any Group factory **Risk 7:** Inability to identify or respond to changes in customer needs: Digital/non-Digital.
Scenario 2: Exceptional Charge The Group breaches Anti Bribery and Corruption (ABC) regulations and is subjected to an immediate regulatory fine. As a result, the Group's reputation is impaired causing an immediate reduction in sales. **Assumptions:** • Sales: Non-delivery of sales growth from the 2025 Plan due to reputational damage, resulting in a lost year of growth. Recovery in line with our medium-term plan (MTP) projections from 2026 onwards • Margin: Regulatory fine equal to 10% of 2024 Group Trading Profit levied immediately	**Risk 8:** Breach of legal and regulatory requirements (including ABC laws)
Scenario 3: Cyber Attack A cyber attack utilising ransomware occurs and succeeds in paralysing Spirax Group systems, including ageing ERP platforms that are utilised to provide data insights to respond to customer demands, resulting in an inability to trade. A £25m payment is made to release the ransomware. **Assumptions:** • Sales: 5% of Group Sales are permanently lost due to an inability to trade. Recovery in line with MTP projections from 2026 onwards • Margin: Ransomware payment of £25m is paid immediately to release systems. £20m of additional investment in cybersecurity is made over years 2 to 5	**Risk 3:** Ageing Enterprise Systems **Risk 4:** Cybersecurity **Risk 7:** Inability to identify or respond to changes in customer needs: Digital/non-Digital.
Scenario 4: Acquisition Failure The four ETS businesses (Chromalox, Thermacoax, Vulcanic and Durex Industries) materially underperform their business plan. This leads to poor results and ultimately the disposal of the ETS division. **Assumptions:** • Sales: ETS sales decline by 20% from 2024 results over the scenario period • Cost: ETS goodwill fully impaired in 2025. ETS disposed of at a multiple of 8x EBITDA during 2029	**Risk 6:** Failure to realise acquisition objectives

1 All scenarios modelled assume all debt maturing in the 5-year period is not refinanced

A further scenario was modelled to ascertain what level of revenue or adjusted profit margin reduction would be required to cause a breach of the Group's debt covenants. The reductions in revenue and adjusted profit margin required to breach Group's debt covenants were in excess of 15% within a 12-month period, significantly higher than those modelled in the above scenarios and greater than the impact experienced during the severe global economic downturn in 2009. This scenario assumed no mitigating actions were taken. Mitigating actions available could include reductions in operating and capital expenditure and shareholder dividends.

Whilst linked to the Group's Principal Risks, the scenarios modelled are hypothetical and designed to test the ability of the Group to withstand such severe outcomes. In practice, the Group has an established series of risk control measures that are designed to both prevent and mitigate the impact of such risks. The results of the stress testing undertaken illustrate that the Group would be able to absorb the impact of the scenarios considered should they occur within the assessment time period. In all the scenarios considered the Group remains within its debt covenants.

Viability Statement

Based on the outcomes of the scenarios and considering the Group's financial position, strategic plans and Principal Risks, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Directors' Statement regarding the adoption of the going concern basis for the preparation of the Financial Statements can be found on page 35.

Long-term resilience

The Group has a long track record, over 130 years, of consistently adapting to changing macro-economic, environmental and social factors supported by the business model. While the strategy and business model lessen any material impact from the principal risk factors, the Group nevertheless continuously reviews markets, listens to customers and adapts solutions, while working responsibly and in line with the Group's Values to build long-term sustainability.

The Group has a highly resilient business and strategy that will remain relevant across different climate related scenarios.

We recognise the need to anticipate and mitigate the impact of climate-related change. Although not classed as a Principal Risk for the Group, the TCFD disclosures on pages 88 to 96 detail the anticipated impact of climate change related change on the Group's longer term resilience.

The commitment to net zero targets will have a profound effect on industrial activity over the coming decades and is an additional source of growth for our Group over at least the next 30 years. To address the opportunities arising from the decarbonisation of industrial thermal energy processes, we have invested significantly in the development of sustainable products and solutions that help customers meet their own sustainability goals.

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 £1,632 million and 2024 adjusted operating profit would be approximately 4% lower at £321 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 £5 million. 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.

Louisa Burdett
Chief Financial Officer
10 March 2025

Ten-year financial summary

	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	**2024 £m**
Revenue	667.2	757.4	998.7	1,153.3	1,242.4	1,193.4	1,344.5	1,610.6	1,682.6	**1,665.2**
Operating profit	142.8	174.1	198.9	299.1	245.0	249.0	320.9	318.8	284.4	**304.6**
Adjusted operating profit*	152.4	180.6	235.5	264.9	282.7	270.4	340.3	380.2	349.1	**333.9**
Adjusted operating profit margin*	22.8%	23.8%	23.6%	23.0%	22.8%	22.7%	25.3%	23.6%	20.7%	**20.1%**
Profit before taxation	139.7	171.4	192.5	288.8	236.8	240.1	314.5	308.1	244.5	**258.9**
Adjusted profit before taxation*	151.1	177.9	229.1	254.6	274.5	261.5	333.9	370.6	309.2	**288.2**
Profit after taxation	96.7	121.3	157.9	223.4	167.0	173.9	234.9	225.0	184.0	**191.4**
Adjusted cash from operations	146.2	185.0	203.8	242.9	238.1	275.8	279.0	214.9	281.7	**291.5**
Cash conversion	95.9%	102.4%	86.5%	91.7%	84.2%	102.0%	82.0%	56.5%	80.7%	**87.3%**
Capital expenditure to sales††	5.0%	5.7%	3.8%	3.8%	5.0%	4.2%	4.8%	7.3%	6.3%	**5.6%**
Basic earnings per share	129.9p	165.0p	214.4p	303.1p	226.2p	235.5p	318.3p	305.1p	249.5p	**259.6p**
Adjusted earnings per share*	142.6p	171.5p	220.5p	250.0p	265.7p	256.6p	338.9p	377.2p	312.4p	**286.3p**
Dividends in respect of the year	50.6	55.8	64.4	73.6	81.1	87.0	100.2	112.0	117.8	**121.6**
Dividends in respect of the year (per share)	69.0p	76.0p	87.5p	100.0p	110.0p	118.0p	136.0p	152.0p	160.0p	**165.0p**
Net assets	398.3	524.4	609.5	766.9	826.3	852.3**	1,010.0	1,169.8	1,157.7	**1,209.2**
Return on capital employed†	41.1%	44.8%	49.8%	51.6%	52.5%	48.9%**	59.3%	53.3%	41.6%	**39.2%**
Return on invested capital†	27.1%	28.7%	22.6%	19.3%	19.0%	17.8%**	22.9%	19.0%	14.0%	**13.4%**

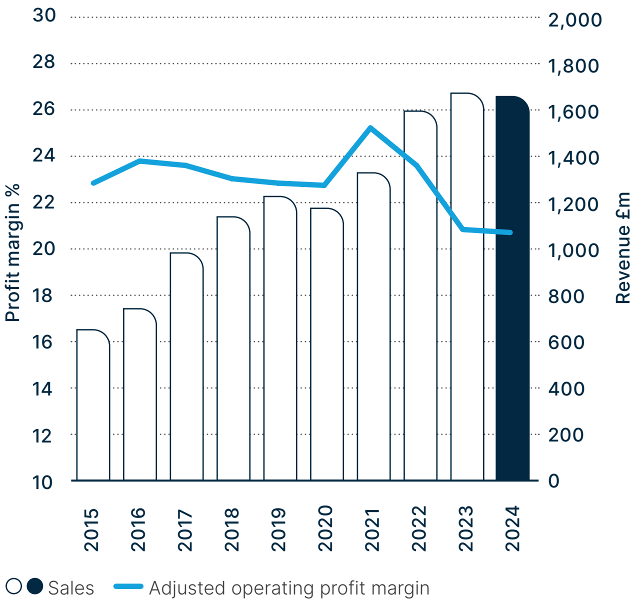
* All adjusted profit measures exclude certain items as set out and explained in the Financial Review and in the Appendix to the Financial Statements

** 2020 has been restated following the IFRS Interpretations Committee agenda decision on configuration and customisation costs in cloud computing arrangements (Software as a Service (SaaS)), see Note 1 to the Financial Statements for further details

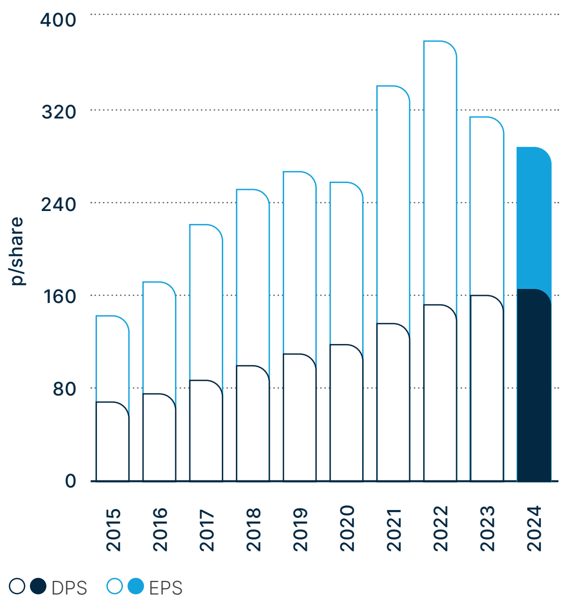
† The results for 2019 to 2024 exclude the impacts of IFRS 16, which was adopted in 2019

†† Capital expenditure excludes IFRS 16 Lease repayments

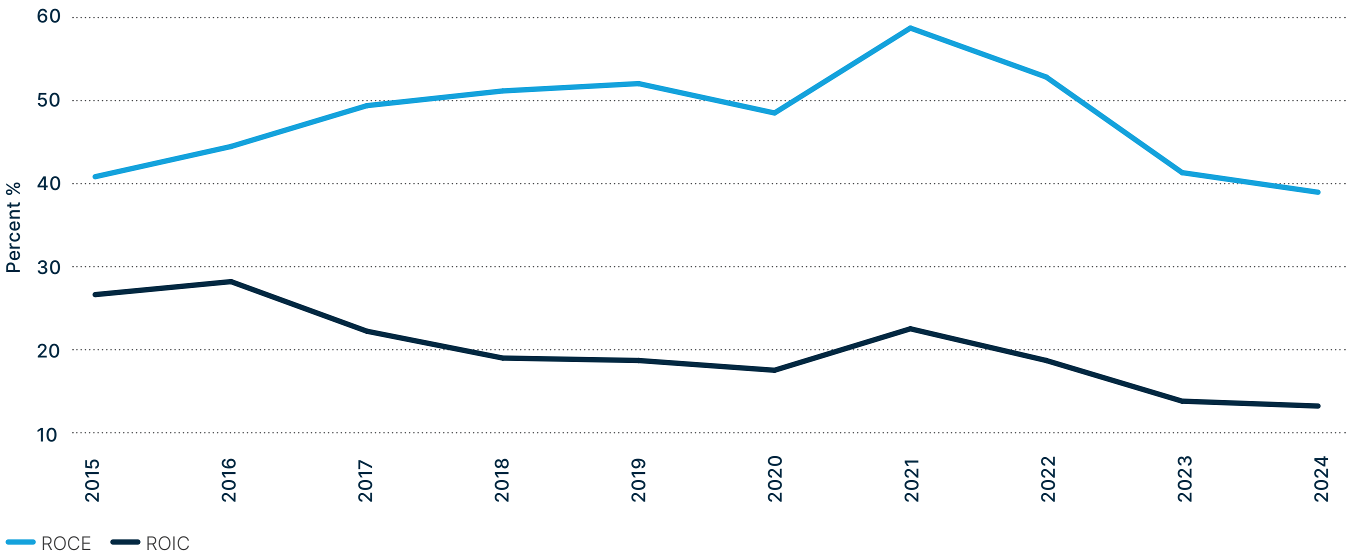
Revenue and adjusted operating profit margin £m/%



Dividends and adjusted earnings per share p



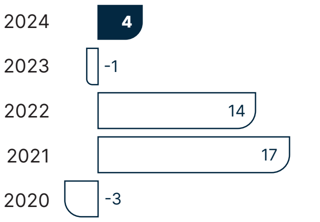
Return on capital employed and return on invested capital %



Key Performance Indicators

1. Organic revenue growth†

4%



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Organic revenue growth measures the change in revenue in the current year compared with the prior year from continuing Group operations. The effects of currency movements, acquisitions and disposals have been removed.

Progress in 2024

Sales increased by 1% organically in Steam Thermal Solutions, by 10% organically in Electric Thermal Solutions and by 3% organically in Watson-Marlow Fluid Technology Solutions.

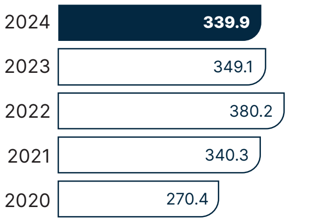
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Revenue growth is a key driver of profit generation and a central element in the annual planning process. Bonus targets are driven off annual plans and therefore revenue growth drives a key measure of variable remuneration.

2. Adjusted operating profit*

£333.9m



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted operating profit is the profit earned from our business operations before interest, taxes, the share of profit of associate companies and certain other items.

Progress in 2024

Adjusted operating profit decreased by 4% on a reported basis, however, stripping out a headwind of 8% caused by exchange rates, it increased by 4% on an organic basis.

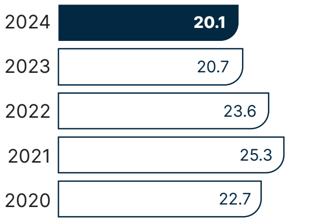
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

A significant proportion of Executive Directors' bonuses are based on the achievement of adjusted operating profit targets.

3. Adjusted operating profit margin*

20.1%



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted operating profit margin is defined as adjusted operating profit expressed as a percentage of revenue.

Progress in 2024

Adjusted operating profit margin decreased by 60bps to 20.1%. On an organic basis, the adjusted operating profit margin increased by 10bps.

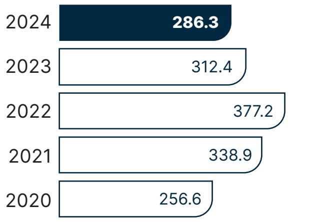
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Executive Directors' variable remuneration is based on a number of financial components of which adjusted operating profit margin is a key driver.

4. Adjusted earnings per share (EPS)*

286.3p



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Adjusted EPS is a measure of the profit performance of the Group, taking into account the equity structure. Adjusted EPS is defined as the adjusted after-tax profit attributable to equity shareholders divided by the weighted average number of shares in issue.

Progress in 2024

Adjusted EPS decreased by 8% to 286.3 pence, in line with a decrease in adjusted profit before tax.

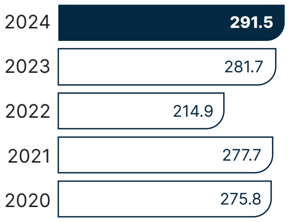
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Adjusted EPS growth over a three-year period is a key measure within the Group's Performance Share Plan.

5. Cash generation*

£291.5m



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Cash generation is adjusted operating profit after adding back depreciation and amortisation, less cash payments to pension schemes in excess of the charge to operating profit, equity settled share plans, net capital expenditure excluding acquired intangibles, working capital changes and repayment of principal under lease liabilities.

Progress in 2024

Cash conversion improved to 87%, driven by a change in phasing of larger capital projects and lower working capital outflows.

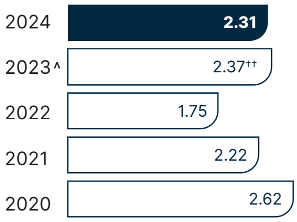
Read about the progress we have made in 2024 in our three Businesses in the Operating Review on pages 42 to 55

Link to remuneration

Cash conversion is one of two financial measures on which Executive Directors' variable remuneration is based.

6. All-workplace Injury rate#

2.31



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

The number of workplace injuries per 100,000 hours worked. The workplace is any location in which an employee is present as a requirement of employment. Employees include all permanent and temporary staff and contractors. All injuries that occur in workplaces, regardless of cause.

Progress in 2024

Our all-workplace injury rate decreased 2.5% during 2024^ (9% excluding our acquisitions, 1.66†† in 2023 to 1.51 in 2024). Furthermore, it is encouraging that serious lost time incidents across the Group fell from 18 to 5, which is an indication that our wider risk reduction strategy is continuing to make an impact.

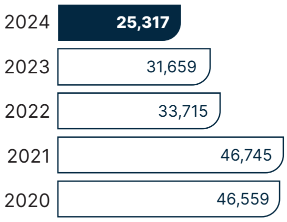
Read about the progress we have made in 2024 in our three Businesses in the Sustainability Report on pages 56 to 77

Link to remuneration

The safety of our colleagues is central to the sustainability of our business and has an impact on the financial success and profitability of the Group. Improving the health, safety and sustainability of our Group is one of the personal strategic objectives of each Executive Director, creating a direct link with remuneration.

7. Group GHG emissions (scopes 1 and 2) tonnes CO_2e (market-based)**

25,317



Link to Principal Risk

1 2 3 4 5 6 7 8

Definition

Scope 1 greenhouse gas (GHG) emissions: Direct emissions from company-owned or controlled sources (e.g., vehicles, fuel combustion). Scope 2 market-based GHG emissions: Indirect emissions from purchased electricity, considering contractual and supplier-specific emissions factors.

Progress in 2024

GHG (scopes 1 and 2) decreased by 20% compared to 2023 and by 52% against our 2019 baseline, meeting our 2025 target a year early. Achieved through a combination of energy efficiency, decarbonisation initiatives and a transition to renewable electricity.

Read about the progress we have made in 2024 in our three Businesses in the Sustainability Report on pages 56 to 77

Link to remuneration

GHG emission reductions over three-year periods accounts for 20% of the Performance Share Plan opportunity.

Principal Risks

1. Economic and political instability
2. Significant exchange rate movement
3. Ageing Enterprise systems
4. Cybersecurity
5. Loss of manufacturing output at any Group factory
6. Failure to realise acquisition objectives
7. Inability to identify and respond to changes in customer needs: digital/non-digital
8. Breach of legal and regulatory requirements (including ABC laws)

Link to Principal Risk key:

- Direct link
- Indirect link
- No link

See our Principal Risks on pages 83 to 87 of our Risk Management Report

For more information about remuneration, see pages 129 to 147

† Organic growth is at constant currency and excludes contributions from acquisitions and disposals, see the Appendix to the Financial Statements.

* Adjusted measures exclude certain items as set out and explained in the Financial Review and in the Appendix to the Financial Statements.

^ Includes 2022 acquisitions from this date

Per 100,000 hours worked

†† Adjusted from 1.55 following an audit by Group H&S

** Includes Vulcanic and Durex Industries: estimated data 2019-2022, actual data 2023-2024

Market environment and operational performance at a glance

Market environment

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.

		2024		2025
Industrial production growth (IP)	**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.

Growth Drivers

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

For more information on our Growth Drivers see page 22

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.

Progress in 2024:

Revenue (£)
£867.9m
(2023: £910.1m)

Adjusted operating profit (£)
£204.1m
(2023: £224.0m)

Adjusted operating profit margin (%)
23.5%
(2023: 24.6%)

Statutory operating profit (£)
£198.9m
(2023: £205.2m)

Statutory operating profit margin (%)
22.9%
(2023: 22.5%)

Operating units
61

Countries with a resident direct sales presence
67

Colleagues
5,000+

Key industries

- Food & Beverage
- OEM Machinery
- Pharmaceutical & Biotechnology
- Chemicals

Read more on page 21

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.

Progress in 2024:

Revenue (£)
£404.6m
(2023: £378.5m)

Adjusted operating profit (£)
£64.7m
(2023: £59.2m)

Adjusted operating profit margin (%)
16.0%
(2023: 15.6%)

Statutory operating profit (£)
£46.1m
(2023: £25.8m)

Statutory operating profit margin (%)
11.4%
(2023: 6.8%)

Operating units
36

Countries with a resident direct sales presence
20

Colleagues
2,700+

Key industries

- Power Generation
- Semiconductor
- Oil & Gas
- Food & Beverage

Read more on page 21

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.

Progress in 2024:

Revenue (£)
£392.7m
(2023: £394.0m)

Adjusted operating profit (£)
£99.0m
(2023: £93.7m)

Adjusted operating profit margin (%)
25.2%
(2023: 23.8%)

Statutory operating profit (£)
£90.3m
(2023: £81.2m)

Statutory operating profit margin (%)
23.0%
(2023: 20.6%)

Operating units
47

Countries with a resident direct sales presence
42

Colleagues
2,000+

Key industries

- Pharmaceutical & Biotechnology
- Food & Beverage
- Water & Wastewater
- Healthcare

Read more on page 21

Steam Thermal Solutions

"Against a challenging macroeconomic backdrop, STS continued to focus on target, higher growth sectors and increasing MRO and solution-sales from our large installed base."

Maurizio Preziosa
Managing Director, Steam Thermal Solutions

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 benefitted 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 on pages 12 and 13).

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%.

Growth focus: China MRO

Pivoting…

STS China is one of the Group's largest operating companies (OpCos). It was established 30 years ago and today represents approximately 15% of Steam Thermal Solutions (STS) sales.

Over three decades STS has successfully grown in China, primarily through supporting Capex-related investments in country from foreign and domestic customers as they expanded their manufacturing capacity, leading to a significant installed base of our products.

Over this long period, the nature of these expand and refurbish (E&R) projects has changed in line with demand, with the focus, during and immediately after the COVID-19 pandemic, shifting to support customers in the fast growing Pharmaceutical and EV battery sectors.

More recently, growth in China has been affected by a number of factors: the slowdown in foreign direct investment; increasing barriers to trade in the form of tariffs; as well as a deteriorating macroeconomic environment post COVID-19, due to the slowdown in the Pharmaceutical sector and a drop off in the EV battery sector due to over-capacity.

This impacted demand for E&R projects funded from customers' capital budgets, which accounted for over 60% of STS sales in 2023.

In early 2024, recognising that these unfavourable market conditions were set to continue over the medium term, our team in China began pivoting to increase their focus on, and growing orders related to, process optimisation and MRO activities, from this large installed base of maturing plants, typically funded by customers' operating budgets.

...to drive growth in a challenging market

This activity started with workshops to develop the appropriate Customer Value Propositions (CVPs) that address our customers' most common pain points and included:

- Reviewing the installed base, built up over many years, to identify material customer opportunities and target the efforts of the direct sales engineers
- Developing CVPs to help deepen knowledge of customer-specific processes, including questions to help identify customer problems and tools to quantify the benefit for customers, whether through reducing cost or increasing volumes
- Hiring specialist MRO direct sales engineers to support regions and sectors where we have critical mass
- Training existing E&R sales engineers to better understand and deliver MRO sales
- Realigning incentive plans

As a result of their sector focus, targeting high growth sectors such as Food & Beverage the China OpCo has successfully been driving sales, achieving double-digit growth from MRO in 2024.

We have also leveraged the China OpCo team's in-depth knowledge and large project expertise to drive growth in our target sectors outside of China. This has been achieved through tracking international projects being undertaken by Chinese companies abroad, such as for the Electric Vehicle Battery sector. The China team is sharing their intelligence and collaborating more closely with other Spirax Group teams operating in the relevant countries where the projects are active.

Although it will take time for MRO and new products growth to compensate for the decline in E&R projects, these actions demonstrate the China team's ambition to adapt and drive growth in very challenging market conditions, while continuing to meet our customers' evolving needs.

Electric Thermal Solutions

> As ETS continues to improve operational performance, increasing shipments and reducing lead times, we anticipate further strengthening of our market position and customer relationships.

Andrew Mines
Managing Director, Electric Thermal Solutions

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.

Growth focus: Low and Medium Voltage Solutions

Operational Excellence...

The importance of Medium Voltage (MV) technology

As countries convert their power generation to renewable, carbon-free sources, our electric resistive heaters can convert that electricity into carbon-free process heating at virtually 100% efficiency.

By leveraging the more efficient power of MV, reducing the amount of current used to deliver that power by a staggering 16 times when compared to traditional Low Voltage solutions, MV delivers:

- 5 to 10 times more heating power into processes
- Lower costs of installation and higher efficiency
- Reduced Capex and substantial long-term operational cost savings

The role of Chromalox, Ogden

Chromalox's Ogden manufacturing facility in Utah, USA is of critical importance to the growth of the ETS Industrial Process Heat (IPH) Division and to ensuring that ETS achieves its full potential as a significant growth engine within Spirax Group.

Ogden is where Chromalox's proprietary Low and Medium Voltage heating solutions are manufactured. These heaters, which can weigh 15,000 kg and measure up to 5.6m x 2.0m x 2.6m, are designed to meet a customer's specific requirement and can take beyond 24 months from design to shipment. The size, scale and bespoke nature of these heating solutions, combined with growing demand for IPH solutions to support the decarbonisation of industrial thermal energy use, has presented historic challenges for the team, delaying shipments and creating supply bottlenecks.

Addressing historic challenges

During 2024, in response to these historic challenges and with the support of new leadership, the Ogden team demonstrated how they are 'together for growth' by leveraging our Values of Collaboration, Customer Focus and Excellence to unlock these supply bottlenecks.

Recognising that the customer-specific requirements for each heater often presents new and significant challenges when moving from the design phase into manufacturing, work has been underway to reduce the levels of individual configuration required for each heater. By analysing customer needs, production processes and then building 'block designs' to standardise the base design elements, the team has eliminated 20-30% of the variables required for each heater, while still meeting the customer's individual requirements.

The Ogden team has also improved production planning, redesigned the plant layout, created standardised manufacturing processes and reduced rework and scrap rates.

...powering growth at Chromalox, Odgen

We are making clear progress:

22

Medium Voltage solutions manufactured in 2024 (2023: 19)

~40%

increase in Ogden sales in 2024

20+%

reduction in backlog

Improved routings

Improved resource planning

Reduced complexity

Reduced tooling requirements

Reduced scrap rates

Higher productivity/ reduced lead times

Collaboration and best practice

The team has also worked collaboratively across ETS, bringing in tried and tested processes from Vulcanic which leads the production of IPH solutions in Europe. By integrating these processes into their workflows, the Ogden team has created more effective alignment and handover across the quote, applied engineering, design engineering and manufacturing phases.

Recognised for Operational Excellence

As part of our Operational Excellence focus, production teams have used Lean Manufacturing events to enhance customer service, cash flow and profitability. The 'MaxiZone' area team held a 'Kaizen' event, reconfiguring the space to boost efficiency and throughput. A similar event in the 'Air Heater' area also improved efficiency and throughput. Both teams were recognised in the Group's Operational Excellence Quarterly Awards.

These and other initiatives being taken at Ogden are producing encouraging results. During 2024, increasing production of LV and MV heaters has delivered close to 40% sales growth.

Investing in growth through expansion

We are also making good progress with the Ogden expansion project. Our US$58 million investment to add 100,000 square feet to the facility, expanding its capacity by 60%, is progressing well with first production due in the second half of 2025. The shell and core have been completed on time and within budget.

Fulfilling our potential

Strong operational performance from Odgen is critical to ETS fulfilling its potential to deliver organic growth of above IP and margins above 20%.

MV technology has opened up a vast new market opportunity as these highly engineered, completely customised systems are integral to the success of our customers' processes. Our heaters are installed in mission-critical applications across industries, from solar production to petrochemicals and from power generation to pulp and paper.

A major chemicals manufacturer wanted to decarbonise their mission-critical chemical production process which relied on traditional carbon-emitting direct-fired heaters to elevate their chemical gas to 500°C at 300 PSI. Through solution-selling and engaging directly with the customer to understand fully their process requirements, we proposed a custom-engineered 500kW system. This was successfully delivered in 2024.

Watson-Marlow Fluid Technology Solutions

"During 2024, WMFTS saw strong demand growth in our focus sectors of Water & Wastewater, Food & Beverage and Mining and we increased our market share.

Stuart Roby
Managing Director, Watson-Marlow Fluid Technology Solutions

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%.

Growth focus: Process Industries

Precious resources...

In Process Industries, which accounts for ~50% of WMFTS sales, strong organic revenue growth was driven by the focus sectors of Water & Wastewater, Food & Beverage and Mining, despite a backdrop of weaker IP.

Dale Kavanagh
Sales and Business Development Manager, WMFTS

Dale Kavanagh, a Sales and Business Development Manager for WMFTS, explains how WMFTS' sectorised approach adds value to the UK Water & Wastewater sector, as well as our customers and drives our growth.

Q What is a sectorised approach?

A 'sectorised' approach simply means really focusing in on a specific sector, with a dedicated team of specialists who can break it down into the relevant sub-sectors. In doing so, we develop deeper insights on customer-specific needs, technical and process expertise, as well as sector trends and understand how to best position ourselves.

Q Why has that been important for the UK Water & Wastewater sector

Since privatisation in 1989, the Water Services Regulation Authority (OFWAT) has implemented the Asset Management Plan (AMP), a five-year cycle that monitors and directs investments to ensure water quality remains safe and affordable.

The AMP is delivered through 12 water and sewerage companies, each overseeing extensive regions, and 13 'water-only' companies serving specific areas. These entities are supported by Tier 1 and Tier 2 contractors for new plant build and the construction of modular systems, while daily maintenance, repair and operations (MRO) are handled by the companies' in-house teams. By implementing a sectorised approach we have been able to get much closer to the customer, working with their teams to educate and support in the initial system design as well as educating the teams responsible for MRO, on the benefits of switching to peristaltic pumps.

...deserve focus and precision

Q What is WMFTS' customer value proposition to help deliver the AMP?

UK regulations mandate that utility companies employ precise chemical dosing to maintain water quality standards. Industry specifications are in place to ensure equipment reliability and performance. Recognising the importance of industry alignment, WMFTS collaborated with the Water Industry Membership organisation Pump Centre, in the development of their new Water Industry Mechanical and Electrical Specifications to incorporate peristaltic dosing pumps alongside diaphragm pumps, which have historically been the pump of choice. This engagement with the industry regulator is part of our multi-layered stakeholder approach to position our products and solutions.

Our Qdos range of peristaltic pumps are designed to precisely meter and accurately dose, with repeatable flow for fluids with wide ranging viscosities.

Q How is WMFTS' approach different?

Our pumps can function on a standalone basis at a customer site or as part of a bigger equipment 'skid'. Depending on the customer and application, our fluid technology solutions are adapted and configured to meet the customer's specific needs. Sometimes that means direct provision and at other times, it's through an existing vendor such as an OEM.

A good example of a strategic partnership is with UK system (skid) builders that design chemical dosing systems for the major utility companies. By educating partners on the total 'cost of ownership' and 'return on investment' benefits of the Qdos range, we have secured specifications and approved supplier status with a number of leading water utility companies.

Q When do we support customers directly?

Our direct sales engineers continue to 'walk the customer's plant' whether that's to check on existing installed equipment or to find opportunities to deliver a more efficient, safer or sustainable outcome for the customer. In doing so, they ensure our customers stay informed about the incredible advantages of peristaltic technology and the role these products and solutions can play in delivering existing and future cycles of the AMP. Equally, if we do not have a suitable offering, our sales engineers are clear on this and advise the customer accordingly, further extending our customer's trust in our approach.

Our relationships have been built through long-term partnerships with customers, strategic partners and industry regulators. We believe this will be further strengthened by the recent reorganisation of the WMFTS EMEA Sales division to deliver an even more focused and sector driven approach.

Sector focus in action

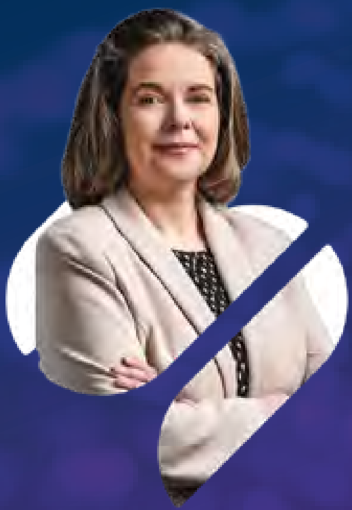
After more than five years of parallel collaboration across regions with one leading Chemical vendor customer, WMFTS signed a global pricing agreement with them in July 2024.

The vendor supplies thousands of metering pumps to customers using chemicals in their water treatment applications. The vendor made the decision to switch from diaphragm pumps to Qdos peristaltic pumps for the most demanding and critical applications due to the high levels of accuracy and reliability needed.

Based upon their positive customer experience of working with WMFTS in both the Americas and in Europe, as well as the quality and benefits of the pump, the vendor signed a global pricing agreement that has also opened doors to new markets, Asia Pacific and Latin America, as well as new sub-sectors in Water treatment and Sanitary.

Through this focused approach, sales to this one vendor customer grew by 60% in 2024, compared to 2023, representing over 500 Qdos pumps sold

One Planet Sustainability Strategy progress review



> Our strategic initiatives have made substantial progress this year, including achieving our 2025 targets for greenhouse gas emissions, water and waste reductions a year early."

Sarah Peers
Group Sustainability Director

In 2024, we continued to advance our commitment to sustainability through our **One Planet: Engineering with Purpose** Sustainability Strategy. **One Planet** is a comprehensive, Group-wide strategy designed to drive sustainability across all aspects of our operations, from how we source materials, develop, manufacture and sell our products, to how we create value for our customers and support our communities, ensuring we protect people and the planet as we grow.

During 2024, the Spirax Group Executive Committee reaffirmed the importance of our sustainability commitments with **One Planet** continuing to form part our new **Together for Growth Strategy**. Integrating sustainability into our core business practices, not only contributes to a healthier planet but will also enable us to unlock new opportunities for future innovation and growth.

Summary of progress against key targets

Our strategic initiatives have made substantial progress this year, notably achieving our 2025 targets for greenhouse gas emissions, water and waste reductions a year early.

We have made progress against our biodiversity net gain targets, with our sites completing over 160 local biodiversity projects during the year and we have matured our approach to product design, through the development of an eco-design toolkit. We continued to embed sustainability into our supply chain management and supported our communities through colleague volunteering, charitable donations and our Spirax Group Education Fund.

We also have maintained a focus on our Responsible Business Foundations, making investments in health and safety (H&S), supporting the professional development of our colleagues, and ensuring that we operate ethically and in line with our values.

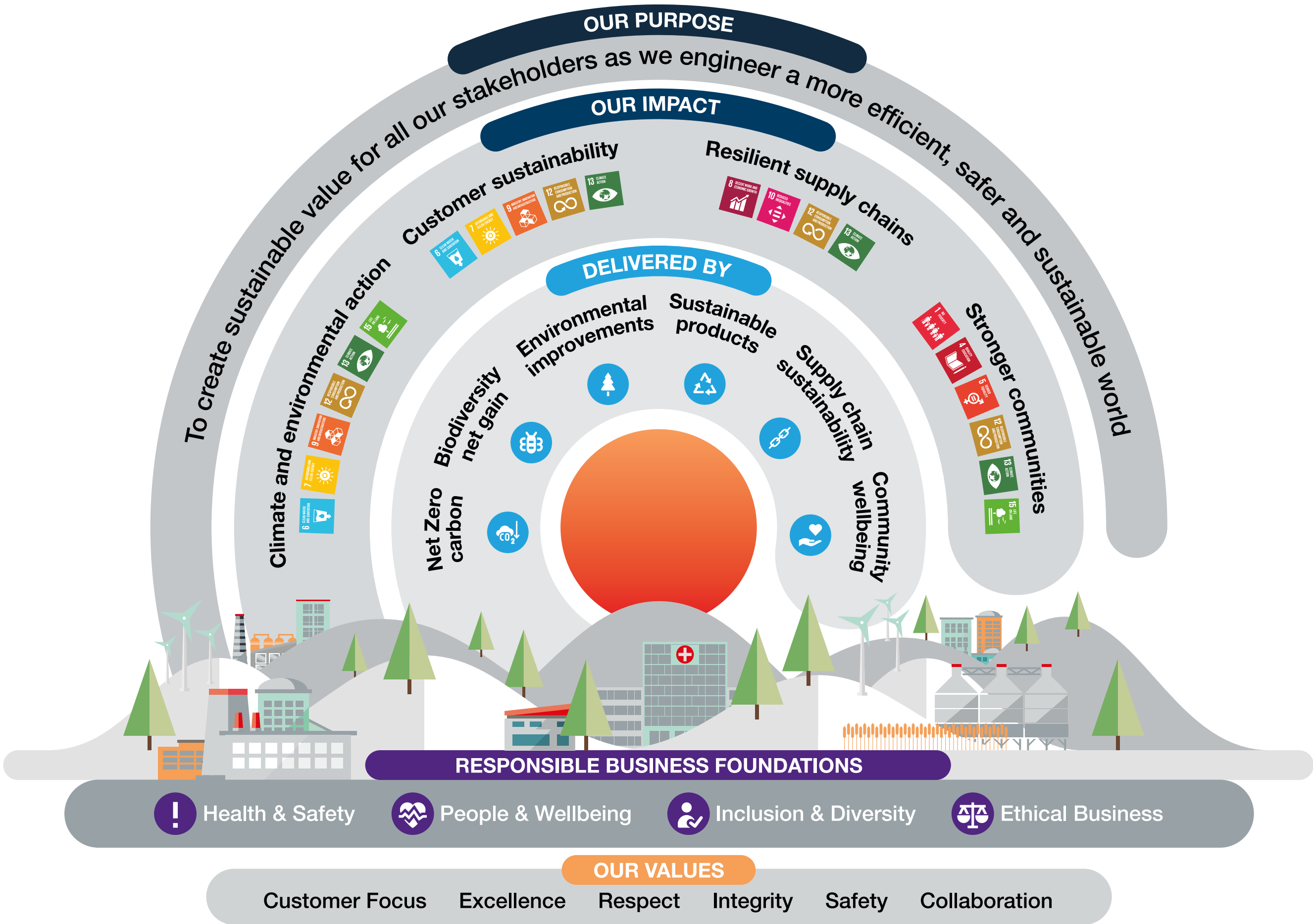
We also reviewed our **One Planet** targets, against a backdrop of technical complexities for specific initiatives and our broader strategic priorities, and believe they remain relevant, with the exception of the solvent-based paint transition in our STS Business (see page 74). As we focus on delivering sustainable growth for all our stakeholders, this may impact the delivery of some of our 2025 targets, such as charitable donations and colleague volunteering hours. However, our commitment to sustainability and making progress against our targets remains firm, while balanced against business needs.

Compliance with CSRD and EU Taxonomy

As a UK-listed company with significant business operations in Europe, throughout 2024 we proceeded on the assumption that a number of Spirax Group's subsidiary entities within the EU would come into scope of the Corporate Sustainability Reporting Directive (CSRD) from 1 January 2025, for reporting in 2026. During the year, we spent considerable time, effort and resources to develop our approach to CSRD and the EU Taxonomy, and prepare for implementation.

As part of our preparation for CSRD reporting, we finalised a double materiality assessment (DMA) in 2024, engaging with representatives from across our stakeholder groups. The DMA confirmed that our **One Planet** Sustainability Strategy remains relevant and appropriate for the Group and, combined with our Responsible Business Foundations, covers the key topics that are material for our business, as well as topics that are less material but as an ethical business we believe are important to continue to pursue.

Under the European Commission's 'Omnibus proposal', released on 26 February 2025, some of our European entities are expected to fall out of scope and CSRD compliance is expected to be delayed by two years for European entities that remain in scope for reporting. Like



many other companies who we engage with and benchmark against, we have found that the extent and scope of CSRD poses many logistical challenges, and thus the proposed delay is a welcome announcement.

Throughout 2025, we will continue to monitor developments closely to ensure that we are able to meet any regulatory reporting requirements but will slow the pace of CSRD implementation to align with the expected delayed compliance timeline. We will continue to strengthen our data reporting processes and controls, and remain committed to transparent and relevant sustainability reporting that meets the needs of stakeholders.

Controls processes and assurance provider change

Throughout 2024, we worked closely across the Group with our Internal Controls team on the design of critical, mandatory and best practice controls, to support compliance with upcoming changes to the 2024 UK Corporate Governance Code. We found that we broadly have appropriate controls in place but identified some additional controls, particularly around data management, that we will seek to embed during 2025. These include increased controls around user access to our reporting systems, enhanced data checks for material sites and strengthened documentation of some data policies and processes.

During 2024, following a tender process, we appointed Deloitte as our new ESG assurance partner for key data sets in the 2024 Annual Report (scopes 1 and 2 greenhouse gas emissions, global and UK energy consumption, partial scope 3 greenhouse gas emissions and water use) and for CSRD going forward.

Our Responsible Business Foundations

Our Responsible Business Foundations underpin all our sustainability efforts. These foundations are built on our Values and commitment to operating ethically and responsibly. (For more information see pages 58 to 63.) They guide our actions and decisions, ensuring that we integrate sustainability into every aspect of our business.

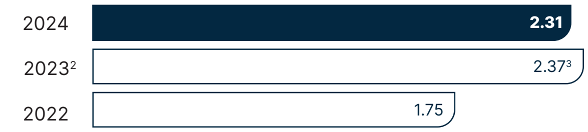
During 2024, we made further progress in strengthening our Health and Safety culture, systems and processes, remaining focused on ensuring that our colleagues can come to work, be themselves, thrive and return safely at the end of their day. (Read more on page 59.)

Sarah Peers
Group Sustainability Director

Health and Safety

Alignment with UN SDGs

All-Workplace Injury Rate[1]



Serious Lost Time Accident Rate[1]

Completion of Group H&S Excellence Framework (% Complete[4])

1 Per 100,000 hours worked
2 Includes 2022 acquisitions from this date
3 Adjusted from 2.24 following an audit by Group H&S
4 Subject to continual assurance by Group H&S and Internal Audit
5 Excluding 2022 acquisitions

Health and Safety (H&S) is a core Value and our first priority. Nothing is more important, which is why we endeavour to operate beyond compliance. Across the world, our teams proactively strive for continuous improvement and remain vigilant to potential risks.

We encourage all colleagues to play a vital role and speak up if they have concerns, as we have a collective responsibility to do the right thing, even when no one is looking.

Progress

The Group H&S Excellence Framework, now moving into its third year, remains a key enabler for our focus. It provides the structure for continuous improvement, active engagement and oversight on a wide range of risk reduction targets across the **C**ulture, **A**ssurance, **R**isk and **E**nablement (**C.A.R.E.**) framework. Alongside this internal framework, we are aligned to external certification, with the number of Group companies certified to H&S Management Standard ISO 45001 or equivalent at 44 (2023: 50). The reported reduction in the number of certified Group companies, is due to the consolidation of scoping at locations.

During the year, H&S improvement highlights included: pedestrian and vehicle management, contractor control, root cause analysis training and machinery safety. We continue to support all our locations dependent on their stage of maturity, as well as refining our assurance at all levels, where opportunities to improve and learn have been identified. An example being the introduction of Group H&S audits, which in addition to thematic elements such as: machine safety, workplace transport and contractor management, also reviews the local implementation and effectiveness of the framework.

Our overall H&S strategy has also been independently reviewed by an external Chartered H&S Practitioner. The review highlighted the positive sequential approach of the framework, the governance oversight this brings and an assurance that our H&S maturity is heading in the right direction.

Mental health and wellbeing

We continue to make mental health and wider wellbeing a priority for our Group. In 2024, we embedded further targets on mental health into our **Group Health and Safety Excellence Framework**. These now include a requirement for each operating company to hold at least one mental health-focused colleague event annually and to develop a Mental Health Action Plan based on the six themes of the MindForward Alliance (previously the Global Business Collaboration for Better Workplace Mental Health) leadership pledge.

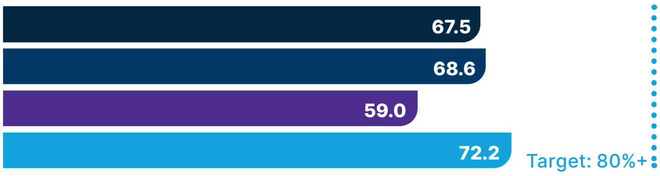
During the year, we were also included in the CCLA Corporate Mental Health UK Benchmark for the first time. Using publicly available information, this assesses the mental health commitment and achievements of the 100 largest UK-listed companies with more than 10,000 employees. We entered the benchmark in Tier 3 (of 5), one of only two new entrants to achieve this. The benchmark ranked us in the top quintile on management commitment and policy, with suggestions around how to further strengthen our focus on mental health governance, innovation and performance reporting.

Measuring our safety culture

To further support our H&S journey and evolution, we completed the independent Safety Culture Index (SCI) across our Group. As a leading measure of H&S performance, the SCI is a multi-category survey designed to categorise individual perceptions, beliefs, experiences and behaviours across a range of safety dimensions within an organisation. With 6,542 completed surveys and a participation rate of 68% the Group score* was 67.5% which places the Group in the 6th highest category, 'sustainable' (out of 7). The SCI score ranges from -50 (Unsustainable/Volatile) to 80+% (High Performing) and are outlined in the chart below. This baseline highlights a positive H&S culture baseline.

Mental health was also embedded as a theme in our global **Health & Safety culture survey** – an assessment of how colleagues feel about all aspects of health, safety and wellbeing in every operating country. We will be analysing the results of this and next steps in 2025.

Safety Culture Index Score
%



- Spirax Group
- Steam Thermal Solutions
- Electric Thermal Solutions*
- Watson-Marlow Fluid Technology Solutions

Focus for 2025

- Introduction of silver level for our Group-wide H&S Excellence Framework
- Implement actions following the Safety Culture Index Survey
- Develop a competency pathway for Group H&S professionals
- Use of localised H&S analytics to target risk reduction and prevention methodologies
- Expand the Group Thematic H&S Assurance Programme with additional risk controls
- Mental health and wellbeing will be themes in our 2025 global Colleague Engagement Survey

* Excluding our Vulcanic business which will be completed in 2025

"We need to have a conversation about Safety"

When an unfortunate, and sadly, avoidable incident occurred at one of our manufacturing sites resulted in a colleague sustaining a serious injury, we didn't hesitate to act.

Within a few days of receiving a report of the incident, our Group CEO and Business Unit Managing Directors came together to record a film for all colleagues. Its purpose was to have a **'conversation about safety'** and to discuss what had happened to our colleague.

On 7 February 2024, less than a week after the incident, all 10,000+ colleagues across the Group were asked to stop work and take part in a Safety Stand Down. Together in their teams they watched the film. Then using a Stop, Look, Assess and Manage (SLAM) technique, working in smaller groups, our colleagues were invited to discuss openly and honestly how the incident had impacted them and what could we all do, to make things safer.

Following the incident, the introduction of minimum mandatory machine guarding for three types of machinery and safe system of work criteria were expedited.

There is no doubt that the global Safety Stand Down was a catalyst for a deeper conversation about H&S and set the tone for the year. And, it has played a positive role, contributing (in part) to a 72% reduction of Serious Incidents to 5 in 2024 (2023: 18).

To sustain this reduction, a proactive Group-wide Safety Stand Down was held throughout February 2025. Reinforcing our continued message that safety is our number one priority and nothing is more important than the safety and wellbeing of our colleagues.

'Let's talk about safety' was our theme for the 2025 Safety Stand Down. Again bringing all 10,000+ colleagues together to talk openly about safety. Through this proactive approach, the discussion highlighted how we can all focus on 'What if' rather than 'If only'. Only by being vigilant of the potential dangers, can we all become self-aware to the importance of safety for us all.

People and Wellbeing

Alignment with UN SDGs

We believe we have a special culture at Spirax Group. Our colleagues across the globe play a critical role in engineering a more efficient, safer and sustainable world for all our stakeholders. We support them to bring their best selves to work through four colleague promises, which were shaped in response to feedback from our colleague engagement survey:

- Meaningful work creating a sustainable future for all
- An inclusive culture based on Values
- Development every day to fulfil your potential
- Belonging to supportive teams and strong relationships

Progress

1. Promise one: Meaningful work

Whether developing new technologies to decarbonise thermal energy use in industrial applications, or creating digital innovations for our customers that combine technology with our unique, proprietary application knowledge, our teams are focused on providing solutions that make our customers' operations more efficient, safer and improve their sustainability. Through our niche focus on critical industrial applications that sit behind the production of things that are essential to everyday life, we are serving people and the planet we all rely upon.

Highlights:

- SteamVolt solution pilot (first-fit boiler) with ETS Medium Voltage technology
- Investments in emerging high temperature heat pump technology in STS
- Leveraging ETS' strong research and development capabilities in resistive heating, we have developed additional higher voltage and higher temperature solutions (12kV and 7.2kV) using Medium Voltage technology which are in early testing phase
- Sales of 20 product ranges in 2024 which reduced customer carbon emissions by 15.1 million tonnes
- Proof of concept underway for fully operational machine-learning pumps at customer sites
- Development of MiM, our proprietary large language model that curates our highly specialised technical, sector and application knowledge to support our direct sales engineers

2. Promise two: An inclusive culture

Our culture is based on our six core Values which help guide all colleagues in their behaviours and decision making. It is supported by our focus on inclusion and equity which leads to greater diversity of thoughts, experiences and perspectives and helps everyone to feel supported and able to be their best at work.

* included in third-party verification

Highlights:

- The Spirit Awards: our Values-based colleague recognition programme recognised 18 finalists from over 300 entries across all six categories. The finalists, from all corners of the world came together in the UK to enjoy a four-day programme where they learned more about different parts of the Group from fellow colleagues, took part in sightseeing and activities before attending a Gala Awards Ceremony hosted by the CEO and the Group Executive Committee. See page 61.
- Hybrid working has been part of our culture since COVID-19 and was later enshrined within our Everyone is Included Plan. In 2024, we conducted a hybrid working survey to understand how it is impacting our colleagues and teams across the Group. Overall we received 3,357 colleague responses. As an outcome of the survey, we will be holding a Managing Hybrid Teams workshop, to support our managers, which will be part our new Spirax Group Management Academy launching in 2025.
- Around the world, colleagues marked events that are important to them as part of our commitment to inclusion. In the UK, this included WMFTS colleagues being part of Falmouth Pride in Cornwall for a third year and Portsmouth Pride for the first time, with Group CEO Nimesh Patel, STS colleagues and leaders from across the Group teaming up at Cheltenham Pride for a second year.

3. Promise three: Development Everyday festival

Our Development Everyday festival, held April for the second year running, is our commitment to colleagues to support them to continually grow their skills, build their capability and achieve their potential. Our aim is to help colleagues have a fulfilling career and an even bigger impact on our Group in the future. A week-long event, the festival is an opportunity for colleagues globally to come together to learn and develop together.

4. Promise four: Supportive teams

Our six global colleague networks help us to connect and support everyone who is part of our Group. They help us to celebrate what makes us unique as individuals and they bring us together to learn how to better support each other at work, at home and in the community. Our networks play a vital role in helping build the strong relationships and supportive teams where we all feel valued, seen and heard to foster a strong sense of belonging. They are full of passionate colleagues bringing their unique perspectives, experiences and voices to help us make a collective difference to our Group and the world around us.

Focus for 2025

- Oversight and review of the results from the 2025 colleague engagement survey
- Continue to embed colleague promises across the Group
- Help global colleague networks to grow and become more self-sustaining
- Continue to embed our Vision to guide the future of the Group

Global Colleague Networks

Our **Disability & Difference Global Network** marked International Day of Persons with Disabilities with a 'colleague voices' blog. It also ran webinars through the year including on Autism, heart conditions, chronic fatigue, dyslexia and 'hidden' disabilities.

Our **Multicultural Global Network** held its first global Ramadan webinar and contributed to the development of a Race Equity Leadership Toolkit to help enable colleagues to role model anti-racist behaviours at work, home and in the community.

Recognising that not every colleague can get to a Pride event, our **LGBTQ+ & Friends Global Network** ran its first ever global 'Pride Online' festival: a series of five online events, each run by a different part of our Group to explore Pride, LGBTQ+ careers, parenting, gender transition and more.

Our **Women's Global Network** launched a buddying programme and ran a celebration week of events to mark International Women's Day, including sessions on early careers, period health, allyship and lessons from senior leadership career journeys.

Our **Mental Health & Wellbeing Global Network** celebrated International Men's Day with a men's mental health discussion and contributed to a World Mental Health Day resource pack.

Our **Working Families Global Network** created a series of Virtual Cafes to provide parents and carers with a forum to connect on different aspects of family life from toddlers to teenagers and parenting during holidays.

Spirit Awards

Our Values in action

We believe that everything we do, matters.

That's why we created the Spirit Awards. To recognise colleagues from across Spirax Group who go above and beyond to 'elevate the everyday' for people and the planet. The Awards showcase how our colleagues make their difference through living our Values in support of our Purpose. In 2024, we held our second Spirit Awards. From more than 300 nominations, 18 Finalists were shortlisted with the winners announced at a gala celebration in June.

Safety

Vicente Gonzalez and Karina Rodriguez, (Spirax Sarco, Mexico) and David Zawadski, (Spirax Sarco, USA). Vicente, Karina and David collaborated across international borders and different languages to implement new safety procedures. In so doing, they also inspired local colleagues to prioritise safety above all else, empowering them to stop any job when they have a concern, delivered through a common goal: our commitment to safety.

Customer Focus

Jason Smith, (Durex Industries, USA). Jason utilised his extensive technical knowledge and customer-centric approach to transform an initial complex customer enquiry into a viable high-volume order. His efforts led to the creation of a completely new product, in an important and growing market segment, for Durex Industries.

Collaboration

Team One Place (Comms, IT, HR). This group of colleagues worked together in what was a truly collaborative, global team effort, to connect our colleagues across the globe through one internal platform. Delivered in just five months, One Place, has transformed the daily experience for thousands of colleagues, enhancing access, productivity and collaboration with rich content available in 17 languages.

Excellence

Apprentice Steering Committee Team (Spirax Sarco, UK). The team went full circle to mentor the next generation of talent. These eight former apprentices volunteered to support their local apprenticeship programme, providing guidance and continuity for new apprentices, who are not only new to Spirax Group, but also to the world of work.

Respect

Sravanthi Maddiboena Siva, (Spirax Sarco, UAE). Sravanthi's passion for sustainability supported her drive to improve performance at her local OpCo. Through multiple activities such as mangrove biodiversity, waste collection systems to reduce CO_2 emissions and community engagement activities to support underprivileged groups, Sravanthi made a significant difference.

Integrity

Monica Bao, (WMFTS, China). Monica worked closely with one of our customers, on a challenging project, which required Monica to be open and transparent. By facing into these challenges head-on, actively engaging with the customer, addressing the problem and providing solutions, Monica developed a strong relationship built on mutual respect and trust.

Inclusion and Diversity

Alignment with UN SDGs

We believe that diverse teams bring a variety of thought, skills and perspectives that make us a more innovative and creative business, helping us to solve our customers' most challenging problems. When we combine this with inclusive workplaces where all of our colleagues can be at their best, and where we all know how to support each other, we are better able to achieve our individual and Group Purpose. There will always be more to do on diversity, equity, inclusion and wellbeing. We continue to make progress and remain committed through our global Inclusion Plan, Everyone is Included.

Progress

Diversity Goals

The February 2025 report of the FTSE Women Leaders Review (which is co-Chaired by our Group CEO, Nimesh Patel) ranked us as 60th in the FTSE 100 for gender diversity at Board and senior leadership[1]. This improvement (2024: ranked 61st) was driven by increased gender diversity in our Board from 40% women in 2023 to 45.5% women at the end of 2024 and 50% women in January 2025.

We were delighted to be joined by Louisa Burdett as Group Chief Financial Officer (CFO) and Executive Director in July 2024 and by Céline Barroche as Group General Counsel and Company Secretary to the Board in September 2024. Our Group Executive Committee (GEC) now benefits from being 44.4% women, with one of our 'four key roles'[2] now also being held by a woman.

Gender diversity of senior leadership increased from 30% to 33.3% women and we have seen small improvements in the gender balance of our commercial leadership roles and total global workforce, but there remains more progress to make.

We continue to meet the UK Parker Review's goal of having a least one 'minority ethnic' Director on our Board. By December 2025, we aspire to have at least 20% (currently 18.5%) of our GEC direct reports from under-represented ethnic groups (within a global context). In support of the Review's objectives, we have now also set goals for 25% of globally-based senior leaders and 18% of UK-based senior leaders to be from under-represented ethnic groups by December 2027.

In line with Listing Rule 6.6.6R 9, data used to compile diversity information is based on internal HR records for our Executive management. For the Board of Directors, we seek individual permission to share this data on an annual basis. As a UK-listed company, we use the UK Office of National Statistics ethnicity classifications for England and Wales and also allow Directors to self-describe or opt out of sharing this information.

In line with our Group Diversity & Inclusion Policy, we welcome applications from candidates of all backgrounds, including those with disabilities, long-term conditions and neurodiverse candidates.

Read more about how we are a Disability Confident - Committed (Level 1) employer on page 106

Advancing our race equity journey

Continuing our work with our Black and African American colleagues in the USA, we held a two-day workshop in Q1 2024 in North Carolina. Colleagues and senior leaders came together to share stories and co-develop action plans. Our US operating companies are now implementing recommendations, including training (on topics such as bias, empathy, race equity and wider inclusion) and updating policies.

We also introduced Juneteenth (which commemorates the end of slavery in the USA each 19 June) as a paid holiday for all USA colleagues in STS and WMFTS, with ETS offering a 'floating' day before it becomes a paid holiday for all ETS USA colleagues in 2025.

1 Group Executive Committee (GEC) and direct reports combined

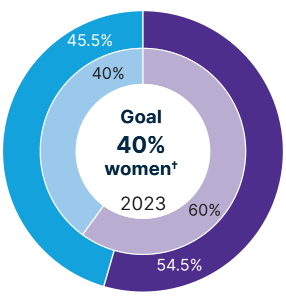
2 'Four key roles': Chair, Senior Independent Director, Chief Executive Officer, Chief Financial Officer

Focus for 2025

- Continue to make progress on Group Diversity Goals
- Develop next iteration of Everyone is Included Inclusion Plan (2026 – 2030)
- Continue to support race equity work in the USA

Diversity goals

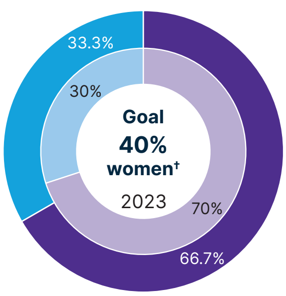
Gender – Board of Directors*



2024

Female – 5 (2023: 4)
Male – 6 (2023: 6)
Non-binary and other genders – none

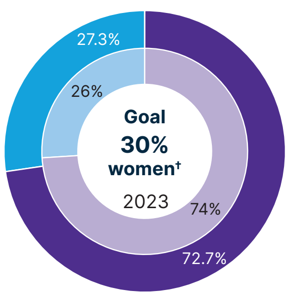
Gender – senior leadership*^



2024

Female – 21 (2023: 18)
Male – 42 (2023: 42)
Non-binary and other genders – none

Gender – total workforce*



2024

Female – 2,717 (2023: 2,588)
Male – 7,243 (2023: 7,323)
Non-binary and other genders – no data available

* At 31 December 2024
† by December 2025
^ 'Senior leadership' means GEC and their direct reports

Read more around our Gender and Ethnicity Diversity goals on our website: spiraxgroup.com/diversity-goals

Ethical Business

Alignment with UN SDGs

Always doing the right thing is at the heart of our culture, underpinned by our Values of Integrity and Respect. By operating in accordance with our Group's Policies, as well as adhering to all local laws and regulations, we establish and maintain a culture of ethical behaviour throughout our global operations. We provide training and support to help keep our colleagues, as well as our wider Group, protected from instances of fraud and cyber-related crime.

Progress

Internal controls

We continue to focus and monitor the continued development of the Group's multi-year internal controls programme 'G3'. This continues to bring improvements and standardisation of financial reporting controls, using a risk-based framework. A number of improvements have been implemented during 2024, pleasingly none requiring material change. Our colleagues continue to respond positively to the benefits already being seen; we will continue to monitor progress during the coming year.

Building on the success of G3 and with the changes to the UK Corporate Governance Code, we will look to strengthen our internal controls, specifically on material non-financial reporting, operational and compliance activities.

Whistle-blowing

We encourage colleagues to be vigilant and proactive and to report any concerns they have. Our independent, third-party whistle-blowing service, Safecall, is available in every country where we work in the local language, enabling colleagues to report any suspected unethical, illegal or concerning conduct quickly and confidentially.

In 2024, 71 (2023: 51) reports were raised globally via this service. All reports were investigated by senior management and action taken if necessary, with summaries of reports and related actions reviewed by the Audit Committee.

Training and colleague engagement

We continue to mandate that all colleagues with a company email address complete our Group Essentials training programme when joining the Company. Training and ongoing learning by all our colleagues, helps us all remain vigilant. By the end of the year over 7,234 (2023: 6,938) colleagues across the Group had completed Anti-Bribery and Corruption training and 6,862 (2023: 6,782) had completed Corporate Criminal Offence training. Introduction to Sustainability had been completed by 7,546 (2023: 6,575) colleagues and Health and Safety at Work by 7,430 (2023: 7,205) colleagues.

During the year we held a 'Stand up to Fraud' webinar for senior managers led by our Group CEO. The session and discussions focused on a comprehensive review of supplier relationships and ongoing fraud risk management training.

Gifts, Entertainment and Hospitality

In accordance with our Gifts, Entertainment, and Hospitality Policy, we maintain an online Gifts Register. Colleagues are required to record any gifts received or given, to ensure our actions align with the highest ethical standards and comply with legal requirements.

Focus for 2025

- Refresh the Group Management Code of Conduct
- Continue to embed G3 internal controls programme

One Planet initiatives at a glance

Unless otherwise stated, data on pages 64 and 65 excludes 2022 acquisitions (Vulcanic and Durex Industries), to allow users of the Annual Report to see underlying progress against our **One Planet** targets.

Achieve net zero greenhouse gas emissions

Key strategic targets

- Net zero scopes 1 and 2 greenhouse gas emissions (GHG) by 2030, with an interim target of a 50% reduction (compared to 2019) by 2025
- 20% reduction in Group energy use (compared to 2019) by 2025

Approved SBTi targets

- Reduce absolute scopes 1, 2 and 3 GHG emissions by 50.4% by 2032 compared to a 2021 baseline
- Net zero GHG emissions across the value chain by 2050

Progress to date

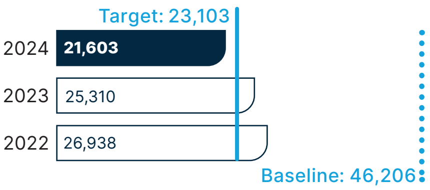
53% decrease in scopes 1 and 2 emissions (market-based) since 2019

18% reduction in Group energy use since 2019

62% electricity from renewable sources in 2024*

* Includes recent acquisitions

Group GHG emissions (scopes 1 and 2) tonnes CO_2e (market-based) (excluding acquisitions)



Group energy consumption
MWh (excluding acquisitions)

Read more about net zero GHG emissions on pages 66 to 71

Deliver biodiversity net gain

Key strategic targets

- Deliver a biodiversity 'offset' equivalent to five times our global operational footprint by 2025
- Deliver biodiversity net gain* of +10% for all new manufacturing sites and facilities
- Deliver at least one biodiversity initiative per operating company, on site or in the local community by 2025

* Quantification of net gain will be focused on large development projects, where locally-specific net gain methodologies will be applied, similar in approach to the UK's DEFRA methodology

Progress to date

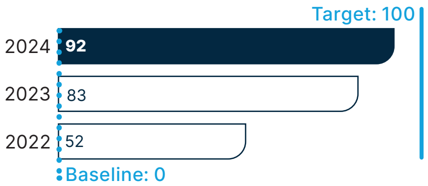
92% of operating companies have delivered at least one biodiversity initiative since the launch of the **One Planet** Sustainability Strategy in 2021

4x biodiversity 'offset' of our global operational footprint since 2021*

2,206 acres of land protected since 2021

* Includes recent acquisitions

Operating companies that have delivered a biodiversity initiative
cumulative % (excluding acquisitions)



Read more about biodiversity net gain on page 72

Implement environmental improvements in our operations

Key strategic targets

- Reduce water consumption by 15% (compared to 2019)
- Achieve zero waste to landfill
- Reduce waste generated by our sites by 10% (compared to 2019)
- All manufacturing sites certified to ISO 14001 standard or equivalent by the end of 2025
- Eliminate the use of solvent-based paints on our sites by the end of 2025 (update: paused in STS and ETS in 2024)

Progress to date

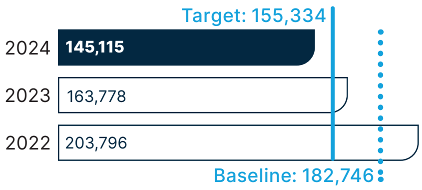
21% reduction in water consumption since 2019

8% waste to landfill in 2024 (2019: 19%)

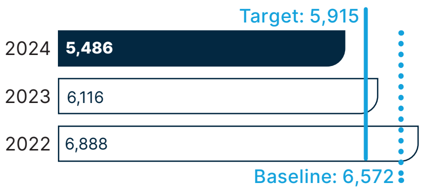
17% decrease in waste production since 2019

Solvent-based paint eliminated in WMFTS as of the end of 2024

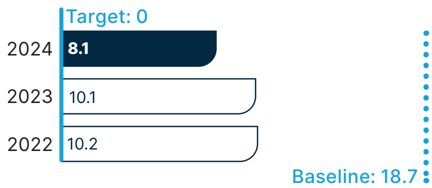
Total water use
m^3 (excluding acquisitions)



Total waste generation
tonnes (excluding acquisitions)



Waste to landfill
% (excluding acquisitions)



Read more about environmental improvements on pages 73 and 74

Grow sales of products with quantified sustainability benefits

Key strategic targets

- Quantify the sustainability benefits and whole life cycle carbon footprint of some existing product groups and all new products
- Grow sales of products with quantifiable sustainability benefits to customers
- Eliminate all single-use plastic (SUP) and non-recyclable packaging by 2025, unless specified by customer

Progress to date

16 life cycle assessments completed since 2021

163 colleagues trained in eco-design

£310 million of revenue from products with quantified sustainability benefits in 2024*

15.1 million tonnes of carbon saved annually by customers purchasing products sold in 2024*

206.4 million GJ of energy saved annually by customers purchasing products sold in 2024*

82.0 million m^3 of water saved annually by customers purchasing products sold in 2024*

* From 20 product ranges included in our 3rd party verified methodology

Read more about sustainable products on page 75

Embed sustainability criteria in supply chain management

Key strategic targets

- 80% of strategic and high risk suppliers assessed and meeting or exceeding our sustainability standards by 2025

Progress to date

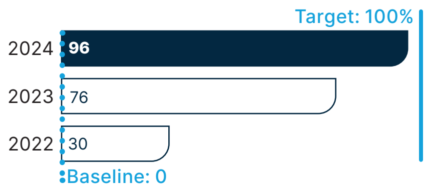
1,028 suppliers in the Supplier Sustainability Portal

96% of direct material suppliers have signed the Supplier Sustainability Code (by number)*

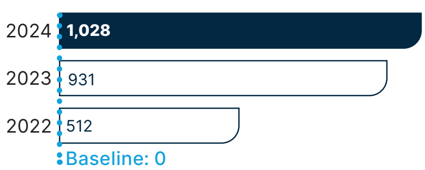
98% of direct material suppliers have signed the Supplier Sustainability Code (by spend)*

* Percentage of the total number of suppliers with an annual spend of over £15,000 and suppliers that are deemed potentially high risk on the basis of geographic location or commodity type

Suppliers who have signed the updated Supplier Sustainability Code
by number (excluding acquisitions)



Number of Suppliers in the Supplier Sustainability Portal
(excluding acquisitions)



Read more about sustainable supply chains on page 76

Support the wellbeing of people in our communities

Key strategic targets

- Deliver 150,000+ hours (cumulative) of colleague volunteering globally by 2025
- £2 million of cash or in-kind donations (cumulative) made by our Group Companies by 2025
- Establish the Spirax Group Education Fund and donate up to £15 million by 2030
- Eliminate the use of solvent-based paints on our sites by the end of 2025 (update: paused in STS and ETS in 2024)

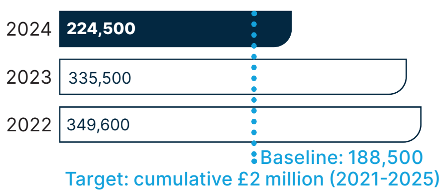
Progress to date

87,587 volunteering hours delivered since 2021

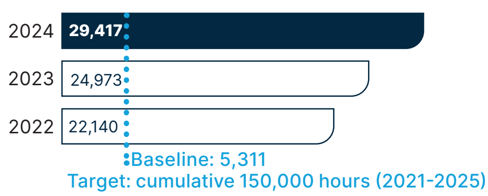
£1.25 million cash or in-kind donations made by Group companies since 2021

£3.25 million donated by the Spirax Group Education Fund, since it began operating in 2022

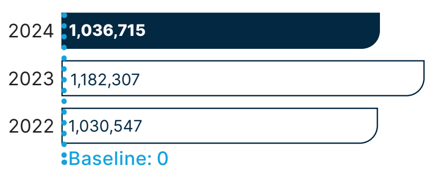
Operating company cash/in-kind donations £ (excluding acquisitions)



Colleague volunteering
hours (excluding acquisitions)



Spirax Group Education Fund Donations £

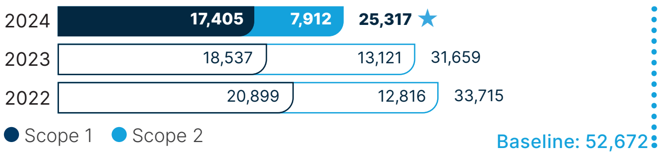


Read more about supporting our communities on page 77

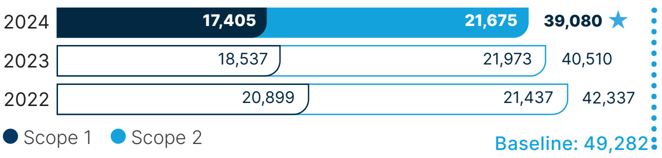
Net zero GHG emissions

Alignment with UN SDGs

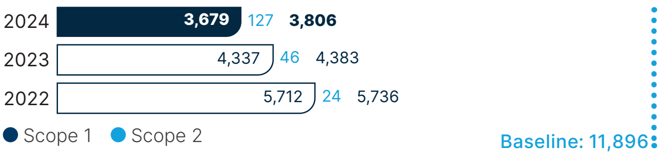
Group GHG emissions (scopes 1 and 2)
tonnes CO_2e (market-based) (including acquisitions)



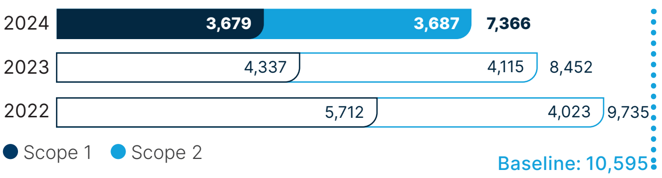
Group GHG emissions (scopes 1 and 2)
tonnes CO_2e (location-based) (including acquisitions)



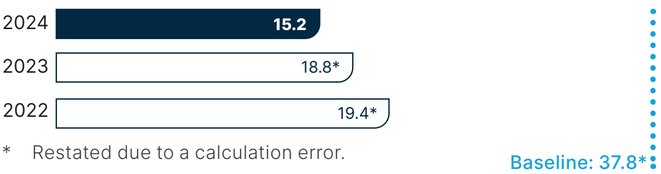
UK GHG emissions (scopes 1 and 2)
tonnes CO_2e (market based) (including acquisitions)



UK GHG emissions (scopes 1 and 2)
tonnes of CO_2e (location based) (including acquisitions)



Group GHG emissions intensity (scopes 1 and 2)
tonnes CO_2e per £m reported revenue (market-based) (including acquisitions)



* Restated due to a calculation error.

Reaching net zero is critical to preventing the worst effects of climate change, such as extreme weather events, rising sea levels, and disruption to ecosystems and economies. By striving for net zero, we can play our part to help limit global warming, protect our environment and create a more sustainable future for generations to come.

Progress[1]

Increasing the proportion of electricity that is sourced from renewable sources continues to be a focus for the Group. During 2024, additional green energy contracts were implemented at sites including Vulcanic Sonneberg (Germany), WMFTS Shanghai (China), and across our ETS sites in North America. These, along with a new photovoltaic array at our WMFTS site in Falmouth (UK) and existing self-generation capacity, mean that in 2024 62% (2023: 52%) of our electricity was purchased or self-generated from renewable sources, which will further increase next year as we see the full-year benefit from contracts entered into in 2024.

Our global fleet is continuing to transition to electric vehicles (EVs), with 16% of our fleet now compromised of EVs (2023: 7%), aligning with our long-term goals of embracing renewable energy solutions and reducing our reliance on fossil fuels.

Greenhouse gas (GHG) emissions performance

We have continued to make excellent progress towards net zero (scopes 1 and 2) across the Group, achieving our 2025 interim **One Planet** target a year early by reducing our scope 1 and 2 emissions on a market-basis, excluding 2022 acquisitions, by 53% since 2019 and 15% since 2023, to 21,603 tonnes CO_2e.

Vulcanic and Durex Industries, acquired in 2022, have continued to integrate into the Group, working to meet our standards and adopt our **One Planet: Engineering with Purpose** Sustainability Strategy. Including these acquisitions and re-baselining to 2019, absolute Group CO_2e emissions have fallen by 52% since 2019, and 20% since 2023.

Deloitte has provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) over selected GHG metrics for 2024, identified with ★. Deloitte's full unqualified assurance opinion, which includes details of the metrics assured, can be found at spiraxgroup.com/sustainability-downloads

The UK accounted for 15% of our Group GHG emissions in 2024, with 3,806 tonnes being generated in total and an intensity of 32.6 tonnes per million pounds of reported revenue. These emissions are comprised of 3,679 tonnes of scope 1 and 127 tonnes of scope 2 calculated using market-based emission factors. Year-on-year, through the combination of operational efficiencies and a change in shift patterns at one of our key sites, our UK emissions decreased by 13%.

1 All GHG and energy data pre-2023 labelled as 'including acquisitions' has been restated to include Vulcanic and Durex Industries using estimated data, with actual data for Durex Industries and Vulcanic included from 2023.

★ Metric assured by Deloitte

Scope 3 emissions

In August 2024, we submitted our re-baselined submission to the Science-Based Targets initiative (SBTi) to include Vulcanic and Durex Industries, which was approved in December. This has increased our Group scope 3 emissions significantly due to in-use phase emissions from Vulcanic. Their operating company, Triatherm (Germany), for example, manufacturers products in high volumes for applications with high daily use energy, such as heating in commercial bakeries, and are used over a long life-span (c.10 years). They are also predominantly sold to OEM customers in Germany, which has a high grid emissions factor, resulting in high use-phase emissions.

Due to the complexity of calculating scope 3 emissions, we disclose our full scope 3 emissions with a one-year time lag. Our total Group scope 3 emissions in 2023 were 26.3 million tonnes CO_2e (2022:12.9 million excluding acquisitions). In our legacy businesses, scope 3 emissions reduced by 22% during this same period, mostly due to changes in product mix. We have made material improvements in the accuracy of category 1: purchased goods and services and category 4: logistics data, but scope 3 emissions are still heavily reliant on estimations and assumptions with a large degree of uncertainty.

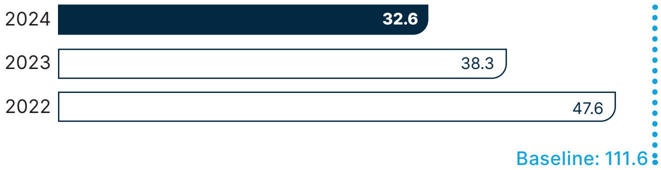
In 2023, 98.5% of our total scope 3 emissions were category 11: use of sold products, primarily from products sold by our ETS Business. These products transfer electric energy in the form of heat into industrial processes. When calculating these emissions, we apply local grid emissions factors for all products sold, which is likely to over-estimate emissions as an unknown proportion of customers will use green energy to power their sites. Reaching our 2050 net zero target will largely be dependent on global grid greening, which will reduce the emissions associated with our customers' electricity use, potentially combined with utilising customer-specific emissions factors to take into account customers' green energy contracts and actual product use data.

Emission reduction initiatives

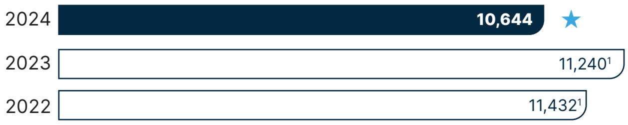
As well as green energy contracts and photovoltaic arrays at the sites mentioned, we have implemented a regional framework agreement for sourcing green electricity certificates across multiple ETS sites in the EMEA region, which will decrease our scope 2 emissions by approximately 1,050 tonnes CO_2e in 2025.

Annealing furnaces, used at our ETS sites, are one of our largest energy users and a GHG emissions contributor. In 2024, we started a project to optimise and upgrade these furnaces, to reduce these impacts and improve manufacturing flexibility. In 2024, we commenced installation of new annealing furnaces at our Chromalox Ogden site in Utah (USA) and our Vulcanic site in Saint-Florentin (France), which are expected to become operational in Q1 2025. These two new furnaces are expected to reduce energy consumption by approximately 420 MWh per year, GHG emissions by over 50 tonnes per year, reduce atmospheric gasses, such as NOx, and fully eliminate the use of ammonia in the Ogden furnace.

UK GHG emissions intensity (scopes 1 and 2)
tonnes CO_2e per £m reported revenue (market-based) (including acquisitions)



Group GHG emissions (partial scope 3)
tonnes CO_2e (well-to-tank and transition and distribution) (including acquisitions)



★ Metric assured by Deloitte

1 Restated to include Vulcanic and Durex (data estimated for 2022 and 2023)

Group GHG emissions (full scope 3)
tonnes CO_2e (including acquisitions)

Energy performance

In 2024, total Group energy use decreased by 4% vs the previous year, with an 18% reduction since 2019, excluding acquisitions. Including acquisitions, total Group energy use decreased by 3% vs the prior year and was down 16% vs 2019, with 2019 re-baselined to include acquisitions to allow like-for-like comparison.

The UK accounted for 22% of the Group's total energy usage in 2024, including acquisitions, at 36,037MWh, and decreased by 14% compared with 2023. On an intensity basis, Group energy use decreased by 2% to 96.9MWh per million pounds of reported revenue and UK energy use intensity decreased by 16% year-on-year, to 308.8MWh per million pounds of reported revenue. Energy intensity for the UK is high compared to the Group as a whole, as we develop, test and manufacture products in the UK for sale across global markets.

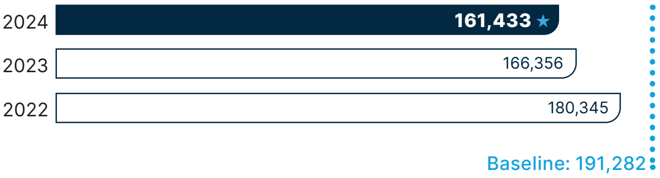
Energy management initiatives

At our Aflex Hose site in Huddersfield (UK), we installed an Air Source Heat Pump (ASHP) in Q2 2024, to support the existing electric immersion heaters for heat extrusion water baths. By analysing data using our digital metering and monitoring technology, we have been able to calculate that this ASHP will save an estimated 100MWh in energy in its first full year of operation.

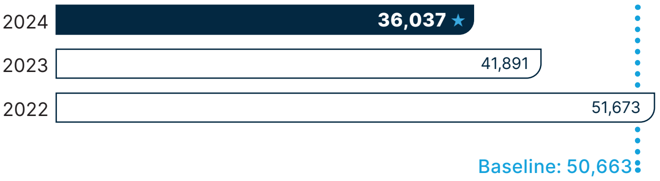
We have continued the roll out of our digital energy monitoring and metering system, in our remaining legacy and key acquisition sites, with full integration completed at our Chromalox site in Heidelberg (Germany), Vulcanic sites in Haguenau (France), Sonneberg (Germany), Torrelavega (Spain) and Thermocoax in Normandy (France) in 2024.

Net zero GHG emissions continued

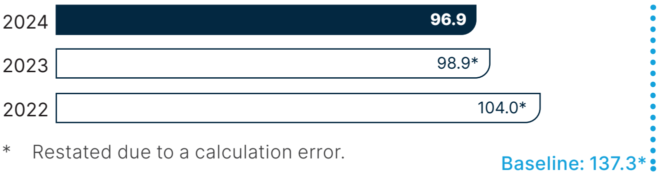
Group energy consumption
MWh (including acquisitions)



UK energy consumption
MWh (including acquisitions)

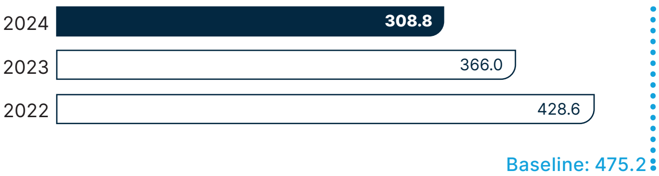


Group energy intensity
MWh per £m of reported revenue (including acquisitions)



* Restated due to a calculation error.

UK energy intensity
MWh per £m of reported revenue (including acquisitions)



★ Metric assured by Deloitte

Energy management initiatives continued

Improved metering and monitoring gives sites access to real-time data from which to identify energy saving opportunities. For example, at our Chromalox site in Heidelberg (Germany), assessment of data revealed that energy for space-heating usage peaked at similar times each day and remained constant outside of working hours and weekends. After investigating on site with the heating contractor, we have implemented several controls that will deliver savings over the winter months.

In Q2 2024, we completed a programme to perform energy reviews on eight Vulcanic manufacturing sites. These reviews provided us with a comprehensive understanding of the sustainability performance of these sites and mapped their significant energy users.

Methodology Statement

We employ an 'operational control' definition to outline our carbon footprint boundary. Included within that boundary are manufacturing facilities, administrative and sales offices where we have authority to implement our operating policies. For all entities we have measured and reported on our relevant scope 1, scope 2 and partial scope 3 emissions for 2024.

For all entities we have measured and reported on our relevant scope 1, scope 2 and partial scope 3 emissions for 2024. We have used the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Data Hierarchy, striving for the highest precision possible. Emission factors have been used from credible publications such as the UK Government's (DEFRA/DECC) GHG Conversion Factors for Company Reporting 2019- 2024, data from the International Energy Agency (IEA) 2019-2024, ISO 140064-1, U.S. Environmental Protection Agency, The GHG Protocol Initiative and regionally specific Environmental Reporting Guidelines (e.g. Australian/ Canadian Government) to calculate our total CO_2e emissions figures on a location-basis for scopes 1 & 2.

Spirax Group reports fugitive refrigerant emissions by identifying the types and quantities of refrigerants used, tracking their usage and reporting refrigerant losses from engineer logs and maintenance checks. This is converted into CO_2e by using specific global warming potential (GWP) values. In cases where the actual data is not readily available Spirax Group estimates data based on previously provided actual data. Fugitive refrigerant emissions are not material in total when compared to overall GHG emissions.

For Scope 1 emissions, we strive to use actual data wherever possible. When this is not always an option (such as mobile combustion reporting) we estimate using distance-based emission factors using appropriate assumptions. Where actual fuel consumption is not available, emissions are estimated based on distance travelled and appropriate emissions factors based on vehicle type, or lease mileage data.

To report under the market-based method for purchased electricity (Scope 2) we have used the GHG Protocol data hierarchy, striving for the highest precision possible. For sites with green energy contracts, we have obtained emissions factors for the relevant tariff and/or supplier in the first instance, using the residual mix where supplier-specific emissions factors (SSEFs) are not available. For sites without green energy contracts, we follow the data hierarchy and apply location-based factors only where SSEFs or residual mix are not available. When entering new green contracts, we apply SSEFs (where available) from the start of the contract period and do not restate prior years with SSEFs. No certified green energy contracts are included in our market- based figures for 2019 or 2020.

For more information please see our Methodology Statement on our website: spiraxgroup.com/sustainability-downloads

Spirax Group net zero transition plan

Introduction

We are committed to achieving net zero greenhouse gas (GHG) emissions across our entire value chain by 2050. Our transition plan is structured around all three key scopes of emissions, with specific targets and strategies for each.

Scopes 1 and 2 Emissions Target:

- Achieve net zero GHG emissions for scopes 1 and 2 by 2030

Definitions

- **Scope 1:** direct GHG emissions from sources that are owned or controlled by Spirax Group
- **Scope 2:** indirect GHG emissions from the consumption of purchased electricity, heat and steam
- **Scope 3:** all indirect emissions that occur in the value chain of Spirax Group, including both upstream and downstream emissions

1. Energy efficiency

Improve energy management by utilising our own digital metering and monitoring solutions and implementing energy reduction initiatives across our manufacturing and non-manufacturing facilities.

Progress to date

Digital metering and monitoring in place in **24** of our manufacturing sites; multiple energy reduction initiatives completed, resulting in a **16%** reduction in energy consumption (including acquisitions) vs 2019.

2. Renewable electricity

Transition to 100% renewable energy sources through verified and credible green energy contracts or self-generation by 2030.

Progress to date

20 of our manufacturing sites had green energy contracts in place by the end of 2024, and **7** manufacturing sites are self-generating electricity using solar panels, with **62%** of electricity used during the year from renewable sources. **70%** reduction in scope 2 emissions associated with electricity use vs 2019.

3. Fossil fuel substitution

i. Utilise our innovative TargetZero solutions to decarbonise steam generation, through electrification

ii. Enable the switch of high temperature industrial processes to low-carbon alternatives

iii. Progressively replace fossil-fuel consuming building assets to low carbon alternatives and climate-friendly refrigerants

Progress to date

23% reduction in scope 1 emissions from stationary combustion vs 2019.

4. Electric vehicles (EV)

Transition to a 100% electric vehicle fleet, where charging infrastructure allows, by 2030.

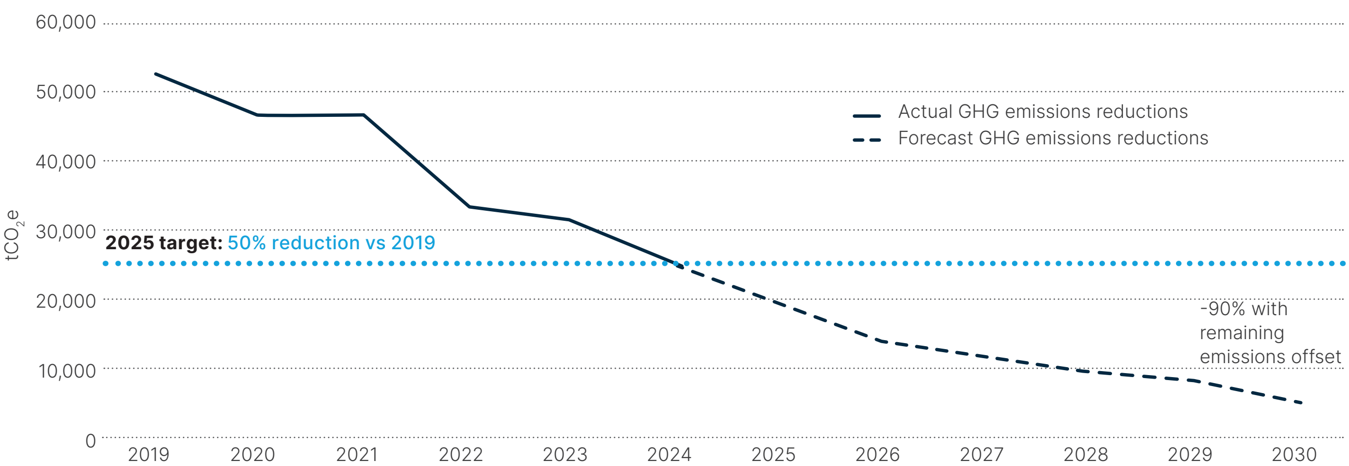
Progress to date

16% of our fleet had been transitioned to electric vehicles by the end of 2024.

5. Offsetting

Although not a part of our strategy to date, the purchase of credible carbon credits will be used to offset residual emissions from hard to decarbonise processes by 2030.

Absolute scopes 1 and 2 emissions reductions (actual and forecast) 2019–2030



Net zero GHG emissions continued

Spirax Group net zero transition plan continued

Science-Based Targets initiative (SBTi) targets:

- Reduce absolute scopes 1, 2, and 3 GHG emissions by 50.4% by 2032 from a 2021 base year
- Reduce absolute scopes 1 and 2 GHG emissions 95% by 2050 from a 2021 base year and reduce absolute scope 3 emissions by 90% within the same timeframe, to achieve net zero GHG emissions across the value chain by 2050

Total Group GHG emissions breakdown

Emissions Type	2021	2023
Scope 1	24,339	18,537
Scope 2 (market-based)	22,406	13,121
Scope 3 Category 11: Use of sold products	24,651,860	**25,902,985**
Scope 3 "Other"*	400,057	394,453
Scope 3 Total	25,051,918	26,297,438
Total GHG Emissions	25,098,663	26,329,096

* Categories 1, 2, 3, 4, 5, 6, 7, 9 (other categories not relevant to Spirax Group are excluded)

Scope 3 GHG emissions

Scope 3 emissions accounted for 99.8% of the Group's total emissions in 2021 (our scope 3 baseline year). Of these, 98.4% of scope 3 emissions (and 98.2% of total Group emissions) were category 11: use phase emissions, associated with the electricity customers use to power products that we sold in 2021, over their whole lifetimes. The majority of these emissions are associated with the use of industrial heating equipment from our ETS Business.

1. Use of sold product emissions

The majority of our scope 3 emissions are associated with the energy consumed during the lifetime of our products. As we grow sales, our scope 3 emissions are expected to increase. Achieving our scope 3 reduction targets will largely be dependent on electricity grid greening to reduce emissions associated with the use phase of our products. As grids become greener, the emissions from the use of our products will decrease accordingly.

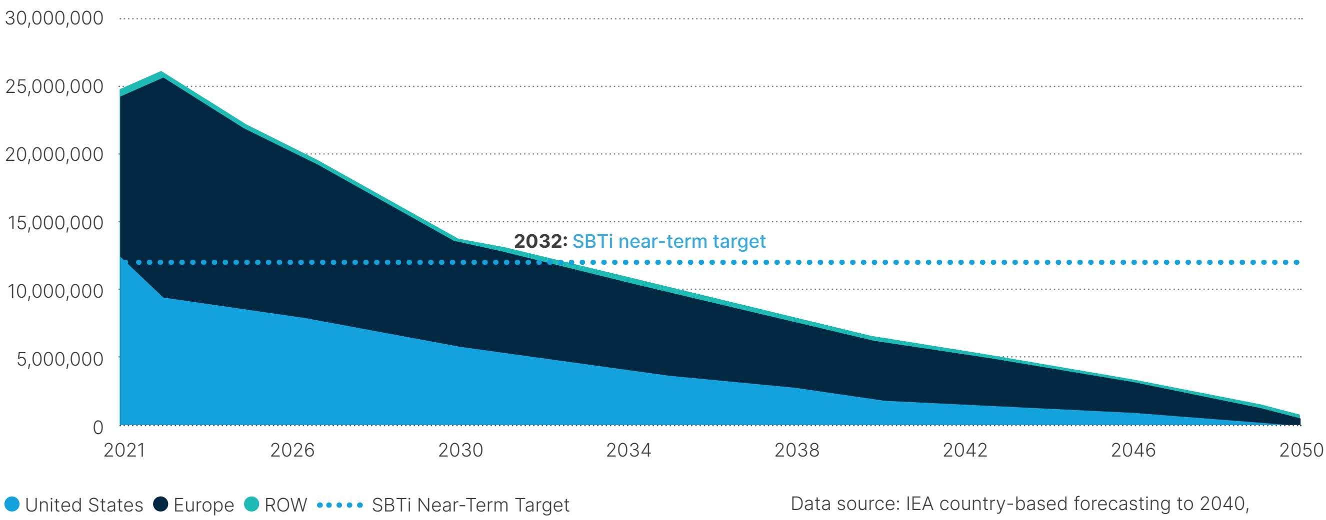
We have modelled grid greening based on external forecasts and believe this will drive significant reductions in emissions over the medium-to-long term. In the future, we may also seek to engage with customers to encourage their adoption of green electricity and update our reporting to use market-based emissions factors for customers, where data is available, both of which will accelerate our scope 3 emissions reductions.

In addition, we do not currently have access to customer-specific product use or energy source data, so our scope 3 calculations include assumptions over working hours. As a result, we are likely to over-estimate scope 3 emissions. We are currently seeking opportunities to make data enhancements within this category by collaborating with our carbon-intensive customers, within category 11, with the aim of increasing visibility of the end-user geography of products sold to OEM customers and moving from estimated to actual use data where possible and anticipate this will further reduce reported scope 3 emissions.

2. Supplier engagement

We will work closely with our suppliers to reduce emissions in the supply chain, focusing on carbon-intensive purchased goods and services and logistics.

Impact of grid greening on scope 3: category 11 (use of sold products) emissions*



Data source: IEA country-based forecasting to 2040, Spirax Group estimated grid greening trajectory 2041-2050.

* Includes the impact of product sales growth on emissions; assumes the same product and geographical sales mix as in 2021 is maintained to 2050.

Governance
The governance of our net zero transition plans is structured to ensure robust oversight and accountability at every level of the organisation, through our **One Planet** Sustainability Strategy (see page 89). Our transition plan includes specific targets and strategies for scopes 1, 2, and 3 emissions reductions, with a near-term focus on achieving net zero in scopes 1 and 2 emissions by 2030. Financial planning for achieving our 2030 net zero target is embedded in our both our annual and medium-term financial planning processes. Regular updates and reviews are conducted to track progress, address any challenges and ensure that our initiatives are on track to meet our 2030 and 2050 net zero goals.

Risks
We are committed to driving progress against our net zero targets, especially where this is within our control, and have made excellent progress since establishing our targets in 2021. We remain confident in our ability to deliver our 2030 target, for scopes 1 and 2 emissions, but risks to achieving this target include:

- **Availability of EV charging infrastructure:** our direct sales business model is based on customer closeness and the ability to 'walk our customers' plants' and self-generate sales by identifying operational efficiency and process improvement opportunities. Our sales and service engineers are currently reliant on vehicles to access our diverse and geographically widespread customer base (although this is likely to reduce over time as we increasingly use digital technology to 'walk the data' for customers, without always needing to be physically present on their sites). Today, the EV charging infrastructure is not sufficiently advanced to allow the transition to EVs in many of the countries in which we operate. Therefore, achieving the required reduction in emissions from mobile combustion is dependent on the rapid development of charging infrastructure.
- **Managing EV charging:** the majority of our sales and service engineers return their vehicles to their homes overnight, rather than to a central location where charging can take place using electricity from certified renewable sources. As a result, EV charging will largely happen at, or near, our sales and service engineers' homes, with electricity that may not be from renewable sources, meaning that the EV transition may not fully decarbonise vehicle use.
- **Availability of green energy:** we are committed to only entering credible, third-party validated, green energy contracts, as we transition to 100% renewable electricity use. Achieving our 2030 target is dependent on the availability of credible green energy contracts in the locations in which we operate. If local regulations change in any of the countries where we operate, reducing our ability to validate the credibility of renewable energy certificates, it could impact our net zero target.
- **Cost:** achieving our scopes 1 and 2 net zero target, will require investment in decarbonisation technology and initiatives and some carbon offsets by 2030. Making those investments requires the continuing support of shareholders for net zero investments.

Achieving our 2050 value chain net zero target is significantly more complex and reliant on factors outside of our control, therefore the risks to delivering this target are materially higher than for scopes 1 and 2. The biggest risk to achieving our scope 3 target is:

- **Global rates of electricity grid greening:** achieving scope 3 emissions reductions is largely dependent on grid greening to reduce the emissions associated with the electricity used by our products during their use phase. If grids green more slowly or to a lesser extent than forecast, and remain reliant on fossil fuels, it would pose a significant risk to the delivery of our 2050 target.

Conclusion
We are committed to leading the way in sustainability and climate action. Our comprehensive net zero transition plan outlines clear targets and strategies to achieve our ambitious goals, ensuring a sustainable future for our business and the planet.

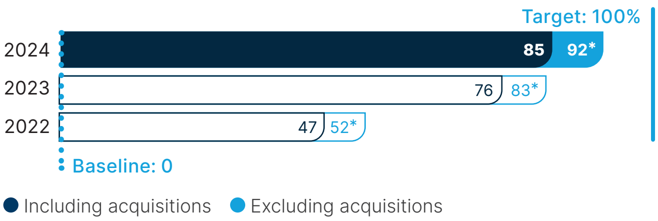
Focus for 2025
- Continue to implement energy saving initiatives, identified through analysis of data from digital monitoring
- Continue the implementation of net zero roadmaps, including air source heat pump installation and annealing furnace upgrades
- Support the prioritised transition of our vehicle fleet to electric

Biodiversity net gain

Alignment with UN SDGs

Biodiversity is fundamental to the health and stability of ecosystems that humans, wildlife and the planet rely on. Biodiversity supports essential services such as pollination, water purification, climate regulation and soil fertility. It forms the backbone of resilient ecosystems, ensuring that natural processes continue to function despite changing conditions. However, the loss of biodiversity due to human activities, such as deforestation, pollution and climate change, poses significant risks to these vital systems. Minimising our impact is not only an environmental responsibility but also an economic and social one, as healthy ecosystems underpin the prosperity of communities and businesses alike.

Operating Companies that have completed Biodiversity initiatives % (including acquisitions)



Progress

Operating company initiatives

Across the Group, we have continued to deliver biodiversity initiatives in the communities in which we operate. Excluding acquisitions (Vulcanic and Durex Industries), we remain on track to meet our target of having all Group operating companies undertake at least one biodiversity initiative, either on site or in the local community, by the end of 2025. By the end of 2024, 92% of legacy operating companies (2023: 83%) and 85% including acquisitions (2023: 76%) had delivered at least one biodiversity initiative, with 100% of STS and WMFTS operating companies meeting the target.

'One Plant' initiative

Since launching the **One Planet** Sustainability Strategy in 2021, we have held an annual Group-wide community engagement campaign, aligned with one of the UN Sustainable Development Goals (SDGs), to coincide with the International Day of Charity on 5 September. For 2024, we selected SDG 15: Life on Land, as the focus of our activities and created a campaign called 'One Plant' to inspire our colleagues to plant or maintain trees. A total of 641 colleagues, in 25 countries and over 50 operating companies, participated in the campaign. For example, Chromalox Isopad, in Heidelberg (Germany) ran workshops on growing trees for beginners and started cultivating seedlings from lemon seeds and avocado cores. Colleagues also planted pear, apple, cherry, plum and maple trees in the garden of their site and donated trees through other organisations. Across the Group, colleagues who participated in this initiative contributed nearly 1,000 hours of volunteering time and planted 1,915 trees, which the Group matched with a charitable donation to plant an additional 1,915 trees.

Biodiversity net gain

We have five ongoing projects to deliver 10% biodiversity net gain on sites where we have undertaken substantial building projects since the **One Planet** Sustainability Strategy was launched in 2021: Spirax Group Headquarters, Cheltenham (UK), WMFTS Devens, Massachusetts (USA), Chromalox Ogden, Utah (USA), BioPure (UK) and Thermocoax (France).

At our Group Headquarters, we have cultivated areas of wildflower meadow, planted trees and installed bird boxes and bug 'hotels' to support local biodiversity and ecosystem health. An initial assessment has been completed by an independent third-party ecologist and a formal assessment will be completed in the summer of 2025, but we believe we are on target to deliver a 10% net gain. At our WMFTS Devens site, planting has commenced and should be completed in 2025, to deliver the required 10% net gain. At our Chromalox Ogden site, during 2024 we worked with consultants to develop a biodiversity scoring methodology, based on the DEFRA model, that is appropriate for the local habitat, in the absence of such a methodology existing. We have identified a local nature reserve where we hope to invest and improve biodiversity to achieve our net gain commitment in 2025.

At BioPure and Thermocoax, these projects had completed planning and budget approvals and construction work had already started when we established our 10% biodiversity net gain target. As a result, good baseline data, pre-construction, is not available, which has made this more challenging. These companies have taken steps to restore biodiverse habitats on site but are falling short of net gain. During 2024 we worked with an ecologist to identify credible projects in the local vicinity of these sites that we could potentially use to deliver net gain, but delivering them will be subject to budgetary availability in 2025.

Biodiversity operational footprint 'offset'

We have continued to invest to protect land on the Somuncurá Plateau in Argentinian Patagonia, preserving a crucial habitat. In 2024, we protected an additional 550 acres, equivalent to our global direct operating footprint at the end of the year. This takes the total land area protected to 2,206 acres, or nearly nine square kilometres, over the past four years. This area is classified as a crucial area for biodiversity with multiple endemic species that are found nowhere else in the world and critically endangered species, such as the Laguna Raymunda Frog and the Naked Characin Fish. We will complete one further donation in 2025 to deliver the five times operational footprint 'offset' committed to as part of our **One Planet** targets.

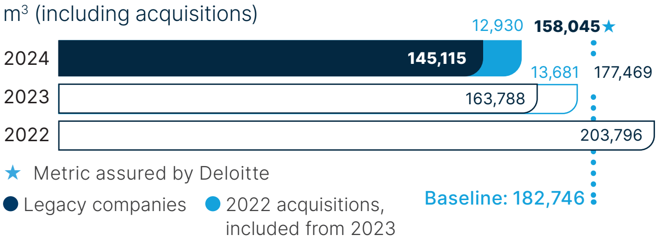
Focus for 2025

- Encourage the remaining legacy operating companies that have not yet delivered a biodiversity initiative, to do so, and continue to advance participation by recent acquisitions
- Achieve 10% biodiversity net gain targets for at least three sites
- Complete the final biodiversity investment in Argentina, to meet our target to deliver a x5 'offset' of our global operational footprint

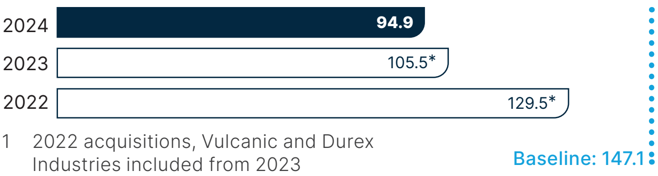
Environmental improvements

Alignment with UN SDGs

Total water use
m³ (including acquisitions)

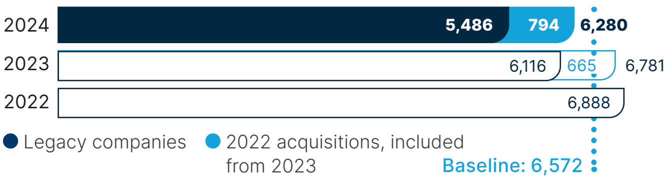


Water intensity[1]
m³ of water per £m of reported revenue (including acquisitions)

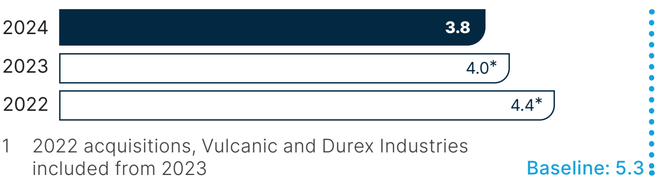


1 2022 acquisitions, Vulcanic and Durex Industries included from 2023
* Restated due to a calculation error

Total waste generation
tonnes (including acquisitions)

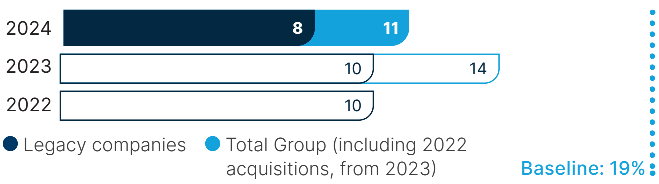


Waste intensity
tonnes of waste per £m of reported revenue (including acquisitions)



1 2022 acquisitions, Vulcanic and Durex Industries included from 2023
* Restated due to a calculation error

Waste to landfill
% (including acquisitions)



The management of water and waste in our operations is important for minimising our environmental footprint and ensuring the sustainability of our business. Water is a critical resource and its efficient use both preserves it and also reduces the costs associated with water consumption. Similarly, effective waste management is key to minimising landfill impact, reducing pollution and improving operational efficiency. By addressing these issues proactively, we can contribute to a cleaner environment, lower operational costs and align with global sustainability goals, while also meeting the growing expectations of stakeholders and regulators.

Progress

In 2024, we further improved our management of water and waste, driving reductions in absolute water use and waste volumes. On a like-for-like basis, excluding our 2022 acquisitions, we exceeded our 2025 reduction targets a year early, with a 21% reduction in water use vs 2019 and a 17% reduction in waste volumes. By utilising our digital monitoring and metering system to track water use across our manufacturing sites, we have focused our efforts on opportunities that create the maximum impact and have been able to detect leaks and fix them quickly.

In 2024, following the development of waste and water action plans for our five largest consumers in 2023, we produced Group-wide waste and water management guidelines, which were shared with our operating companies to demonstrate best practice. Our sites have embraced the implementation of these guidelines and we saw reduced water consumption at 63 of our operating companies in 2024.

In Vulcanic, during 2024 each site underwent a waste and water assessment, delivering an executive summary to identify top opportunities for reductions going forward.

In Q3 2024, Spirax Sarco Inc. in the USA achieved accreditation to environmental management standard ISO 14001. Excluding acquisitions, we have five remaining manufacturing sites that are working towards this certification, of which we are targeting completion by four of these in 2025, in line with our target. Certification of Chromalox, Ogden, Utah (USA), has been paused until a site extension is completed to prevent the need for recertification once fully operational.

Water

As we have focused on improving efficiency of water use, our water intensity has decreased by 10% vs 2023 and 35% since 2019 to 94.9m³ per million pounds of reported revenue. Some of the largest reductions have been at our Runnings Road site in Cheltenham (UK) as a result of Project ClearSky, part of which was designed to recapture and recirculate steam previously being released to the atmosphere. At our STS site in Chennai (India) we implemented a grey-water system to water the garden, and at Aflex Hose in Huddersfield (UK), we are now capturing and reusing process water previously being discharged, contributing to a 32% reduction in water use on that site vs 2023. At WMFTS in Falmouth (UK), we upgraded taps and toilets to water-saving equipment and in São Paulo (Brazil) installed a rainwater harvesting system.

Environmental improvements continued

Progress continued

Water continued

For the first time our water audit has included the 2022 acquisitions to reflect the reporting improvements we have made at these sites now they are integrated as part of our Group. Including acquisitions, we saw a 11% reduction in water vs 2023 and a 14% reduction vs 2019, as we have not rebaselined our data to allow like-for-like comparison.

Deloitte has provided independent limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) for Spirax Group's water use in 2024, identified with ★. Deloitte's full unqualified assurance opinion can be found at spiraxgroup.com/sustainability-downloads.

Waste

Excluding acquisitions, overall waste generation decreased by 10% in 2024 vs 2023 to 5,486 tonnes, as well as the proportion of waste that was sent to landfill, at 8% (2023: 10%). Including acquisitions, overall waste generation decreased by 7% vs 2023 to 6,280 tonnes, and the proportion of waste to landfill also fell to 11% (2023: 14%). Excluding acquisitions, waste generation was 17% lower in 2024 than in 2019, exceeding our 2025 target. Including acquisitions, from 2023 onwards, we have achieved a 4% reduction in waste vs 2019, as we have not rebaselined our data for a like-for-like comparison to 2019.

We have been working, across multiple locations, to secure regional partnerships with waste service providers. Securing these partnerships will ensure that we have access to alternative opportunities for diverting our waste from landfill from some of our manufacturing sites and improved access to data.

At our STS site in Buenos Aires (Argentina), we implemented an initiative to remove wastewater from sludge. This sludge, previously being sent to landfill, is now separated into water and a dry filter 'cake', which is transported off-site at a substantially reduced weight. This resulted in a 77% reduction in waste to landfill from this site in 2024 vs 2023.

Solvent-based paint

At WMFTS Bredel (the Netherlands), we completed installation of our new painting line. From late 2024, products being manufactured at this site have been painted using paint that is considered 'water-based' due to the low levels of solvent.

Within our STS Business we have undertaken multiple rounds of testing of water-based and low-solvent paints over a number of years, with paints from multiple suppliers trialled. Unfortunately, we have not been able to find a painting solution that meets the temperature, moisture and pressure requirements for our products, without adding significant extra steps in the process to ensure paint adhesion and maintain product quality. Following analysis of these required changes, we determined that adding additional steps into the painting process is not a sustainable solution at this time. In November 2024, the Group Executive Committee, on the recommendation of the Group Sustainability Management Committee, made the decision to pause the paint target in STS until water-based paints advance to meet our quality requirements.

The painting transition has also been paused at our Chromalox, Ogden, Utah (USA) site where enhanced engineered controls are being installed as part of the painting line in the new extension, to improve management of Volatile Organic Compounds.

Water-based paints make Bredel pumps more sustainable

Following 18 months of rigorous research and testing and a €1.3 million investment to upgrade their painting line, in November 2024, Bredel Hose Pumps (a WMFTS company), completed a multi-year project to transition from solvent-based to water-based paints during the manufacture of peristaltic hose pumps at their site in Delden, the Netherlands.

This project was initiated following the launch of our **One Planet** Sustainability Strategy and aimed to eradicate the use of solvent-based paints, which have high levels of Volatile Organic Compounds (VOCs) that can contribute to environmental contamination and impact human health.

Investments included, a conveyor belt expansion, paint equipment modification, a new air extraction unit and site layout changes.

Benefits of this transition include:

- 90% reduction in VOC emissions
- 8,000m³ annual reduction in natural gas usage, saving 15 tCO_2e a year
- Increased process and operational efficiency from reduced internal transportation
- Reduced volumes of hazardous materials on site
- Elimination of ATEX zones and regulations at the site

Due to the extensive testing undertaken before the transition, Bredel's products have maintained their ISO 12944 standard for paint durability, quality and corrosion resistance, which is vital as they are used in a wide range of industries, such as mining, industrial, water and wastewater treatment, and food and beverage, where the pumps often need to withstand harsh conditions.

"We are proud of our transition to using water-based paints, lowering the environmental footprint of our solutions without compromising quality or performance. This achievement highlights our commitment to our One Planet Sustainability Strategy and to reducing our environmental impact, which benefits our communities, customers and the planet."

Camilo Contreras
Energy Engineer, WMFTS

Focus for 2025

- Achieve targets set out in **One Planet: Engineering with Purpose** in our legacy sites
- Continue to integrate best practices into our 2022 acquisitions, including digital monitoring and insights
- Continue to focus on identifying waste service providers that can help us deliver our landfill free target, with a focus on manufacturing sites in 2025

Sustainable products

Alignment with UN SDGs

Our products and solutions are critical to our ability to deliver our Company Purpose of engineering a more efficient, safer and sustainable world. By focusing on eco-design, better understanding the whole lifecycle impacts of our products through lifecycle assessments (LCAs) and transitioning to more sustainable packaging, we seek to not only lessen our own and our products' environmental footprint but support our customers and suppliers in their sustainability efforts too.

Progress

Eco-design

Throughout 2024, we worked with a third-party specialist to develop an eco-design toolkit. The toolkit is a set of resources to assist the implementation of eco-design principles within product development and engineering change processes. It includes evaluation tools and data to facilitate decision making and for considering environmental impacts throughout the product lifecycle. The toolkit sets out a four-step process, in an iterative cycle, that includes:

1. Prioritisation
Of environmental targets

2. Evaluation
Data-led design decisions

3. Action
Possible design changes that can be considered to reduce environmental impacts

4. Implementation
Assessing and recording the environmental aspects of design changes at each stage of the product development process

In addition to developing the toolkit, we undertook training workshops for our engineering colleagues across our R&D teams in each Business, which were attended by a total of 107 colleagues. In October, we also made available a live training session on eco-design to interested colleagues across the Group, which was attended by 58 people. We will further train our colleagues on the use of the toolkit throughout 2025.

Lifecycle assessments

During 2024, colleagues in our WMFTS Business completed a further eight LCAs on WMFTS cased pumps. These LCAs have provided information on the whole life environmental impacts of our products, from the extraction of raw materials through to end-of-life disposal. The LCAs inform colleagues about the carbon footprint of each stage of our products' life, the in-use phase benefits of our products, such as material, water or chemical savings and how they can identify opportunities to reduce the products' environmental impacts in future product iterations.

Customer environment benefits

Annual estimated customer CO_2, energy and water savings from a select range of 20 product categories sold in 2024.

15.1m
tonnes of CO_2 per year

206.4m
GJ per year of energy

82.0m
m³ per year of water

To put these savings into context, that is the equivalent of:

2.2m
people's annual average energy consumption (UK)

612.0m
mature trees absorbing CO_2

32,800
Olympic-sized swimming pools of water

The methodology used to determine our customer energy, carbon and water savings shown above has been independently assessed by Ricardo Energy & Environment. Only products that deliver savings that can be quantified with reasonable certainty are included in the methodology.

Packaging

We remain committed to achieving our target of eliminating single-use and non-recyclable packaging (unless specified by customer requirements). However, the technical and operational complexity of meeting this target exceeds our initial expectations, with a significant number of differing packaging types across our sites. Coupled with local suppliers sometimes unable to provide sustainable alternatives, there is still work to be done. Our teams continue to make progress in some areas. For example, WMFTS identified a solution to eliminate the use of bubble wrap and plastic edge protectors in their packaging. They also progressed testing of several other packaging type alternatives during 2024. Previous sustainable packaging alternatives failed testing, but the solutions identified in 2024 have been found to provide suitable protection for products during transportation.

Against this backdrop, we are re-prioritising our focus and efforts on specific packaging types, such as plastic tape and document wallets, that would allow us to roll out these solutions globally and across all Businesses. We have also created specific Business-led workstreams, to identify high-volume packaging types (such as flange cap protectors), and will be working with suppliers to identify sustainable alternatives by the end of 2025.

Focus for 2025

- Ensure stakeholder alignment and commitment to embedding the eco-design toolkit in new product development and change processes
- Complete R&D engineer and wider training on toolkit use
- Focus on a small number of packaging types for universal replacement with more sustainable alternatives

Sustainable supply chains

Alignment with UN SDGs

Incorporating sustainability into supply chain management is essential for fostering long-term business success and environmental stewardship. Sustainable supply chains help reduce carbon footprints, conserve natural resources and promote ethical labour practices.

Our approach to supply chain sustainability emphasises collaboration, education, transparency and accountability. By fostering strong partnerships with our suppliers, we are building a resilient supply chain that meets our future needs while prioritising the wellbeing of people and the planet.

Progress

Supplier Sustainability Code

Our Supplier Sustainability Code (Code) outlines the minimum requirements we expect from all direct material suppliers (with an annual spend greater than £15,000 or suppliers that are potentially higher risk, based on geographic location or commodity type) in our supply chains. By the end of 2024, 96% of our suppliers, excluding Vulcanic, had signed the Code, declaring that they operate in line with our minimum standards and that they seek to ensure that their sub-tier suppliers also comply with these standards (98% on a spend basis). This marks a significant increase from 76% at the end of 2023.

As supply chains are not static, with new suppliers being added regularly, it is unlikely that we will achieve 100% of suppliers having signed the Code at any point in time, but we continue to strive for as close to 100% as possible. Our in-house monitoring systems allow us to effectively identify and engage with suppliers still to sign the Code. We have internal processes for managing suppliers with this status, including engagement to understand why and to check they are not in serious breach of our standards. If a supplier is non-signing but deemed critical, Senior Leader approval is required to use them for a period of time, while we continue to engage with them.

Ultimately, if suppliers remain unwilling to sign the Code following extensive engagement, we will look to move away from them. Our preference, other than in the case of serious breaches of standards, is to positively engage with the supplier, to raise their standards, as we believe this is the responsible thing to do.

Supplier Sustainability Portal

In 2024, we successfully completed the roll out of our Supplier Sustainability Portal (Portal) to an additional 151 strategic and higher-risk suppliers. We are now engaging with 1,082 suppliers through the Portal and are monitoring remotely a total of 3,013 suppliers. Suppliers are requested to upload evidence to the Portal annually or biennially, to demonstrate they are meeting our required standards.

We continue to see increased engagement levels by suppliers, with more evidence being provided in the Portal. Percentage completion of the modules in the Portal is set back to zero each year. Six months after the reset in July 2024, by the end of the year, 76% of suppliers in the Portal had completed at least one module of which 16% had completed all 12 modules. We expect completion rates to further increase during the remaining six months until the surveys are reset in July 2025.

Our procurement teams continue to work hard to engage suppliers, explaining the importance of their participation. In addition to onboarding new suppliers and driving participation rates, during 2024 we began to focus more on the quality of responses and assessing evidence provided to verify that suppliers are meeting our minimum standards. We have set minimum compliance thresholds for questionnaires regarding labour rights, human trafficking and slavery, human rights and organisational commitment, which we expect our suppliers to meet.

In 2024, we identified suppliers who had not provided sufficient evidence to demonstrate that they meet our minimum standards, principally as they do not have adequate policies and controls in place to manage and mitigate risks. We are now engaging with those suppliers to provide bespoke corrective action plans, including continuous improvement options and examples of best practice, along with clear expectations that they need to demonstrate an improvement going forward.

During 2024, we also completed two investigations on suppliers where we identified concerns that their supply chains may originate in the Xinjiang Uyghur Autonomous Region of China, in contravention of the Uyghur Forced Labor Prevention Act. Mindful of the cultural sensitivities for our Chinese colleagues, these investigations were completed from the UK. In both cases the investigations satisfactorily concluded that the suppliers were not operating in the region. These investigations provided strong evidence that our measures to assess and monitor our supply chains are operating effectively and helping to reduce risk.

Conflict Minerals

During 2024, we established a new role in the Sustainability Function to lead a focus on Conflict Mineral reporting and risk management. This takes advantage of the data we have available through our Supplier Sustainability Portal. We have reviewed our approach to managing Conflict Mineral risk reporting and are commencing the roll out of a corrective action plan, aligned to the OECD Due Diligence Guidance, to engage with suppliers where there is insufficient clarity of sourcing and processing of listed Conflict Minerals: tin, tantalum, tungsten and gold, in our supply chains. We have also commenced training colleagues on the importance of managing Conflict Mineral risks.

Modern Slavery Act

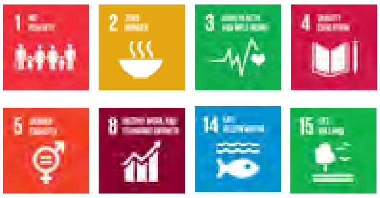
We continue to take seriously our responsibilities under the UK Modern Slavery Act and remain wholly committed to managing our operations in a way that is modern slavery free. Our Modern Slavery Act Statement can be found on the Spirax Group website spiraxgroup.com/sustainability-downloads.

Focus for 2025

- Complete the onboarding of suppliers of our Vulcanic, WMFTS Devens (USA) and selected sales companies to the Portal
- Drive supplier response rates in the Portal, issue and follow up on corrective actions to suppliers

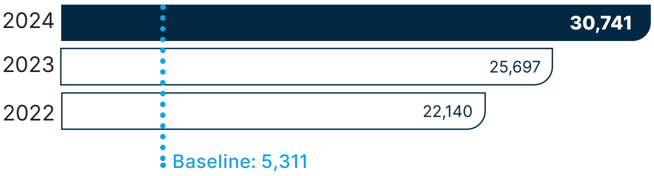
Supporting our communities

Alignment with UN SDGs



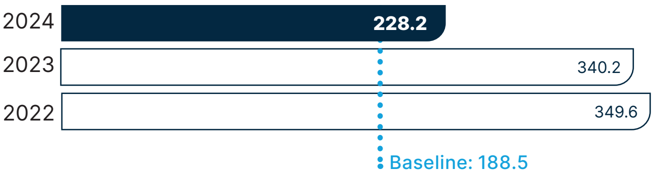
Volunteering hours

hours (including acquisitions)



Operating company cash/in-kind donations

£'000 (including acquisitions)



We recognise that our success is deeply intertwined with the wellbeing of the communities in which we operate. Our commitment to supporting our communities is firmly rooted in our Company Purpose and stems from a belief that sustainable growth is only achievable when we invest in the social fabric that supports us all.

Progress

The Spirax Group Education Fund

Spirax Group's Education Fund (Education Fund) aims to promote inclusive and equitable access to education within the communities in which we operate. Its primary goals are to improve diversity in engineering, tackle poverty through education, remove barriers to education and enhance female access to education.

During 2024, the Education Fund, which was overseen by two Company and two independent Trustees, made 40 new and 30 multi-year grants with a combined value of £1,036,715, across 36 countries. This takes the total value of grants made during its three years of operation to £3,249,569. Examples of grants made in 2024 include:

- funding scholarships for three Afro-Colombian women to study engineering at university in Colombia
- building a new classroom at a rural primary school in Ethiopia
- funding the creation of a mobile STEM classroom in Argentina
- providing a year's worth of sanitary products for 150 girls from low-income families in South Korea
- establishing a STEM laboratory for secondary school pupils in Germany, to support STEM engagement

Volunteering

In 2024, many of our colleagues demonstrated their commitment to supporting our communities by collectively contributing 30,741 working hours to volunteering activities, a 20% increase vs the prior year (2023: 25,697 hours), taking the total number of reported volunteering hours since the **One Planet** Sustainability Strategy was launched in 2021 to 89,635 hours. Our colleagues' volunteer activities spanned various initiatives, from environmental conservation to supporting the homeless and educational initiatives, showcasing the diverse ways in which we strive to give back to society.

Since launching the **One Planet** Sustainability Strategy, colleague volunteering rates have significantly increased from a previous average of around 5,000 hours a year and we have made good progress against our 2025 target. However, on the current trajectory we are unlikely to achieve our 2025 target. We will continue to encourage colleagues to make use of their annual three day entitlement to volunteering leave, but we are confident that colleagues are aware of and have opportunities to volunteer if they want to, which is a key objective of the strategy.

During our STS Business' annual leadership conference, held as a hybrid event in 2024, we set aside time in the agenda for teams to locally complete a volunteering activity. Through this event, nearly 40 activities were recorded, with appropriately 560 colleagues participating in activities totalling nearly 1,500 hours.

Charitable donations

As we continued to face strong macroeconomic and market headwinds in 2024, we saw a decline in charitable donations made by our operating companies. During the year, our operating companies made cash or in-kind donations with a reported value of £228,200 (2023: £340,200). Our colleagues also contributed an additional £60,300 of donations, in Company-organised charitable activities. Since launching the **One Planet** Sustainability Strategy in 2021, our operating companies have made over £1.25 million of charitable donations locally. While this reflects a significant increase in donations compared to the period before the launch of the **One Planet** Sustainability Strategy, we are likely to fall short of our 2025 donation target.

During 2024, Spirax Group's Charitable Fund (Charitable Fund) refreshed its administration processes and donation criteria. During the year, we donated £100,000 to a range of local, national and international charitable causes, as we commenced re-focusing our donations towards charities with greater alignment to the new criteria (2023: £400,000).

Focus for 2025

- Develop a new, simpler, volunteering and charitable donations platform to support increased reporting
- Continue to deliver impactful grants to a geographically diverse variety of educational initiatives through the Education Fund
- Deliver colleague communication campaigns to encourage participation in community engagement activities

Non-Financial and Sustainability Information Statement 2024

This Annual Report and in particular the Sustainability Report, contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in Sections 414CA and 414CB of the Companies Act 2006. The table below provides key references to information that, in conjunction with the Sustainability Report, comprises the Non-Financial and Sustainability Information Statement for 2024.*

Reporting requirement	Group policies that guide our approach	Information and risk management, with page references
Environmental matters	• Group Sustainability Policy • Group Environmental and Energy Policy • Group Management Code • Supplier Sustainability Code	Sustainability Report, pages 64 to 77 Principal Risks, pages 83 to 87 TCFD and CFD Disclosures, pages 88 to 96 Our business model, pages 18 and 19 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Employees	• Group Diversity and Inclusion Policy • Group Management Code • Group Human Rights Policy • Group Sustainability Policy • Group Health and Safety Policy – Statement of Intent	Sustainability Report, page 62 Our business model, pages 18 and 19 Colleague Engagement Committee Report, pages 112 to 115 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Social matters	• Group Human Rights Policy • Group Charitable Donations Policy • Group Employee Volunteering Policy • Supplier Sustainability Code • Group Sustainability Policy	Sustainability Report, pages 60, 63, 76 and 77 Our business model, pages 18 and 19 Section 172 Statement, pages 8 to 10 Company Purpose, page 14
Respect for human rights	• Group Human Rights Policy • Modern Slavery Statement • Supplier Sustainability Code	Sustainability Report, page 76 Principal Risks, page 87 Risk Management , page 80 to 82
Anti-corruption and anti-bribery matters	• Group Anti-Bribery and Corruption Policy • Group Gifts, Entertainment and Hospitality Policy • Group Competition Law Compliance Policy • Group Whistle-blowing Policy • Supplier Sustainability Code	Sustainability Report, page 63 and 76 Principal Risks, page 87 Risk Management Committee Report, page 120
Description of the business model		Our business model, pages 18 and 19
Description of the Principal Risks in relation to the above matters, including business relationships, products and services likely to affect those areas of risk, and how the Company manages the risks		Risk Management, pages 83 to 87 Risk Management Committee Report, pages 119 and 120 TCFD and CFD Disclosures, pages 88 to 96
Non-financial key performance indicators		Sustainability Report, pages 58 to 77 Key Performance Indicators, pages 40 and 41

* The policies listed above can be found on our website: spiraxgroup.com/governance-documents. Compliance with our policies is monitored through the implementation of our Sustainability strategy, through our Internal Audit function and, locally, by our General Managers.

In line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, we have disclosed fully against these requirements, which can be found in our TCFD report on pages 88 to 96.

Group Governance Policies	
Group Management Code	This Code sets out the Group's policy on the operation of its Businesses and the procedures, controls and senior manager certification that provide the means to achieve compliance with the Code throughout the Group and to achieve continuous improvement in the Group's performance.
Anti-Bribery and Corruption Policy	It is Group policy to conduct its business free of any bribery or corruption. The Group will not enter into contractual relationships with third parties that are known to engage in corrupt practices and will not engage in the giving or receiving of bribes or favours that create a conflict of interest. Anti-bribery and corruption training forms part of our Group Essentials Training and must be completed by all new employees and bi-annually thereafter.
Group Whistle-blowing Policy	We are committed to conducting our business with honesty and integrity and we expect all colleagues to maintain high standards in accordance with our Group Management Code and our core Values. A culture of openness and accountability is essential to prevent situations occurring and to address them when they do occur. This policy aims to encourage colleagues to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.
Competition Law Compliance Policy	It is Group policy to conduct business in accordance with the competition laws of all the countries in which we operate. This policy outlines standards of conduct and integrity we expect from all colleagues and the potential consequences of breaching competition laws.
Gifts, Hospitality and Entertainment Policy	This policy sets out the Group's position on the giving and receiving of gifts, hospitality and entertainment, and our colleagues' responsibilities under this policy.
Charitable Donations Policy	This policy sets out the principles to be adopted in relation to charitable donations, both cash and in-kind, and applies to all charitable donations and community engagement activities across the Group.
Environmental Policies	
Group Sustainability Policy	This policy outlines the standards and commitments by which we guide operations at our Group Functions, operating companies and colleagues of Spirax Group in a socially and environmentally responsible manner. While these standards and commitments guide our own operations, we also encourage suppliers and partners to abide by the standards outlined in this policy.
Group Environmental and Energy Policy	This policy underlines the commitments made in our **One Planet: Engineering with Purpose** Sustainability Strategy with regard to protection of the environment, climate change and the efficient use of resources, including water, waste management and biodiversity enhancement.
Supplier Sustainability Code	The Code represents the minimum standards that we ask our suppliers and their sub-tier suppliers to adhere to when conducting business with Spirax Group. It covers expectations relating to human rights, health and safety, quality management, environmental sustainability and ethics.
Colleague and Human Rights Policies	
Employee Volunteering Policy	All Group colleagues are entitled to up to three days of volunteering leave per year. This policy is intended to help and support colleagues wishing to volunteer and provides a framework for good practice.
Group Health and Safety Policy – Statement of Intent	This Statement outlines the commitments of intent that our Group functions and operating companies must adhere to, in order to ensure that Health and Safety remains a core Value and our first consideration.

Risk Management

Our approach and appetite for risk
Risk is inherent in business and to achieve our goals we must appropriately manage certain risks. We strive for a balanced approach, protecting our resources while pursuing growth opportunities and staying aligned to our Purpose, Vision and Values.

Our approach to risks is deliberate and considered:

- We evaluate our strategic and operational risks
- We assess our ability to control or mitigate risks
- We consider ethical and commercial implications of accepting risks

An informed process is crucial for making risk-based decisions. The Board ultimately sets the appropriate Risk Appetite for our Group, informed by recommendations from the Risk Management Committee which has oversight for the enterprise risk management framework on delegated authority from the Board.

We have a low appetite for risks that could lead to health, safety, environmental, legal or regulatory breaches. Conversely, we have a higher appetite for economic and political instability risks given our experience in volatile markets and established control procedures. We recognise the need to take risks in new territories for growth, while maintaining effective controls and compliance with laws and regulations.

The Group faces a variety of risks that could impact its operations, financial performance and reputation. These risks include, but are not limited to, market volatility, regulatory changes, cybersecurity threats and operational disruptions. To mitigate these risks the Group has implemented a comprehensive enterprise risk management framework. The Board, supported by the Risk Management Committee and the Audit Committee, is committed to maintaining a proactive approach to risk management, ensuring that the Group remains resilient and well-prepared to navigate potential challenges.

Enterprise risk management governance and framework
The Board oversees risk management by developing and maintaining an enterprise risk management framework, implementing an internal control framework and through conducting independent internal audits. The Risk Management Committee oversees and monitors significant risks, ensuring robust policies and procedures, reporting to the Board on the risks facing the Group and the measures taken to mitigate those risks. The Board reviewed this process and is satisfied that we have a robust risk management process in place through which, we identify, evaluate and manage our Principal Risks and emerging risks.

To fulfil this responsibility, the Risk Management Committee oversees the Group's risk processes and procedures. This oversight is supported by the Audit Committee and the Internal Audit function, which monitors the compliance of the Group's operating companies with these processes and procedures. The framework on page 81 illustrates how risk management is governed within the Group's structure.

To effectively mitigate risk and ensure robust governance, we employ the 'Three Lines of Defence' model. This model provides a structured approach to risk management and internal control, enhancing our ability to identify, assess and manage risks across the organisation.

First line of defence

Each Business is responsible for the identification, control and management of its own risks

Second line of defence

The Risk Management Committee, with the Audit Committee, ensures that the risk and compliance framework is effective, to facilitate the monitoring and management of risk with ongoing challenge and review of the risk profile in the business

Third line of defence

Internal audits provide independent testing and verification of compliance with policies and procedures and monitoring of follow-up actions where required

First line of defence: operating companies
Each operating company identifies the key inherent risks for their business together with the controls that mitigate those risks, within an agreed residual risk appetite. Ongoing monitoring is performed to ensure the effectiveness of controls to mitigate the risk. Operating companies also conduct an annual risk assessment to challenge the overall effectiveness of their risk and control framework. Senior managers have full accountability for risk management within their Businesses.

Second line of defence: Group risk management and control functions
At Group level a risk management framework and control management framework provide oversight and support to the operating companies. The Group functions develop and monitor policies, procedures, risk assessments and control effectiveness for the Group. Through ongoing monitoring and testing of risk and controls, there is effective challenge of the operating companies' risk and control frameworks and support of a continuous improvement process. This risk and control framework is further supported by additional oversight exercised by our Group functions, including: Legal, Compliance, IT, HR, Sustainability, Health and Safety and Finance.

Underpinning the Group's control environment is our strong corporate culture and the 'tone at the top' of the organisation, which sets the standards under which all Group business is conducted. These are captured in the six Values of the Group that have been communicated to all colleagues. They are also documented and reinforced through the Group Management Code and through mandatory training. Colleague engagement surveys are also undertaken to validate organisational alignment to our Values.

The Group's documented policies and procedures, which are periodically reviewed and refreshed, set out our clear expectations of operating companies for the operation of controls. This includes the Group's delegation of authorities that has been approved by the Board and cascaded to our Business Executive teams and their respective operating companies.

Reviews over the effectiveness of the control environment are performed through an annual risk and control self-assessment process and reviews of operating companies' activities are undertaken by Group functions. Oversight of the financial and operational performance of our operating companies is provided at Business and Group levels and includes detailed quarterly financial reviews and reviews of monthly management accounts.

Safecall, our established, independent whistle-blowing facility is managed by the Group General Counsel and is advertised at all operating company sites. Colleagues can use Safecall to report concerns confidentially and anonymously if they become aware of any activity that is inconsistent with our principles. Concerns are investigated by the Group General Counsel or another senior manager, as appropriate.

Third line of defence: Internal Audit

Internal Audit provides independent assurance on the effectiveness of the first and second lines of defence. By conducting regular audits and assessments, Internal Audit evaluates the adequacy and effectiveness of the Company's risk management, control and governance processes. This independent review helps to identify areas for improvement and ensures that the Company's risk management practices are robust and effective.

The internal audit system is a crucial part of the risk management process. Internal audits are conducted by our Group Internal Audit team with regular reporting to the Audit Committee.

By leveraging the Three Lines of Defence model, we ensure a comprehensive and integrated approach to risk management, fostering a culture of accountability and continuous improvement.

Governance and compliance

In 2024, we maintained a strong focus on governance and compliance, which remains central to managing risk and has driven continuous improvements in our enterprise risk management and control frameworks, sanction policy and controls, supplier sustainability, Group tax evasion controls and Health and Safety framework.

To address the risk of fraud, we launched the 'Stand Up to Fraud' campaign across the Group. Each operating company conducted an open assessment of the fraud risks specific to their business area and developed or enhanced controls to mitigate these risks effectively.

Managing risks

The following framework illustrates how risk management is governed within the Group's structure:

Board — Reports to

Audit Committee — Works with

Risk Management Committee
Oversees risk management processes and procedures and monitors mitigating actions put in place by the Group. Works with the Audit Committee to monitor the effectiveness of internal controls and the audit process, including 'deep-dives' into specific risks

Top down review

Risk review (external/internal)
Carried out at regular intervals

Risk assurance
Internal Audit (ongoing review of effectiveness by the Audit Committee and Risk Management Committee)

Group-wide risk register
Maintained and reviewed by the Risk Management Committee

Bottom-up review

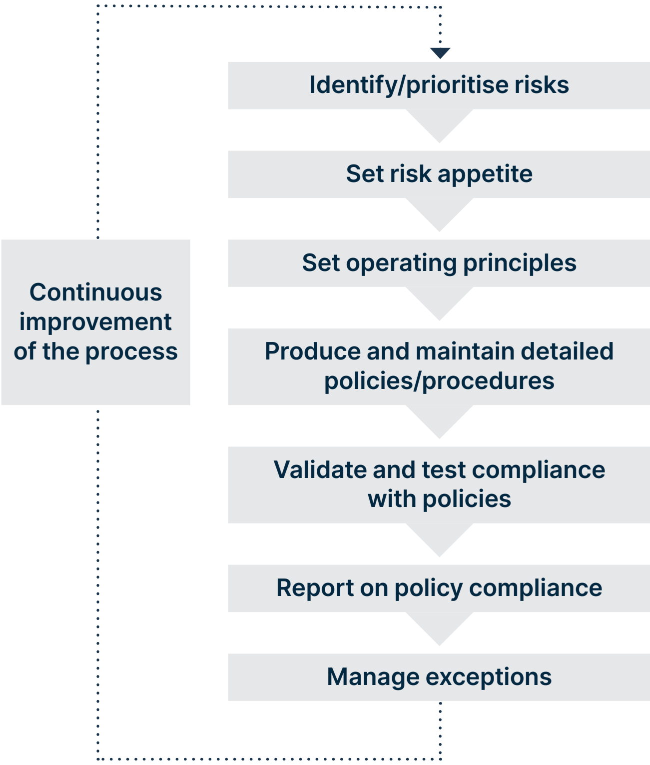
Group operating companies

Risk Management continued

Governance and compliance continued

We have also made substantial investments in our enterprise technology solutions and information security controls. We will continue to assess the robustness of our governance and compliance programmes and controls in the context of our operational and strategic goals and will respond in a manner which enables our Group to mitigate the challenges presented by a dynamic risk environment.

Continuous improvement model



What we did in 2024

Following the annual review of the risk register and with responses from a top-down risk review, we updated our list of Principal Risks. Changes to the list include inclusion of 'Ageing Enterprise Systems' (an update to the previously named 'Ineffective IT Systems'). The broader definition of Ageing Enterprise Systems reflects our recognition that this is becoming more relevant to our Group, as well as the challenges and opportunities of enhancing such systems across our Group. While still an important risk for our Group, 'Loss of Critical Supplier' was removed from the list of Principal Risks in recognition of greater stability in our supply chain, as markets have adapted to the new normal post-COVID-19 pandemic and commodity inflation has continued to ease.

Other Principal Risks remain unchanged: Breach of Legal and Regulatory Requirements (including anti-bribery and corruption Laws), Cybersecurity, Economic and Political Instability, Failure to Realise Acquisition Objectives, Inability to Identify and Respond to Changes in Customer Needs, Loss of Manufacturing Output at Any Group Factory and Significant Exchange Rate Movement.

Additionally, the year-on-year trend for each Principal Risk was assessed and updated with risk appetite and risk velocity ratings validated for each of the Principal Risks. Our Principal Risks are set out in more details on pages 83 to 87.

Emerging risks

This encompasses monitoring all risk areas, including operational, financial, strategic, compliance, reputational, market, security and physical risks.

Among these risks, we considered: the effects of persistent inflation and high interest rates slowing growth and increasing the risk of financial stress; conflicts which continue to be a global concern in the Middle East and in Ukraine and political changes in key markets, which may impact global trade. We also monitor closely the changing landscape around the increased use of tariffs.

Climate change remains an emerging risk that we closely monitor and is listed on our risk register. The Group Executive Committee and the Board receive regular updates on the potential impacts of climate change. We also adhere to the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) to facilitate the transition to a low-carbon economy. Our TCFD disclosures can be found on pages 88 to 96 of the Strategic Report.

An example of how we are responding to this emerging risk is through the decarbonising of our operations, using our proprietary technologies, entering into green energy contracts and sourcing solar power. These initiatives also align with our Purpose and focus on all our stakeholders.

Further reading

- Risk Management Committee Report
  See pages 119 and 120
- Our Viability Statement
  See page 120
- Our Going Concern Statement
  See page 35
- TCFD Disclosures
  See pages 88 to 96

Principal Risks

The following pages set out the Group's Principal Risks and describe how these link to our strategy. Each risk is defined, with an explanation of how that risk is evolving, as well as our assessment of risk velocity and risk appetite. Mitigating controls and measures are summarised to demonstrate that the level of residual risk aligns to our risk appetite.

Growth Drivers

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

Risk theme	Principal Risk	Growth Driver alignment
External factors	Economic and political instability	Commercial Excellence, Operational Excellence, Organisational Fitness
	Significant exchange rate movement	Commercial Excellence, Operational Excellence, Organisational Fitness
Operations	Ageing Enterprise Systems	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services
	Cybersecurity	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services
	Loss of manufacturing output at any Group factory	Commercial Excellence, Operational Excellence, Decarbonising Thermal Energy
Strategic	Failure to Realise acquisition objectives	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services, Decarbonising Thermal Energy
	Inability to identify and respond to changes in Customer needs: Digital/non-Digital	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services, Decarbonising Thermal Energy
Compliance and responsibility	Breach of legal and regulatory requirements (including ABC laws)	Commercial Excellence, Operational Excellence, Organisational Fitness, Digital and Services

Risk appetite ratings defined:

Appetite	Description
Very low	Following a marginal-risk, marginal-reward approach that represents the safest strategic route available.
Low	Seeking to integrate sufficient control and mitigation methods in order to accommodate a low level of risk, though this will also limit reward potential.
Balanced	An approach which brings a high chance for success, considering the risks, along with reasonable rewards, economic and otherwise.
High	Willing to consider bolder opportunities with higher levels of risk in exchange for increased business payoffs.
Very high	Pursuing high-risk, sometimes unproven options that carry with them the potential for high-level rewards.

Risk velocity ratings defined:

Velocity	Description	Timeframe
Very low	Very slow impact, response time adequate to mitigate effects	Felt after 12 months
Low	Slow impact, robust response through strategy may mitigate effects	Felt within 12 months
Medium	Moderate time to impact, swift and robust response may mitigate effects	Felt within 6 months
High	Fast impact, immediate response may mitigate effects	Felt within a month
Very high	Very rapid impact with little or no warning. Limited time to respond and mitigate effects	Felt within a week

Principal Risks continued

External factors

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
1. Economic and political instability					
The Group operates worldwide and maintains operations in territories that have historically experienced economic or political instability, including regime changes. In addition to the potential impact on our local operations, this instability increases credit, liquidity and currency risks.	→	Very high **High** Medium Low Very low	• Resilient business model, strengthened by regular strategic business reviews • Well spread business by geography and sector • Externally-facilitated scenario planning exercises • Strong internal controls, including internal audit and appropriate insurance • Operating in line with the Group Treasury Policy, including currency exchange hedging and cash pooling arrangements • Increased liquidity through more headroom on Group debt facilities **Executive sponsor:** Group Chief Executive **Change:** No change	Very high **High** Balanced Low Very low	We have the background and know-how to successfully manage the unique challenges in economically and politically volatile territories. We are willing to accept these challenges where opportunities for growth exceed the impact of this risk.
Link to Growth Driver:					
2. Significant exchange Rate Movement					
The Group reports its results and pays dividends in sterling. Sales and manufacturing companies trade in local currency. With our local presence in markets across the globe, the nature of our business necessarily results in exposure to exchange rate volatility.	→	**Very high** High Medium Low Very low	• Maintain the spread of manufacturing across currency areas and a consideration of exchange rate exposures in the manufacturing strategy • Forward cover where appropriate and in line with the Group Treasury Policy on hedging currency exchange movements • Focus on reducing manufacturing cost, including sourcing materials from cheaper markets, and purchasing in the UK in foreign currency • Deployment of price management tools **Executive sponsor:** Chief Financial Officer **Change:** No change	Very high High **Balanced** Low Very low	We take a balanced view as the risk arises as a direct result of our global presence, but our geographic spread means we are not wholly dependent on any one currency.
Link to Growth Driver:					

Operations

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
3. Ageing Enterprise Systems					
Could significantly reduce our ability to harness efficiencies across our Group and effective deployment of capital, slowing down innovations and increasing security risks (including cyber). In turn, this could limit our ability to meet customer requirements and orders, and create bottlenecks in our business processes.	↑	Very high High **Medium** Low Very low	• Ongoing infrastructure modernisation programmes ensuring critical physical hardware is current • Significant investment in a multi-year initiative to retire ageing IT solutions, to evergreen cloud solutions to mitigate the risk of obsolescence • Strong IT Governance has been implemented to control changes on Enterprise Systems • Operational controls are in place through a combination of power protection, backup, disaster recovery as well as continual monitoring, to ensure strong Enterprise IT solutions • Continued risk reduction efforts around system support **Executive sponsor:** Chief Financial Officer **Change:** The risk has increased due to the continued ageing of fragmented and large number of enterprise solutions across the Group, and the increased pace of the market migration to cloud solutions.	Very high High Balanced **Low** Very low	While this represents a significant risk to the Group, the diverse nature of our operating companies and their enterprise systems creates a moderating effect. With existing continued focus and investment this risk will be further mitigated.
Link to Growth Driver:					
4. Cybersecurity					
Cybersecurity risks include theft of information, malware, ransomware and compliance with evolving statutory and legislative requirements. Risks may manifest through a direct attack on our business or through our supply chain	→	**Very high** High Medium Low Very low	• Global assessment of our IT environment against UK cyber essentials framework and prioritising actions for improvement • Deploying security tools to limit the impact and spread of ransomware • System access rights regularly reviewed • Further strengthening of security for centrally-managed systems for heightened protection and consistency • Mandatory cyber awareness training is delivered to all new colleagues and refreshed biennially **Executive sponsor:** Group IT Director **Change:** No change	Very high High Balanced Low **Very low**	Concerns of potential impact on the business, in addition to important considerations surrounding protection of personal data, reinforce our commitment to implement and maintain robust security measures across the Group.
Link to Growth Driver:					

Principal Risks continued

Operations continued

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
5. Loss of manufacturing output at any Group factory					
The risk includes loss of output as a result of natural disasters, industrial action, accidents or other causes. Loss of manufacturing output from our larger plants could cause serious disruption to Group sales.	→	Very high **High** Medium Low Very low	• Capacity planning and holding stock in sales companies • Investment in new sites to open alternative lines of supply • Conducting audits/inspections • Annual risk assessments and business continuity planning • Reviewing and maintaining appropriate insurance cover • Continuing commitment to employee policies, ensuring satisfactory benefits and regular engagement with colleagues **Executive sponsors:** Managing Directors of Steam Thermal Solutions, Electric Thermal Solutions and Watson-Marlow Fluid Technology Solutions **Change:** No change	Very high High Balanced **Low** Very low	While we have mitigated this risk through a geographic spread of factories, calculated replication of capacity and management of stock, we have a low appetite for this risk due to the potential negative consequences to the Group and its customers.
Link to Growth Driver:					

Strategic

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
6. Failure to realise Acquisition objectives					
External growth has been an important driver for our Group. Failure to integrate new businesses successfully into our Group could result in poor performing business, lower returns on our investment, poor talent retention and failure to meet customer needs.	→	Very high High Medium Low **Very low**	• Board approval of integration plans for major acquisitions • Regular monitoring of performance by the Board against the approved investment case • Regular review of acquisition criteria in line with strategic plan • Scrutiny of targets and implementation plans by external and internal key colleagues • Use of retainer/escrow to provide protection against warranty claims • Use of insurance as protection against seller breach and non-disclosure • Ensuring valuation models show a healthy return on investment and a credible plan to achieve this **Executive sponsor:** Group Chief Executive **Change:** No change	Very high High Balanced **Low** Very low	Thorough planning and proper due diligence can mitigate many of the potentially risky aspects of an acquisition. Implementation plans must be well-developed and carefully pursued to achieve the full strategic and financial benefits.
Link to Growth Driver:					

Strategic continued

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
7. Inability to identify and Respond to changes in customer needs: Digital/non-Digital					
This risk could lead to a reduction in demand from a failure to respond to changes in customer requirements or technology shifts.	→	Very high High **Medium** Low Very low	• Stronger presence of sales engineers, compared with competitors, in the marketplace • Integrating our recent acquisitions to deepen and broaden our expertise and to better position the Group to meet customer demand in more sustainable industries • New product ideas generated by market development managers from close alignment with sales engineers and customers • Sales and competitor analyses undertaken to identify any trends or technology shifts • Digital strategies for the Group and Businesses have been initiated, supported by an investment plan that takes into account the need for new skills and external partnerships • A Group Digital Director leading the Digital and Services Growth Driver **Executive sponsors:** Managing Director, Steam Thermal Solutions and Group Digital Director **Change:** No change	Very high High **Balanced** Low Very low	The Group continues to focus on its market awareness and voice of the customer, through investing in technical, digital and sales knowledge to continue to be more closely attuned to our customers.
Link to Growth Driver:					

Compliance and responsibility

Principal Risk and why it is relevant	Trend	Risk velocity	Key mitigation, sponsor and explanation of change	Risk appetite rating	Rationale for rating
8. Breach of legal and regulatory requirements (including ABC laws)					
We operate globally and must ensure compliance with applicable laws and regulations wherever we do business. As we grow into new markets and territories, we are exposed to more and increasing complex legislative frameworks. Breaching any of these laws or regulations could have serious consequences for the Group, including fines, loss of business and reputational damage.	→	Very high High **Medium** Low Very low	• Ongoing global monitoring of commercial arrangements and agreements, with appropriate professional advice • Established procedures to maintain accreditations • Biennial Group-wide ABC training • Multi-lingual, multi-national secure whistle-blowing hotline • Group Litigation Report and ongoing monitoring of cases • Regular updates on Corporate Governance and Stock Exchange rules • General Data Protection Regulation compliance plan in place • Conducting of supplier audits • Engaging suppliers to commit to compliance with the principles of the Supplier Sustainability Code **Executive sponsor:** Group General Counsel **Change:** No change	Very high High Balanced Low **Very low**	We abide by the laws, rules and regulations of the jurisdictions in which we operate and given the serious consequences for breaching these laws, rules and regulations, we have a very low appetite for this risk.
Link to Growth Driver:					

Task Force on Climate-related Financial Disclosures (TCFD)

In accordance with the UK Climate-related Financial Disclosure Regulations (CFD) and Listing Rule 6.6.6R(8) we confirm that the following pages contain disclosures consistent with the Task Force on Climate-related Financial Disclosures' (TCFD) recommendations and recommended disclosures.

Our approach is fully aligned with 10 of the 11 TCFD recommendations. For the remaining disclosure, metrics and targets b) disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks, we report scopes 1 and 2, but report scope 3 with a one-year time lag, due to the complexity of collecting the data within the timeframe of the production of the Annual Report.

In 2024, we used a third-party carbon accounting specialist to support the recalculation of our scope 3 emissions to include 2022 acquisitions Vulcanic and Durex Industries. Our recalculated 2021 baseline was submitted to the SBTi and our targets re-validated in December 2024. We also calculated scope 3 emissions for the whole Group for 2023, which can be found on page 67. Scope 3 is highly complex and requires significant levels of estimation where data are not available. We are still developing our data collection processes for scope 3, during the year we undertook significant work to re-baseline for recent acquisitions and we are reliant on external support. Therefore, it was not possible to calculate full scope 3 emissions for 2024 ahead of the reporting deadline. We have disclosed a partial scope 3 figure (category 3, B and C) for 2024, which can be found on page 67.

During 2024, we further improved our data collection processes through establishing a clear timetable and reporting expectations and also increased stakeholder engagement. In 2025, we will work to further increase the efficiency and speed of these calculations. We aim to publish in-year scope 3 analysis when Spirax Group is expected to come into scope for Corporate Sustainability Reporting Directive (CSRD) disclosures in 2029, in respect of full year 2028, if not before.

We will review our disclosures against the recommendations of TCFD on an annual basis.

Governance

Describe the Board's oversight of climate-related risks and opportunities

In 2024, our approach to governance for the **One Planet** Sustainability Strategy evolved to reflect its successful implementation and integration into our core business strategies. The Group Executive Committee (GEC) met in early 2024 to review the strategy's governance. It was agreed that we no longer needed the GEC to act as a Steering Committee for the strategy or to sponsor each Strategic Initiative individually. Instead, in line with the governance of the new **Together for Growth** Strategy, the **One Planet** Sustainability Strategy is now overseen by a single Executive Committee Sponsor, the Group Sustainability Director, and one Business Executive Committee Sponsor. This streamlined approach ensures focused leadership and accountability for our sustainability efforts (see Sustainability governance structure on page 89).

We maintained other key elements of our governance framework, such as the Group Sustainability Management Committee (GSMC), that met five times throughout 2024 to review strategic progress and review annual improvement priorities and areas of focus for 2025. This committee oversees the implementation of the **One Planet** Sustainability Strategy and ensures alignment with our sustainability goals. Progress against strategic targets is formally reported to the GEC every quarter with a **One Planet** update, with ad hoc updates or strategic discussions embedded in the regular cadence of monthly GEC meetings, when required.

The Board of Directors continued to maintain strategic oversight of the **One Planet** Sustainability Strategy, and received four updates during 2024, at full meetings of the Board and three updates at Audit Committee meetings. These updates included progress on the Group's **One Planet** targets and preparation for the upcoming requirements of CSRD. As the overall sponsor of the **Together for Growth** Strategy, developed in 2024, the Group Chief Executive Officer also remains an overall sponsor for the **One Planet** Sustainability Strategy. This robust governance structure ensures that sustainability remains at the forefront of our business agenda, driving continuous improvement and innovation.

The Board is responsible for the overall stewardship of strategic risk management and internal controls. The Audit Committee is also directly involved in the detailed review of risks, including those outlined in these disclosures, and reports back to the Board on its findings. During 2024, the Audit Committee Chair attended a Risk Management Committee meeting and the Board oversaw the review of the Principal Risks, as well as the presence of climate change on the Group Risk Register.

Our **One Planet** Sustainability Strategy is an important mechanism by which we seek to mitigate climate-related risks and maximise climate-related opportunities, while our **Together for Growth** Strategy focuses on revenue growth, building on our strong foundations as a Group. **One Planet** supports the delivery of our Growth Drivers, enabling us to evolve for tomorrow's world.

Supporting customers on their decarbonisation journey is a significant element of both our Steam Thermal Solutions (STS) and Electric Thermal Solutions (ETS) Business strategies and is a designated Strategic Growth Driver within the **Together for Growth** Strategy. The Board provides strategic oversight and approval of Business strategies, ensuring that we have appropriate governance and oversight of any market-based risks or opportunities that could arise as a result of climate change.

Where sustainability, including carbon reduction investments, is part of a large Capex proposal, these investments are directly approved by the Board. Climate impact is considered as one of the factors when making Capex decisions, which would also include mergers, acquisitions and other business plans. No specific carbon reduction investments were reviewed or approved by the Board in 2024. During the year we established a formal net zero Capex planning process to ring-fence net zero investments during the annual financial planning cycle, with specific net zero investments reviewed and approved by the Group Executive Committee for inclusion in Plan 2025.

We completed a Double Materiality Assessment in 2024, in preparation for CSRD reporting, and anticipate that, based on current requirements, 'ESRS E1 Climate Change' will be a material disclosure for reporting going forward.

Sustainability governance structure

Group Chief Executive Officer

Board of Directors

Group Executive Committee

Executive Sponsors
Sarah Peers, Group Sustainability Director and Mai Møllekær, EMEA Divisional Director, STS

Group Sustainability Management Committee
During 2024, Committee members included: Group Sustainability Director (Chair), Business Heads of Sustainability, **One Planet** Strategic Initiative and Strategic Project Leads, and Group Head of Diversity, Equity and Wellbeing.

Business Heads of Sustainability

Divisional Directors, Regional and General Managers

Sustainability strategy project leaders and teams

Colleagues and organised colleague groups

Strategy

Describe management's role in assessing and managing climate-related risks and opportunities

The Risk Management Committee has responsibility for managing climate-related risks. Sarah Peers, Group Sustainability Director, had specific delegated responsibility for overseeing climate-related risks and mitigation activities in 2024. Through her role as a member of the Group Executive Committee (GEC) she ensures that climate-related risks and opportunities are appropriately considered in management's day-to-day operational practices.

During 2024, we reviewed the Group's exposure to risk using a top-down approach, where the Committee sought views of the Group operating companies on the risks that they considered may affect their activities, to ensure visibility of any new or emerging risks. Following this process, the Committee reviewed and confirmed that adequate countermeasures are in place to mitigate the Principal Risks in the Group Risk Register.

During 2024, management of the Group's climate change mitigation activities was overseen by the Board, the GEC and the GSMC. The GSMC comprises the Group Sustainability Director, the Business Heads of Sustainability, Strategic Initiative and Strategic Project Leads and other relevant individuals.

Management oversight of climate-related risks and opportunities is embedded within the **One Planet** Sustainability Strategy and our **Together for Growth** Strategy. Through these, the GEC and Business Executive Committees consider climate-related risks, opportunities, strategic implementation and progress against targets.

Describe the impact of climate-related risks and opportunities on the organisation's Businesses, strategy and financial planning

Growing awareness of climate change and customer sustainability targets will continue to provide an impetus for business growth as we provide products, services and solutions that increase efficiency and reduce customers' energy use and carbon emissions. We believe that decarbonisation provides a material opportunity for Spirax Group and, as a result, it has been identified as a Growth Driver in our new **Together for Growth** Strategy. We have quantified the size of the addressable market as £2.4 billion in relation to the decarbonisation of steam generation and £4.2 billion for the decarbonisation of thermal energy beyond steam, expanding the Group's addressable market from £10.7 billion to £17.3 billion. Providing us with the opportunity to capitalise on the decarbonisation trend ahead of us.

To mitigate the risks outlined, our **One Planet** Sustainability Strategy underpins our Business strategies, which in conjunction with the voice of the customer and understanding customer needs, allows us to develop products and services that help them achieve their own carbon reduction targets. We also ensure we are managing reputational risk by reducing our own emissions, in line with our commitments to the Science-Based Targets initiative (SBTi).

TCFD and CFD continued

Strategy continued

Describe the impact of climate-related risks and opportunities on the organisation's Businesses, strategy and financial planning continued

As part of our financial planning process, we have an annual financial plan for sustainability. When considering sustainability investments, we prioritise initiatives that deliver the best value of £/tCO_2e saved. In 2022, we developed and commenced implementation of net zero roadmaps across our manufacturing sites and are delivering excellent progress. For more information about our net zero roadmap, see pages 69 to 71.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

With customers in almost all industries worldwide and across 168 countries, steam remains the world's most efficient heat transfer medium for a wide range of applications, with multiple on site uses from the production of foods, beverages and medicines to the generation of power. Our STS products and services offerings are complemented by our ETS Business, allowing us to remain highly resilient and relevant across different climate-related scenarios.

As part of our annual viability assessment, we undertake scenario risk modelling focusing on stress testing the Income Statement and cash flow projections to determine the resulting impact on the Group's debt covenants and liquidity headroom. This enables us to ascertain the potential revenue or adjusted operating profit impacts that could arise from one, or a combination, of the Group's Principal Risks. The key risks associated with climate change are mitigated by management processes for two of our Principal Risks and other relevant risks on the Risk Register. Modelling completed as part of our viability assessment suggests that our Principal Risks do not pose a significant threat to the viability of our Group; therefore, management believes that this also applies to climate risk. For more information see pages 35 to 37 and 119 to 128.

As well as these ongoing risk management and Principal Risk Management processes, in 2023 we worked with Willis Towers Watson to complete quantified scenario analysis for a range of warming scenarios (a below 2°C scenario (1.5°C scenario), a 2–3°C scenario and a 4°C scenario), over multiple timeframes. Physical risks were assessed under current conditions and projected impact in the medium term (2030) and long term (2050). These timeframes align with our **One Planet** Sustainability Strategy targets and SBTi approved net zero targets. 2030 aligns with our financial planning for achieving net zero (scopes 1 and 2) and is also within the delivery horizon of our 10 year strategic vision, as defined by the **Together for Growth** Strategy. 2050 aligns with both our long-term net zero target (scopes 1, 2 and 3) and is also sufficiently far away to model for the longer-term climatic changes that may impact the Group in the future, without being so far out that the future is increasingly uncertain.

The chosen scenarios were in line with the Intergovernmental Panel on Climate Change (IPCC) representative concentration and shared social economic pathways (RCPs mapped to SSPs) RCP 2.6 (SSP1), RCP 4.5 (SSP2) and RCP 8.5 (SSP5) respectively. The two most extreme upper and lower scenarios were chosen in order to 'stress test' the impact to the Group under cases of maximum physical risk or transition risk impacts. RCP 4.5 was assessed as a middle scenario.

Physical risks were identified through asset 'exposure diagnostic' analysis for 239 operating locations, made up of sales and manufacturing companies and sites. The climate risks were derived from several data sources including Willis Towers Watson's Global Peril Diagnostic and Climate Diagnostic tools, data from Munich Re hazard databases and research in line with the IPCC reports. The findings were then validated in workshops.

Transition risks were identified and assessed through multiple workshops, drawing on relevant expertise from colleagues from across the Group. For this assessment, one scenario of RCP 2.6 (1.5°C scenario) was considered, as it is under these conditions that transition risks would be most relevant. Transition risk exposure was assessed on a short-term horizon of 2025 and a medium-term time horizon of 2030 with impacts being assessed as an annualised amount. Transition risks were not quantified in the longer term due to the difficulty in building assumptions around the direction of policy out to 2050 or beyond; physical risks are anticipated to be more relevant on those timeframes.

In addition, physical risk exposure diagnostic analysis was completed for 45 of the Group's suppliers, who were selected on the basis of spend, strategic importance, geographic location and business coverage.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

The Risk Management Committee holds annual top-down or bottom-up reviews that provide information and evaluations that the Committee uses alongside our risk impact, likelihood, appetite and velocity ratings to create an effective system for assessing materiality, monitoring, planning and developing our Group-wide approach and culture regarding risk.

The Risk Management Committee performs a scoring exercise each year against all our documented risks, assessing impact, likelihood, control, velocity and appetite for each risk. Each member of the Committee scores each risk, which are reviewed, discussed and assessed compared to the other risks. This process is used to assign the Principal Risks and inclusion of other risks on the Risk Register. Existing and emerging regulatory requirements related to climate change are considered as part of this review.

Risk velocity was deliberated and approved as a further measure in our Group risk management framework in 2022. Risk velocity ratings were assigned and validated for all Principal Risks in 2024, as set out on pages 83 to 87 and other risks on the Risk Register, including climate change.

Describe the organisation's processes for managing climate-related risks

Materiality for climate change risks is based on the enterprise risk management scales used to determine materiality across all of our risk management processes.

Climate change-related risks are currently deemed to be low for the Group, which is based on assessment of likelihood, velocity, impact and control, with climate change not identified as a Principal Risk on the Group's Risk Register. However, risks associated with climate change, e.g. physical risks, notably the impact of a climate-related event on our direct operations, specifically the loss of a manufacturing site and transition risks, such as failure to meet changing market or customer needs, are already managed through other Principal Risks on the Group Risk Register. We therefore believe that our risk management processes are adequate and appropriate for the level of risk applicable to our Group.

For more information about how we manage risk, see the Risk Management Committee Report on pages 119 and 120

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

During 2024, we reviewed the Group's exposure to risk using a top-down approach, where the Committee received high quality input from the Group operating companies on the risks that they considered may affect their activities, to ensure new or emerging risks are not missed. Following this process, the Committee reviewed and confirmed the robustness of the countermeasures that Group operating companies have in place to mitigate the Principal Risks in the Group Risk Register.

Climate change is a risk factor that influences other risks, so control of climate risk is embedded in and managed through other Principal Risks, particularly Loss of manufacturing output at any Group facility, and Inability to identify and respond to changes in customer needs, and other risks on the Risk Register, such as Loss of a critical supplier.

Climate change is considered a serious emerging risk, though not currently one of the Group's Principal Risks.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

We have disclosed cross-industry TCFD metrics used to manage our climate-related risks and opportunities.

Managing our GHG emissions to meet our net zero targets and helping our customers to do the same mitigates climate risk by working towards realising a low-carbon future.

- Scopes 1, 2 and 3 GHG emissions – pages 66 and 67
- Energy use – page 68
- Proportion of company vehicles that are EV – page 69
- Waste and water – page 73
- Climate-related Executive management remuneration – page 41
- Customer environmental benefits – page 75

Group GHG emissions (scopes 1 and 2) are monitored as one of our Group key performance indicators (KPIs) to measure successful progress against our strategy. See pages 40 and 41 for more information on our KPIs. Given the strong engagement with and investments in net zero initiatives across the Group, an internal carbon price is not needed. In addition, internally we monitor several opportunity metrics, for example the customer decarbonisation opportunities pipeline in the ETS Business and metrics related to our **TargetZero** solutions. These metrics are not disclosed externally as they are commercially sensitive.

In December 2023, we received approval from the SBTi for our near and long-term targets, and net zero target for 2050, in line with a 1.5°C trajectory. In 2024, we resubmitted our baseline emissions to the SBTi to include 2022 acquisitions, and the revised baseline and targets were approved in December 2024.

Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks

Scope 1, scope 2 and scope 3 disclosures can be found on pages 66 and 67

During 2022, we used a third-party to help us quantify a full scope 3 baseline figure for 2021. This figure was calculated using GHG Protocol-aligned scope 3 methodologies but is heavily reliant on estimates and assumptions. In 2024, we recalculated our 2021 baseline and calculated our 2023 scope 3 emissions to include Vulcanic and Durex Industries. In 2025, we will be working to increase the speed of these calculations, with a view to publishing an in-year scope 3 analysis when required as part of our CSRD disclosures.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Through our **One Planet** Strategy, we set targets to achieve net zero GHG emissions (scopes 1 and 2) by 2030, and net zero (scopes 1, 2 and 3) by 2050. Since setting these targets, we have had additional targets validated by the Science-Based Targets initiative (SBTi) as follows:

- near-term target to reduce absolute scopes 1, 2 and 3 GHG emissions 50.4% by 2032 from a 2021 base year
- long-term targets to reduce absolute scopes 1 and 2 GHG emissions 95% by 2050 from a 2021 base year and reduce absolute scope 3 emissions by 90% within the same timeframe; to achieve net zero GHG emissions across the value chain by 2050

Reflecting the central importance of the Group-wide **One Planet** Sustainability Strategy to all of our forward-looking plans, in 2022, measures for the Performance Share Plan (PSP) changed to include a sustainability measure accounting for 20% of the PSP opportunity, dependent on reduction of GHG (scopes 1 and 2) over three-year periods. For more detail see page 133.

TCFD and CFD continued

All risk, opportunity and Total Insured Value data on this and subsequent pages of the TCFD Report are as assessed in our 2023 climate scenario risk analysis without being updated, unless otherwise stated.

Strategy – Acute physical risks

Acute physical risks are event driven, specific episodes that have the potential to inflict significant physical damage.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Flooding: river and flash flooding from precipitation	17% of the Group's operations by total insured value (TIV), 42 of 239 locations, are currently exposed to risk of river flooding, with 28 sites (13% of TIV value) having 1% likelihood of river flooding in a year. TIV at risk is expected to increase to 19% by 2030, and then remain stable at 19% to 2050 under a high (4°C) warming scenario. The Group has some exposure to heavy rainfall and potential flash floods with 43% of the TIV located in areas exposed to high levels of precipitation, which is forecast to increase slightly to 44% by 2050 under a high warming scenario. The Steam Thermal Solutions site in Shanghai (China), is the highest value asset at the highest level of risk. Although several sites have exposure to flooding, the risk and potential impact are still insignificant, with likelihood of flooding tending towards a 1-in-100-year-type event under high-warming scenario, RCP 8.5. Under RCP 8.5, it is predicted that by 2050, 5% of our operations will have a 10% likelihood of flooding in a given decade.	These risks are managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. There have been no material changes to insurance premiums as a result of climate-related risks in 2024, or recent years. Business continuity planning and capacity planning are used to ensure we have spare capacity at alternative sites and stock is held locally in sales companies. For key commodities, where possible, we seek to maintain dual sourcing to negate the risk from the loss of a critical supplier. During 2024, two of our operations, Spirax Sarco Spain and Spirax Sarco Mexico, experienced minor disruption (a combined total of five days) from flooding, in their local areas, which disrupted transport links. No property was damaged and business impact was minimal.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk profit impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.
Windstorm	91 locations (mostly in Europe) are in regions exposed to strong winds (accounting for 51% of TIV), with a 1% annual chance of having severe wind gusts of over 121km/h, with four sites having a risk of winds of 161–200km/h. The highest value asset currently at risk from windstorm is WMFTS' site in Falmouth (UK). TIV at risk from windstorms is expected to remain stable to 2050 under a high warming scenario, but the frequency of windstorms is likely to increase over time. Even under a hothouse world scenario, the average annual modelled impact may increase slightly; however, it would still be in the insignificant range as per the Group Enterprise Risk Management (ERM) scale.	This risk is managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a Critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. Business continuity planning and capacity planning are used to ensure we have spare capacity at alternative sites and stock is held locally in sales companies. For key commodities, where possible, we seek to maintain dual sourcing to negate the risk from the loss of a critical supplier. During 2024, two of our sites were impacted by windstorms. Spirax Sarco Taiwan was shut for 12 hours as a safety measure during a typhoon, while Spirax Sarco Brazil sustained minor damage to the fabric of the building. The site lost 12 hours of production and sustained damages in the region of £25,000. The business impact was not material in either case.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk profit impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Key:

Hazard exposure

Very High	5
High	4
Medium	3
Low	2
Very Low	1

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Fire	12% of the Group's TIV is exposed to at least 20 days per year of fire weather, with Chromalox's Ogden, Utah (USA), site the highest value asset with some level of risk, and Chromalox's Nuevo Laredo (Mexico), site having the highest level of risk but a lower TIV. As global temperatures increase, the likelihood of fire risk is expected to increase with 19% of TIV at risk by 2050 under a high-warming scenario.	This risk is managed through the Principal Risk: Loss of manufacturing output at any Group factory and another risk on the Risk Register: Loss of a Critical supplier. To mitigate risk, annual risk assessments are conducted by our insurance partner to ensure we have appropriate insurance cover. We also conduct occasional inspections by local fire officers. Business continuity planning and capacity planning are used to ensure we have spare capacity at alternative sites and stock is held locally in sales companies. For key commodities, where possible, we seek to maintain dual sourcing to negate the risk from the loss of a critical supplier.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Under current conditions, the likelihood of an acute physical risk impacting the Group's direct operations each year is deemed Unlikely, and the residual impact (post-mitigation) has been assessed as Insignificant (<£10 million).

For more information about the management of Principal Risks, see pages 83 to 87

Strategy – Chronic physical risks

Chronic risks arise from longer-term changes in climate pattern, notably drought, heat stress and sea level rise.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Heat stress	Currently 45% of the TIV of the Group's operations (112 locations) is exposed to heat stress, seeing an average of >20 heatwave days in a given year with temperatures in excess of 30°C. This is expected to increase to 55% of TIV at risk from heat stress by 2050, under a high warming scenario. Examples of high TIV sites currently at risk from heat stress include Chromalox Nuevo Laredo (Mexico), Steam Thermal Solutions (Mexico) and Chromalox Tennessee (USA). Risks from heat stress include increased costs of running heating, ventilation, and air conditioning (HVAC) equipment and potential decrease in colleague productivity.	Many of the operations currently exposed to heat stress are in locations where this environment is expected and well adapted for. Changing weather location patterns mean that more sites may move into areas of heat stress that are not currently and these sites may be less prepared. Operations of ETS, STS and WMFTS are exposed. This trend could mean that increased cooling of buildings and machinery might be required to reduce the risk of operational disruption and to improve working conditions for colleagues. As part of continual asset management, energy audit and facilities update processes, systems will be assessed and upgraded where necessary.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant to minor residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

Key:

Hazard exposure		Residual risk impact (annual profit)	
Very High	5	Catastrophic	>£100m
High	4	Major	£50m – £100m
Medium	3	Moderate	£25m – £50m
Low	2	Minor	£10m – £25m
Very Low	1	Insignificant	<£10m

TCFD and CFD continued

Strategy – Chronic physical risks continued

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Drought	Currently 12% of the TIV of the Group's operations (54 locations) is exposed to drought stress with three or more drought months per year. This is expected to increase under a high warming scenario, reaching 31% by 2050. An example of a high value asset with a high exposure to drought risk today is Chromalox Nuevo Laredo (Mexico). Drought may impact the availability and quality of water, which could impact manufacturing processes including product testing. Drought has the potential to impact the supply of raw materials where inland waterways are used for transportation, impact electricity availability in locations with a higher reliance on hydropower and increase the risk of wildfires.	The operations of the Group are not generally considered water intensive and therefore the potential impacts may be addressed through adaptation and risk management. Supply of raw materials and electricity are managed through a risk on the Register Risk: Loss of a critical supplier. Mitigation activities under this risk include dual sourcing, managing stock levels for high-risk commodities and in-sourcing production where appropriate.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant to minor residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.
Sea level rise	Risk of exposure from sea level rise is 10% of assets by value, with no change expected to 2050. The STS site in Shanghai (China), is the highest value asset at risk.	Scenario analysis shows that, due to the location of our sites, our exposure under this risk is not expected to change under a hothouse world scenario. This risk is managed under the Principal Risk: Loss of a manufacturing Output at any Group facility. To mitigate risk, annual risk assessments are conducted by our insurance partner and we have appropriate insurance cover, including for total loss of a site.	**Low carbon economy** (RCP 2.6 – 2030) **Hazard exposure** **Residual risk impact** **Hothouse world** (RCP 8.5 – 2050) **Hazard exposure** **Residual risk impact**	Insignificant residual risk impact means that we have not identified this as a risk that requires a specific metric or target. The Risk Management Committee reviews risks on an annual basis so a future change in the residual risk impact could lead to the implementation of a specific metric or target.

The impacts of chronic risks are likely to differ by location, with some countries already experiencing and managing high levels of heat stress or drought, with the ability to adapt to those conditions. For other locations, historically less used to drought or heat stress, the impacts could potentially be more disruptive. However, as we are not a highly intensive user of water and chronic risks can largely be mitigated or adapted, the residual impact (post-mitigation) of chronic physical risks has been assessed as Insignificant (<£10 million).

Key:

Hazard exposure

Very High	5
High	4
Medium	3
Low	2
Very Low	1

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

Transition risks/opportunities

Transition risks arise from changes required to facilitate a low carbon economy.

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Market transition	Increasing availability of green energy could enable electric heating solutions to replace fossil fuel-derived steam generation where carbon emission concerns override cost differences in the medium to long term (5+ years). This will provide opportunities across all geographical regions and most customer sectors for our ETS and STS Businesses as they combine forces to electrify the generation of steam and decarbonise thermal energy. Increased cost of electricity provision and raw materials provides some risk, as the introduction of carbon taxes could be passed on in raw material spend.	As market leaders in the provision of thermal energy solutions, mitigating this risk and maximising the opportunity is deeply embedded in the core business strategies of both our STS and ETS Businesses. This risk is mitigated through the Principal Risk: Inability to identify and Respond to changes in customer needs. Mitigation includes regular voice of customer research and research and development/new product innovation to lead the way in providing innovative solutions to customers. For more information about the management of this Principal Risk, see page 87.	**Risk** **2025** **2030** **Opportunity** **2025** **2030**	Net zero carbon Sustainable products
Technology transition	Costs of upgrading and installing infrastructure to support an electric vehicle (EV) fleet, or costs to transition away from fossil fuel dependent production equipment.	The transition to low carbon technology across our operations is embedded in our net zero roadmaps developed by all manufacturing sites and at a Group level. Fossil fuel-dependent systems and processes have been identified and investment plans developed, through annual and medium-term financial planning cycles, to phase the cost of decarbonisation activities over time, reducing risk.	**Risk** **2025** **2030** **Opportunity** **2025** N/A **2030** N/A	Net zero carbon Environment improvements
Reputation	Risk of reputational loss of Spirax Group as a top performing, environmentally sustainable business due to association with fossil fuel-reliant systems over the medium to long term (5+ years). Or, reputational gain as we become known as a leading decarbonisation partner for our customers, as we implement our Decarbonising Thermal Energy Growth Driver through our **Together for Growth** Strategy.	This very low risk is mitigated by our strong reputation, our innovative product developments, the introduction of our Natural Technology marketing strategy, all of which correctly positions steam as a sustainable technology and our own leading net zero commitments and progress against them.	**Risk** **2025** **2030** **Opportunity** **2025** **2030**	Net zero carbon Sustainable products

Key:

Hazard exposure	
Very High	**5**
High	**4**
Medium	**3**
Low	**2**
Very Low	**1**

Residual risk impact (annual profit)	
Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

TCFD and CFD continued

Transition risks/opportunities continued

Risk/opportunity	Description	How we manage and mitigate this risk	Estimated financial impact	Link to metrics and targets
Policy and legal transition	**Carbon taxation:** In country or at borders, could lead to increased operational costs. For example, the EU's Carbon Border Adjustment Mechanism (CBAM) became effective in October 2023, with a two-year transition period now in operation before carbon taxation commences on high-carbon imports (such as steel, iron or aluminium) into the EU. **Building code regulations:** Policy makers may promote a switch to low carbon buildings, for new builds or retrofitting old buildings, which could lead to increased costs, such as implementing Minimum Energy Efficiency Standards. **Climate change litigation:** Risk arising from the increasing activism of shareholders or the public against companies for failure to adapt to climate change, greenwashing by overstating positive environmental impacts, or understating risks or insufficient disclosure around material financial risks. **Waste-related laws and regulation:** Driven by an aim to increase circularity of the economy, new regulations could impact how we manage waste on our own sites and potentially impact end of life treatment of products we sell.	This risk is mitigated through our **One Planet** Sustainability Strategy, which includes net zero targets, energy reduction commitments, major decarbonisation projects, conversion to an EV fleet and supply chain management to reduce our scope 3 emissions. We manage and monitor existing and upcoming legislation from a range of sources to ensure that we can proactively respond to upcoming legislating risks. Climate change litigation risk is mitigated by our innovative product developments, the introduction of our Natural Technology marketing strategy, which correctly positions steam as a sustainable technology and our own leading net zero commitments and progress against them.	**Risk** **2025** **2030** **Opportunity** **2025** N/A **2030** N/A	Net zero carbon Environment improvements Sustainable products Sustainable supply chain

Key:

Hazard exposure

Very High	**5**
High	**4**
Medium	**3**
Low	**2**
Very Low	**1**

Residual risk impact (annual profit)

Catastrophic	>£100m
Major	£50m – £100m
Moderate	£25m – £50m
Minor	£10m – £25m
Insignificant	<£10m

Governance

In this section

UK Corporate Governance Code

Statement of Compliance

For the year ending 31 December 2024, the Company reports against the Financial Reporting Council's (FRC) UK Corporate Governance Code 2018 (the Code), which is available at www.frc.org.uk. The Board considers that it has applied all Principles and complied with all Provisions of the Code except Provision 21: The three-yearly review cycle was extended by one year in light of the onboarding of a new chair of the Board in the last quarter of 2024; and in respect of provision 19: The Chair extended his tenure beyond nine years in support of an orderly transition for our new Group CEO in 2024. See pages 98 and 99 for a full explanation. Detailed information on our provision-by-provision compliance with the Code can be found in the Corporate Governance section on our website, spiraxgroup.com/governance-documents. The new FRC UK Corporate Governance Code 2024 took effect from 1 January 2025, and we will report against the new Code next year.

How we apply the Code

Board Leadership and Company Purpose	• Sustainable Growth – Read more on pages 56 to 77 • How we are governed – Read more in How we are governed and Statement of Responsibilities • Board activities and priorities – Read more in the Chair's Statement and Board activities • Our stakeholders, S172 Compliance Statement and Board decision making – Read more in Board activities, S172 Statement and stakeholder engagement • Board oversight of our culture and engagement with colleagues – Read more in culture and Colleague Engagement Committee Report
Division of Responsibilities	• How we are governed – Read more in How we are governed • Board of Directors – Read more in Board biographies • Group Executive Committee – Read more in GEC biographies • Independence – Read more in Spotlight on division of responsibilities and Board composition, succession and evaluation
Composition Succession and Evaluation	• Board composition – Read more in Board composition, succession and evaluation • Nomination Committee Report – Read more in the Nomination Committee Report • Board evaluation – Read more in the Nomination Committee Report
Audit Risk and Internal Control	• Risk Management and internal controls, including Principal and Emerging risks – Read more in Risk Management and the Risk Management Committee Report • Audit Committee Report, including Fair, Balanced and Understandable Statement – Read more in the Audit Committee Report
Remuneration	• Remuneration Committee Report – Read more in the Remuneration Committee Report • Report on Remuneration – Read more in the Remuneration Report

Chair's letter

"2024 has been an important year with some key changes to our Board. We continue to enjoy strong ethnic, cultural and gender diversity as a Board."

Tim Cobbold
Chair

On behalf of the Board, I am pleased to introduce Spirax Group's Corporate Governance Report for the year ended 31 December 2024. This Report describes our governance arrangements, the operation of the Board and its Committees, and how the Board discharged its responsibilities during the year.

Board Composition

2024 has been an important year with some key changes to our Board. In January 2024, Nick Anderson stepped down as Group CEO and Nimesh Patel took over the role, having previously served as Group CFO for four years.

In July, following a rigorous succession process, Louisa Burdett joined the Group as Chief Financial Officer, taking over from Phil Scott who was interim CFO during the first half of the year. Louisa is a highly experienced CFO who has led finance functions in several large companies including UK-listed Croda, Meggitt and Victrex. She currently serves as a Non-Executive Director and Audit Committee Chair of RS Group plc.

I joined the Board in September as a Non-Executive Director and Chair Designate, taking over as Chair from Jamie on 1 January 2025. In December 2024, Jamie Pike who had Chaired the Board since 2018 and served as a Non-Executive Director in the four years prior to that, retired from the Board. I thank Jamie for leading the Group through significant changes over the past decade and for facilitating effective succession planning during the transition between Nick and Nimesh during early 2024 and supporting my own transition to the role of Chair in the later part of the year.

In January 2025, we announced that Maria Antoniou would be joining the Board in June 2025 as a Non-Executive Director and Remuneration Committee Chair, taking over from Jane Kingston who will be stepping down in September 2025. More information about this appointment can be found in the Nomination Committee Report on page 117.

As illustrated in the Board biographies on pages 102 and 103 and the Board at a glance on pages 100 and 101, we continue, as a Board, to enjoy strong ethnic, cultural and gender diversity.

More information on Board and leadership changes can be found in the Nomination Committee Report on pages 116 to 118.

Board Performance

This year, the Board evaluation was again externally facilitated by Egon Zehnder. Jamie Pike led the review, which for consistency and in recognition of my taking over the role of Chair in 2025, followed the same format as the previous year, rather than consisting of a fuller review. While this is a slight departure from Provision 21 of the Code, we are confident that it is in our Board's best interest. I am using the results of the 2024 evaluation to inform my review of the operation of our Board.

The results of the Board's 2024 formal performance evaluation which, consistent with the previous year was carried out by external advisers Egon Zehnder and were shared with the Board in December. The results highlighted that the Board continues to perform well and benefits from: a strong team identity with high collaboration and engagement; a clearly defined vision and strategy; a focus on sustainability and the needs of all stakeholders, as well as a set of Committees which have a clear and comprehensive purpose.

More details of the 2024 evaluation is provided on page 117 of the Nomination Committee Report.

Board development

Our new **Together For Growth** Strategy is an opportunity for our Board to continue to identify opportunities for further development. We need to ensure that as a collective, we have the necessary expertise and leadership capabilities to achieve our strategic objectives effectively. The Board skills matrix on the next page is a useful tool in helping us identify areas of existing expertise which we will map against our Growth Drivers and identify skills and areas of expertise our Board may find useful to develop.

Stakeholder engagement

The long-term success of our Group is dependent on the way we work with all our stakeholders and continues to require effective engagement, constructive working practices and recognition of our stakeholders' views in order to create and sustain value for all.

Our colleagues are a key stakeholder group and Caroline Johnstone has held the role of designated Non-Executive Director for Colleague Engagement since 2019 when the Colleague Engagement Committee was established, the activities undertaken by the Committee are outlined in her report on pages 112 to 115.

Details of how Spirax Group engages with wider stakeholders and the Directors' Statement describing how the Board have had regard to the matters set out in Section 172 of the Companies Act 2006, can be found on pages 8 to 10.

The Company also engages with a number of proxy advisory firms during the year ahead of publication of its Notice of AGM and publication of their proxy reports in order to, where possible, align proposed resolutions with investor expectations.

Annual General Meeting

The Annual General Meeting (AGM) is scheduled to take place on Wednesday 14 May 2025 and an explanation of the resolutions sought, is set out in the Circular and Notice of Meeting. As required by the Code, the resolutions regarding each Director's appointment or reappointment will be accompanied by information on why their contribution is, and continues to be, important to the Company's long-term sustainable success.

This year we are delighted once again to invite our shareholders to the AGM which will be held at our Group Headquarters at Charlton House, Cheltenham, UK, where I look forward to meeting them.

Tim Cobbold
Chair
10 March 2025

Major Board decisions in 2024

March 2024
Group Delegation of Authority Matrix

Link to strategy

More information
Effective governance is fundamental to the success of any organisation, ensuring that decisions are made efficiently, transparently, and in alignment with the Group Strategy. A key tool in promoting good governance is the Delegation of Authority matrix, which underwent review, updates and approval in 2024.

June 2024
Approval of Together for Growth Strategy

Link to strategy

More information
The **Together for Growth** Strategy alongside our new Vision, was developed through extensive engagement with various stakeholders, including customers, industry representatives, and senior management before being approved by the Board.

December 2024
Enterprise Resource Planning project

Link to strategy

More information
The Board approved the ERP project. Key features include all three Businesses using the same system platform and working to define a common design. The goal is to create a consistent and flexible tool to streamline operations and utilise the advantages of the Group's scale in design and deployment phases.

December 2024
Appointment of new Managing Director for WMFTS

Link to Strategy

More information
The Board appointed Stuart Roby as the new Managing Director of Watson-Marlow Fluid Technology Solutions

Board focus for 2025

- Support the management team to deliver our **Together For Growth** Strategy as we **Evolve For Tomorrow's World**
- Review and refresh our risk management framework in support of ensuring compliance with Provision 29 of the Corporate Governance Code
- Review and refresh the Board governance and ways of working

Governance at a glance

As at 31 December 2024

Board Expertise

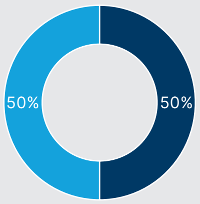
The following table captures some of the skills and experience of Spirax Group Board members relevant to our **Together for Growth** Strategy.

	Board members
Digital, AI and technology	3
Engineering	5
Financial expertise	6
Industrial expertise	3
International expertise	11
M&A and R&D	10
Operational expertise	5
Sales and Marketing	4
People and Culture	9
Strategy and risk management	5
Sustainability	1

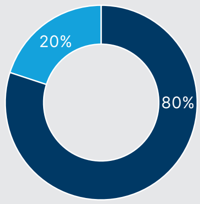
For more information about our Growth Drivers see pages 22 and 23

Board diversity

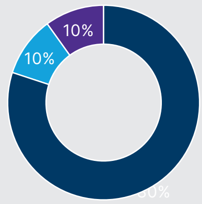
Gender



Ethnicity



Nationality



2024 Shareholder Engagement

In 2024, we conducted almost 270 investor meetings, providing updates including:

- 2025 outlook and medium-term targets
- Business model resilience and evolution
- Leadership and culture evolution post changes in management team
- End market weaknesses and opportunities

January
- Bank of America SMID Cap Conference 2024

February
- Investor site visit to Cheltenham

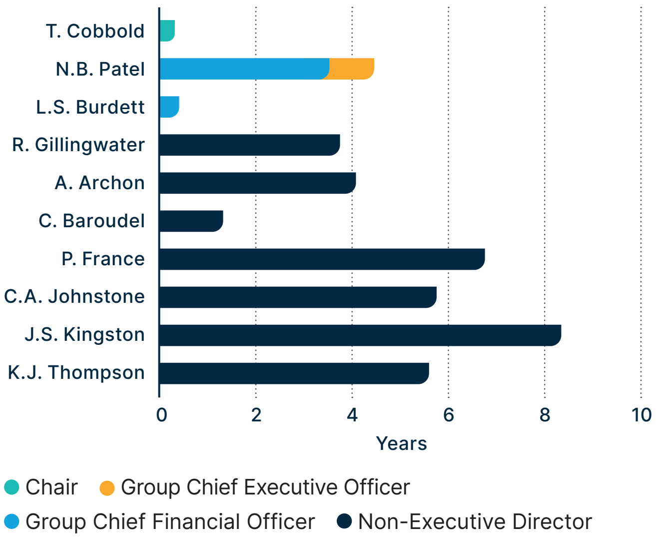
March
- Full Year Results Announcement and shareholder roadshow meetings
- Investor site visit to Cheltenham
- UBS Annual Nordic Investor meeting
- Jefferies Pan-European Mid-Cap Conference

April
- Deutsche Numis PCFM Group Call
- JP Morgan UK Capital Goods Investor site visit to Cheltenham & Dinner
- Paris roadshow

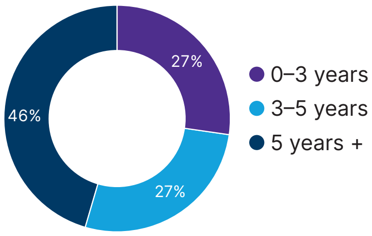
May
- HSBC UK Corporate and Investor Conference 2024
- AGM and Trading Update
- Investor site visit to Cheltenham
- Bank of America Interim CFO Fireside Chat

June
- Jefferies Structural Winners Fireside Chat
- JP Morgan European Capital Goods Conference

Board tenure



Board length of service



Board changes during the year

N.J. Anderson	**Retired** January 2024	Group CEO
N.B. Patel	**Promoted** January 2024	Group CEO
L.S. Burdett	**Appointed** July 2024	Group CFO
T. Cobbold	**Appointed** September 2024	NED and Chair Designate
	Appointed January 2025	Group Chair
J. Pike	**Retired** December 2024	Group Chair

Average Board tenure

4 years 1 month

Progress against diversity targets

Female Board members | **Ethnic minority** | **Senior female within one of our 'four key roles'**

July
- US roadshow (Boston and New York)

August
- Half Year Results Announcement and shareholder roadshow meetings
- Analyst site visit to Cheltenham

September
- Morgan Stanley CEO Unplugged Conference 2024
- CFO meetings with shareholders

October
- Capital Markets Day
- Investor site visit to Cheltenham

November
- Trading Update
- JP Morgan UK Leaders Conference 2024

December
- Bank of America CFO Fireside chat
- Investor virtual roadshow – Canada

Board of Directors

Tim Cobbold BSc, FCA
Chair

Appointed to the Board
September 2024. Board Chair with effect from 1 January 2025

Areas of experience
Senior management, engineering, industrial, operational delivery, international business, business transformation and system deployment, corporate finance, M&A, strategy

Background
Tim has extensive experience in leading large, complex international listed businesses having previously been the Chief Executive Officer of Chloride Group plc, De La Rue plc and most recently, UBM plc. Prior to this he held senior management positions at Smiths Group/TI Group where he worked for 18 years and was a Non-Executive Director of Rotork plc until 31 December 2024. Tim is a qualified chartered accountant and has a BSc in Mechanical Engineering from Imperial College, London.

External appointments
Chair and Non-Executive Director of TI Fluid Systems plc

Nimesh Patel BSc
Group Chief Executive Officer

Appointed to the Board
September 2020

Areas of experience
International, senior management, M&A, finance and accounting, industrial, pensions, tax, treasury

Background
Before joining the Group in 2020, Nimesh was Chief Financial Officer of De Beers. Prior to that he was Group Head of Corporate Finance at Anglo American plc, leading a team based in London and Johannesburg. Previously, Nimesh spent 14 years in investment banking at both JP Morgan and as a Managing Director at UBS. In August 2023, following a rigorous selection process, Nimesh was appointed Group Chief Executive Officer and took up the position on 16 January 2024.

External appointments
Co-Chair of the FTSE Women Leaders' Review (formerly the Hampton-Alexander Review) and Trustee of Barts Charity

Louisa Burdett BSc, ICAEW
Group Chief Financial Officer

Appointed to the Board
July 2024

Areas of experience
Finance, finance transformation, M&A, risk management, international business, senior management, manufacturing

Background
Louisa is a chartered accountant and has held senior financial positions in industrial, manufacturing, pharmaceutical and publishing companies. Before joining the Group in 2024, she was Chief Financial Officer of Croda International Plc. Prior to that Louisa was the CFO of Meggitt plc and Victrex plc.

External appointments
Non-Executive Director and Audit Committee Chair of RS Group plc

Jane Kingston BA
Independent Non-Executive Director

Appointed to the Board
September 2016

Areas of experience
Engineering, international business, senior management, operational, people, remuneration

Background
Jane served as Group Human Resources Director for Compass Group plc from 2006 until her retirement in December 2015. Before this, she was Group Human Resources Director for BPB plc. Jane has held roles in various sectors, including positions with Blue Circle Industries plc, Enodis plc, and Coats Viyella plc, and possesses significant international experience.

External appointments
None

Angela Archon MSc, BSc
Independent Non-Executive Director

Appointed to the Board
December 2020

Areas of experience
Engineering, operational, strategy, international business, M&A, manufacturing, senior management, Digital/AI

Background
Angela held senior executive roles at IBM, including VP of Transformation and COO of Watson Health. She served as Board Liaison for The National Action Council for Minorities in Engineering for eight years. Angela is a member of Tau Beta Pi and has a Professional Engineer's license. She was a Non-Executive Director at Switch Inc. until December 2022.

External appointments
Non-Executive Director of DT Midstream Inc. and CommonSpirit Health

Constance Baroudel MSc, BA, CEC
Independent Non-Executive Director

Appointed to the Board
August 2023

Areas of experience
Strategy, sustainability, operational, international business, R&D, international relations

Background
Constance is the Sector Chief Executive, Environmental & Analysis, and Chief Sustainability Officer at Halma plc. She has held executive roles at Halma, First Group, De La Rue, and Strategic Decisions Group International, bringing over 20 years of experience in global organisations.

She has an MSc in International Accounting & Finance from the London School of Economics, an MSc in Corporate Finance & Strategy, and a BA in International Relations from Sciences Po Paris. Constance has also served as a Non-Executive Director for Kier Group and Synergy Health plc.

External appointments
None

Richard Gillingwater
MBA, MA Law, Solicitor
Independent Non-Executive Director and Senior Independent Director

Appointed to the Board
March 2021. Appointed Senior Independent Director in August 2021.

Areas of experience
International business, investment, finance

Background
Until December 2022, Richard was Chair of Janus Henderson Group plc. He also has held a range of executive positions within global investment banks including Kleinwort Benson, Credit Suisse and Barclays de Zoete Wedd. Richard holds an MBA from the International Institute for Management Development, a BA Law from Oxford University and is a qualified solicitor.

External appointments
Senior Independent Director of Whitbread plc and Governor at The Wellcome Trust

Caroline Johnstone BA, CA
Independent Non-Executive Director

Appointed to the Board
March 2019

Areas of experience
Finance, people, international business, M&A

Background
Caroline Johnstone has 40 years' experience working with large global organisations during periods of change, including turnaround, culture change, delivering value from mergers & acquisitions and cost optimisation. She was a Partner in PricewaterhouseCoopers and sat on the UK Assurance Board with oversight of all people matters. Caroline is a member of the Institute of Chartered Accountants of Scotland. Her recent roles include as Independent Chair of Synthomer plc (until December 2024) and Senior Independent Non-Executive Director and Audit Committee Chair of Shepherd Group Ltd (until June 2024).

External appointments
None

Céline Barroche LLM, PGDL, ACG
Group General Counsel and Company Secretary

Appointed as Group General Counsel and Company Secretary
September 2024

Areas of experience
International business, legal, governance, compliance, risk management

Background
Céline has over 25 years of experience with global businesses, managing legal and regulatory exposure, delivery of legal services, complex disputes, across multi-jurisdictions, through multi-cultural teams. She is a qualified solicitor and chartered company secretary and has experience in the construction industry, automotive and private security sectors. Prior to joining the Group, she was company secretary and general counsel of Allied Universal International

Peter France
Independent Non-Executive Director

Appointed to the Board
March 2018

Areas of experience
International business, operational, industrial, sales and marketing, engineering, senior management, M&A, manufacturing

Background
Peter served as Chief Executive Officer of Asco Group from 2018 to 2023. Prior to this, he held the position of Chief Executive Officer at Rotork plc from 2008 to 2017, having joined the business in 1989. During his tenure at Rotork plc, Peter gained extensive experience in various key roles, including Chief Operating Officer and Director of Rotork South East Asia, located in Singapore. He is a Chartered Director with the Institute of Directors.

External appointments
Chief Executive Officer of TT Electronics plc

Kevin Thompson BSc, FCA
Independent Non-Executive Director

Appointed to the Board
May 2019

Areas of experience
Engineering, international business, senior management, M&A, strategy, finance, pensions, tax and treasury

Background
Kevin was Group Finance Director of Halma plc from 1998 to 2018, having joined Halma as Group Financial Controller in 1987. Kevin qualified as a Chartered Accountant with PricewaterhouseCoopers (PwC) and is a Fellow of the Institute of Chartered Accountants in England and Wales.

External appointments
Deputy Chair and Trustee of the Great Ormond Street Hospital Children's Charity

Key:

- A Audit Committee
- N Nomination Committee
- C Colleague Engagement Committee
- R Remuneration Committee
- RK Risk Management Committee
- Denotes Committee Chair

Group Executive Committee

Nimesh Patel
Group Chief Executive Officer

Louisa Burdett
Group Chief Financial Officer

Céline Barroche
Group General Counsel and Company Secretary

See biographies on Board of Directors pages 102 and 103

Maurizio Preziosa
Managing Director
Steam Thermal Solutions

Appointed to the Group Executive Committee

January 2021

Background

Maurizio joined Spirax Group in 2011 as Managing Director of Spirax Sarco Italy before taking on the roles of the role of Regional General Manager Southern Europe and Global Divisional Director Gestra, Maurizio was appointed Managing Director of Steam Thermal Solutions in 2021. Prior to joining Spirax Group Maurizio worked in ABB Group with different sales management and general management roles.

Andrew Mines
Managing Director
Electric Thermal Solutions

Appointed to the Group Executive Committee

November 2019

Background

Andrew joined Spirax Group as Managing Director of WMFTS, a position he held until September 2024 when he transferred to ETS. Prior to joining Spirax Group, Andrew was Executive VP, Global Construction Products of Illinois Tool Works Inc. (ITW) and was a member of the Group Executive Leadership Team. Andrew had a 23-year career with ITW comprising engineering, sales, manufacturing and senior roles in global Automotive and Construction sectors.

Stuart Roby
Managing Director, Watson-Marlow Fluid Technology Solutions

Appointed to the Group Executive Committee

January 2025

Background

Stuart joined Spirax Group from The Vita Group where he was most recently Managing Director after holding several leadership positions at the company. Previously, Stuart has worked in a range of senior management roles in sales and manufacturing. Stuart has a Master's in Engineering and is a certified Six Sigma Black Belt.

Sarah Peers
Group Sustainability Director

Appointed to the Group Executive Committee

October 2022

Background

Sarah joined Spirax Group in 2013 as Group Head of Corporate Communications. She was appointed Group Head of Sustainability in July 2020 and is now Group Director of Sustainability. Prior to joining the Group, Sarah worked as a qualified teacher. Sarah holds a Doctorate in Historical Geography (specialising in early industrial labour history) from the University of Oxford.

Jim Devine
Group HR Director

Appointed to the Group Executive Committee

February 2016

Background

Before joining Spirax Group in 2016, Jim was Group HR Director at Chemring plc and prior to that held a range of senior HR roles at Centrica plc, Ford Motor Company and BAE systems.

Maria Wilson
Group Digital Director

Appointed to the Group Executive Committee

September 2023

Background

Prior to joining Spirax Group in early 2023, Maria was the Global Leader for Data Driven Advantage with Howden, leading the vision definition and execution of a global digital programme focused on delivering business growth enabled by digital technologies. She has also completed a PhD in Fluid Mechanics from the University of Erlangen-Nuremberg, Germany.

Board reflections: in conversation with Louisa Burdett

> The Group is at an interesting inflection point. I am excited to be part of that journey."

Louisa Burdett
Chief Financial Officer

Q What attracted you to Spirax Group?

- Spirax Group is a special business with a long track record of growth and a strong reputation for deep sector expertise and the quality of our products and solutions
- Each of our three Businesses are strong engines of growth, underpinned by our direct sales model and our consultative customer approach
- In addition, we are uniquely positioned to bring our capabilities in steam and electric thermal energy together to deliver industrial decarbonisation, which accounts for around 25% of global carbon emissions
- The Group is at an interesting inflection point as we look to build on our historic strengths, while also evolving to capture future opportunities, like decarbonisation. I am really excited to be part of that journey
- Even from the outside you can see that the Group is doing meaningful work to create value for all its stakeholders. That helps to unite colleagues and supports a culture that feels collaborative and inclusive (read more about our Purpose, Vision and Values on page 14)
- I was attracted by, and continue to be impressed with, the Group's approach to inclusion, equity and diversity. We have made ten meaningful and impactful commitments to colleagues, whoever they are and wherever they work. Diverse leadership at Board and Executive level supports richer conversations and enables us to better meet the needs and expectations of the stakeholders that we serve

Q What are your initial reflections on the last six months?

- I am so glad I joined Spirax Group and am really enjoying my role and working with Nimesh. As well as engaging with shareholders, I have spent time in different parts of the Group listening to and learning from our colleagues, which has been invaluable
- The Capital Markets event in October was our first opportunity to share some of the key decisions we've taken to evolve and strengthen the Group. It set out the significant opportunity we have for growth and how we intend to achieve it (you can read about this on pages 12 and 13)
- Since October we've been very focused on putting those plans into action which will drive growth today, while at the same time delivering efficiency gains which are being invested back into targeted areas of the business to support future growth. These investment areas include Decarbonising Thermal Energy, Digital and Services and systems to improve Operational Excellence. You can read more about our progress so far as well as our future plans on pages 22 and 23

Q What are the challenges and opportunities of managing an entrepreneurial Group made up of so many diverse operations?

- Our organisational structure has served us well; it developed organically as we focused on rapid growth and expanding our sales and supply footprint. The Group is now much larger and more complex. Growing to over 140 operating companies and 37 manufacturing sites, we have created a lot of duplication in processes and systems. We know the challenges this poses for colleagues and therefore some of the steps we are taking are designed to simplify the organisation, optimise our manufacturing footprint and invest in new tools, all whilst preserving our local direct sales model
- We have colleagues working in almost 70 countries, supporting three distinct and complementary Businesses, so it's important that we give them clarity. In 2025 and beyond, our new Vision and our **Together for Growth** Strategy, outlined on pages 14 and 15 are designed to create the conditions for future growth and success through a consistent Group-wide framework, with Business prioritisation and autonomy of implementation

Q What are your priorities for 2025 and how are you positioned to deliver them?

- The opportunities for our Group are clear. As part of the Group Executive Committee, I am very focused on delivering against these opportunities and to secure the financial ambitions of the Group. As outlined at the Capital Markets event in October, we are committed to sustaining our track record of organic sales growth, as well as progressing margin, cash and returns to meet both our medium and long-term targets, outlined on pages 22 and 23
- As CFO, I have a specific responsibility to help the Group respond to the Financial Reporting Council's revised UK Corporate Governance Code. The Group has made good progress on this and our operating companies are already benefitting from greater consistency and insight
- Finally, we have taken the decision to align our approach to process simplification and ERP investment across all three Businesses. I look forward to working with a talented Group-wide team to implement this over the medium term

How we are governed

The Board collectively leads the Group, monitors performance, and upholds the Company's culture and Values.

The Group's governance is designed to provide a stable and effective framework, promoting our Group's sustainable growth and ensuring effective leadership. This is achieved by the Board exercising oversight of the Group Executive Committee (GEC)'s delivery of the strategy and monitoring of the Group's performance. The Board's focus is primarily on approving the Strategy, monitoring performance, reviewing governance, and overseeing effective risk management.

The Role of the Board and Committees

The Board holds collective responsibility for the long-term success of Spirax Group. The business of the Company is managed by the Board, which exercises all the powers of the Company.

The Board follows a formal schedule of matters reserved for its decision making, available on the Group's website. While the Board retains overall responsibility, it delegates specific matters to the Board Committees and entrusts the detailed implementation of approved matters and day-to-day operational aspects of the business to the GEC.

Board Committees enable Directors to concentrate on specific areas, such as remuneration, audit and risk management, colleague engagement, Board succession planning and talent development. With the exception of the Risk Management Committee which is comprised of GEC members and senior management representatives, Committees are comprised of Non-Executive Directors. Each Committee Chair reports to the Board on topics discussed during meetings and highlights significant issues that require Board attention. The Terms of Reference for each Board Committee are reviewed annually and can be found on the Group's website spiraxgroup.com. The annual reports from each Board Committee Chair are included in this Report.

Spotlight on Division of Responsibilities

The UK Corporate Governance Code mandates a clear division of responsibilities to ensure effective leadership and accountability, separating the roles of the Chair and CEO to prevent power concentration. It requires a balanced Board with Executive and Non-Executive Directors, where Non-Executive Directors provide independent oversight. Additionally, the Code emphasises clearly defined roles for all Board members and senior management, along with regular evaluations to promote accountability and transparency.

The duties of the Chair, Group Chief Executive Officer, Senior Independent Director, Board, and Committees are documented and ratified by the Board. A distinct separation exists between the leadership of the Board and of the GEC.

Our division of responsibilities framework is available on our website spiraxgroup.com

Delegation of Authority

The delegated authority matrix ensures decisions are made at the appropriate level within the Group and supports business efficiency. It is reviewed annually for compliance and operational adjustments.

Supporting framework

It is the responsibility of Board members to concentrate on broad, strategic objectives, while our colleagues manage daily tasks and fulfil their duties. Therefore, it is essential for the Group to adhere to specific governance principles.

The Board has developed and approved various policies to support colleagues in achieving our goals. We have a well established, comprehensive Code of Conduct and supporting policies, including on whistle-blowing, anti-bribery and corruption, and human rights, which establish standards for conducting business activities responsibly. All colleagues and Board members are required to adhere to high standards of ethical business conduct and to understand and comply with our Code of Conduct.

As a Disability Confident - Committed (Level 1) employer in the UK, we have committed to ensuring inclusive and accessible recruitment processes that give full and fair consideration to applications for employment made by disabled persons, to anticipating and providing reasonable adjustments as required, and to supporting existing employees continuing in work should they acquire a disability or long-term condition (for example, through training, reasonable adjustments, confidential counselling through our free Employee Assistance Programme, advice through our partnership with the Business Disability Forum or other support).

More broadly, and in line with our Group Diversity and Inclusion Policy, we believe in treating all people with respect and dignity, ensuring fairness in all aspects of employment, and making opportunities for training, development and progress available to all of our colleagues, including colleagues with disabilities and long-term conditions, and neurodiverse colleagues. We support this with activities including our global colleague networks (further details are on page 62).

Spirax Group maintains a zero-tolerance policy towards all forms of bribery and corruption, whether within the organisation or in its interactions with customers, suppliers, and other third parties. We have a well-established Whistle-blowing Policy and offer a secure facility for colleagues to report any suspected or observed misconduct. This facility, managed by Safecall, an independent provider, allows individuals to submit their concerns either through a web portal or via telephone, with the option to remain anonymous.

We offer several policies and extensive resources, including our Employee Assistance Programme, which gives access to invaluable resources providing support for colleagues.

Further reading

Our Anti-Bribery and Corruption Policy and Modern Slavery Statement can be found on our website, spiraxgroup.com/governance-documents

Board activities and annual cycle

Board and Committee meetings during the year

The Board usually meets seven times a year and as needed. In 2024, there were seven scheduled meetings and two ad hoc meetings. Attendance details for scheduled meetings of the Board and its committees are below. Other senior Executives and Non-Executive Directors attended by invitation. Directors should attend all Board and relevant committee meetings unless they have prior commitments, illness, or conflicts of interest. Those unable to attend are sent the relevant papers and provide comments in advance. All Board and Committee members receive all meeting minutes routinely.

Board and committee attendance

	Board	Audit	Colleague Engagement	Nomination	Remuneration	Risk Management^
T. Cobbold**	1/2≠					
J. Pike*	7/7			1/1∞		
N. B. Patel	7/7					5/5
L.S. Burdett	4/4					5/5
R. Gillingwater	7/7	5/5		3/3	5/5	
A. Archon	7/7		3/3	3/3	5/5	
C. Baroudel	7/7		3/3	3/3		
P. France	7/7	5/5	3/3	3/3		
C.A. Johnstone	7/7	5/5	3/3	3/3		
J.S. Kingston	7/7		3/3	3/3	5/5	
K.J. Thompson	7/7	5/5		3/3	5/5	

* Stepped down from the Board 31 December 2024

** Joined the Board 1 September 2024

∞ Jamie Pike did not attend or Chair two Nomination Committee meetings, which related to the appointment of his replacement as Chair of the Board

≠ Due to prior commitments, Tim Cobbold was unable to attend one scheduled meeting

^ The Risk Management Committee consists of Executive Directors, the other GEC members and the Head of Internal Audit. Full details can be found on page 119

Board processes

The Board holds collective responsibility for the Company's long-term success, encompassing its strategy, governance, and internal controls and is accountable for its actions. The Board ensures that good governance practices are integrated throughout the Group, recognising their essential role in operating a successful business. This includes a specific focus on Environmental, Social and Governance (ESG) matters, as well as digital aspects, which have not been delegated to a separate Board committees.

The Board reviews reports on the Group's key activities, as well as updates from the Chairs of the Audit, Nomination, Remuneration and Colleague Engagement Committees during each scheduled Board meeting. Additionally, the Board receives information on significant upcoming events, environmental sustainability, health and safety issues, strategy, investor relations, and legal matters.

The Board is responsible for the stewardship of the Group's strategic risk management and internal control environment. The Board is supported by the work of both the Audit Committee and the Risk Management Committee in this area. The Board remains satisfied with the identification and monitoring of overall risk management and internal controls around the Group and is supportive of continuous improvement in these areas. The Audit Committee, on behalf of the Board, is currently mapping the material internal controls that underpin the Group's reporting, to ensure that any strengthening of controls or further assurance desired can be implemented ahead of the revised Code provision 29 coming into force from 2026. This supports our continued focus on enhancing our risk management framework.

The Chair, with help from the Group General Counsel and Company Secretary, oversees Board governance. This includes setting meeting agendas, ensuring timely information flow, as well as facilitating dialogue between Executive and Non-Executive Directors, promoting a transparent and open culture. Board agendas focus on strategic priorities, performance monitoring, and significant issues.

The Group General Counsel and Company Secretary manages the Board and Committees' forward agendas, ensuring items are evenly distributed and scheduled for timely review. Agenda timings are managed to allow sufficient consideration of items.

Good information flows between the Board and management are essential for effective governance. The Board, together with senior management, ensures:

- The agendas are appropriate for the Group and are forward looking as well as providing historical and current results
- Papers are of an appropriate length and content for the Non-Executive Directors' effective input
- Sufficient time is given for Directors to read and review papers prior to meetings
- Senior management, below GEC, regularly present to the Board

Board activities and annual cycle continued

Board processes continued

This process aims to reinforce good governance within the Company's culture and ensures that processes and procedures are followed by providing the Board with reliable information necessary for making informed decisions and fulfilling their statutory duties.

After every Committee meeting they attend, Deloitte (external auditor) and Korn Ferry (independent remuneration consultants) meet separately with our Non-Executive Directors. The Board confirms that neither it, nor any of its Directors, have any connection with Korn Ferry or Deloitte.

The Colleague Engagement Committee holds meetings with groups of colleagues independently from management. More information on specific colleague engagement, including topics raised by colleagues and how we have responded can be found in its Report on pages 112 to 115 and on page 111.

The Board holds an annual meeting focused on strategic development and long-term outlook. Group Executive Committee members present strategy papers on finance, technology, growth, and stakeholder engagement for their business areas.

The Group's Whistle-blowing Policy and independently facilitated whistle-blowing platform allow colleagues to report any concerns related to unethical or illegal conduct within the business, with an option for anonymity. The Audit Committee receives regular reports from the Group General Counsel and Company Secretary on whistle-blowing arrangements.

Standard items on Board Calendar

Strategy
- Group Strategy framework
- Medium-term plans for all three Businesses
- **One Planet: Engineering with Purpose** Sustainability Strategy

Audit and risk
- Annual Risk Review
- External financing facilities
- Deep-dive on a selected Principal Risk

Performance
- Monthly, quarterly, biannual and annual trading, as appropriate*
- Company share performance and shareholder/ analyst feedback*
- Business reviews and senior management presentations

Culture and People
- HR and Talent
- Whistle-blowing

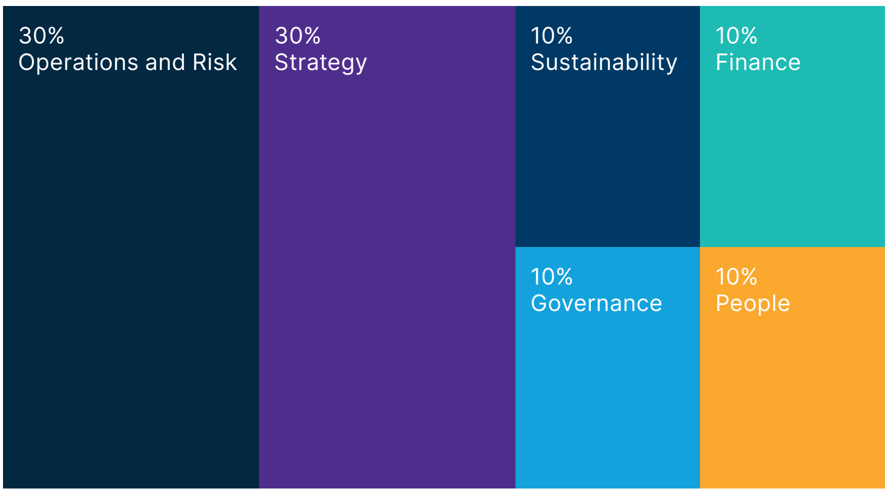
ESG and Health and Safety
- Health and Safety updates*
- Sustainability Strategy updates*

Governance
- Updates by Committee Chairs*
- Updates on material legal and governance matters*
- Compliance programmes update

* Standing items at every scheduled Board meeting

How the Board spent its time

The graphic below shows how the Board spent its time during 2024. Page 99 of this report sets out the main decisions made by the Board during the year. In the second half of the year, the Board also reviewed and supported managements' proposed organisational changes aimed at simplifying the way we work to better serve our customers. The final decision to proceed with the proposed restructuring, was made in early 2025.



Board composition, succession and evaluation

We make sure that the Board is actively involved in all important Group matters and it is effective in fulfilling its role as a balanced Board.

In 2024, compliant with the Code, the number of Non-Executive Directors was always more than the number of Executive Directors (excluding the Chair). There were 11 Board members as at 31 December 2024, following Tim Cobbold joining the Board in September 2024, ahead of Jamie Pike's retirement. At the time of publication, following Jamie stepping down at the end of 2024, our Board comprises 10 members: two Executive Directors, a Non-Executive Chair and a further seven Non-Executive Directors. This ensures that no one person or group of individuals dominate the Board's decision making. All our Non-Executive Directors, including the Chair, are considered independent.

Board succession and tenure

The Nomination Committee regularly reviews succession plans considering strategy, business needs, tenure, and diversity. For details, see the Nomination Committee Report on pages 116 to 118.

The appointment and replacement of Directors are governed by the Articles of Association, the UK Corporate Governance Code, and the Companies Act 2006. Shareholders can amend the Articles by special resolution. Directors can be appointed either by ordinary resolution of the members or by a resolution of the Directors. All Directors, including the Chair, will stand for election or re-election as specified by the Code. The Board's recommendations regarding appointment or reappointment are provided in the Nomination Committee Report on page 117.

The service contracts for Executive Directors can be terminated with 12 months' notice. Non-Executive Directors' appointments can be terminated with one month's notice, while the Chair's appointment requires three months' notice for termination. Further details regarding the Directors' service contracts are available in the Directors' Remuneration Report on page 147.

Induction and development

New Directors receive formal induction training, including site visits and meetings with advisers, brokers, and major shareholders when possible. Ongoing, tailored training is provided upon request, based on each Director's skills and experience. The Board undertakes governance training annually, and the Audit Committee arranges relevant training in areas such as ESG, cyber and financial reporting.

Directors are provided with regular updates on changes and developments in the business, legislative, and regulatory environments. A copy of the Directors' statutory duties is available at every Board meeting. Directors are encouraged to discuss any additional training requirements they may need with the Chair or the Company Secretary. This topic is also addressed during the annual performance evaluation discussions.

External listed company appointments

The Board allows Directors to accept other roles if no major conflicts of interest exist and they can still fulfil their Company duties. These roles help Directors gain skills beneficial to the Company. Director commitments are reviewed before and during their tenure to ensure proper management of Group affairs. Any new positions must be approved by the Chair, and significant changes in external commitments are discussed with the Chair. During each Board meeting and annually, all Directors disclose their external appointments and commitments to the Board as part of the conflicts of interest check.

The table below shows the number of external appointments held by our Non-Executive and Executive Directors as at 31 December 2024. More details are in the Director's biographies on pages 102 and 103. We only count positions in companies with listed instruments on a regulated exchange, following proxy advisor guidelines.

Anyone holding more than five mandates at listed companies is considered overboarded. For this calculation, a non-executive directorship counts as one mandate, a non-executive chair counts as two, and an executive director counts as three mandates.

	External appointments		Total no. of mandates (in accordance with ISS guidelines) including Spirax Group
	No. of other Non-Executive/ Chair roles	No. of other Executive roles	
T. Cobbold (Chair designate)	1	—	3
J. Pike (Chair)	1	—	4
L.S. Burdett	1	—	4
A. Archon	1	—	2
P. France	—	1	4
R. Gillingwater	1	—	2
C.A. Johnstone*	1	—	3

* Caroline stepped down as Chair of Synthomer plc on 31 December 2024

Register of conflicts

The Board reviews potential conflicts between Directors and the Company. Situational conflicts must be reported to the Board for approval as they occur, despite a Director's duty to avoid them. Transactional conflicts should be notified to the Board at the next meeting, where the Board will decide, without the involved Director, whether to approve and how to manage the conflict.

Board Diversity Policy

Spirax Group values and promotes diversity in various dimensions, including ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education. We maintain that the diverse perspectives arising from such inclusively foster innovation and drive business success. Effective diversity management enhances our creativity, flexibility, productivity, and competitiveness. Additional information on Diversity and Inclusion within the Group can be found on page 62 of the Sustainability Report and on our website at spiraxgroup.com/inclusion.

The purpose of our Board Diversity Policy is to ensure an inclusive and diverse membership of the Board of Directors resulting in optimal decision making and assisting in the development and execution of a strategy which promotes the success of Spirax Group for the benefit of its shareholders as a whole, having regard to the interests of other stakeholders. This policy applies to the Board of Directors, Board Committees and the Group Executive Committee and a copy of the Policy can be found on our website spiraxgroup.com/governance-documents.

Further information on Board and Committee diversity and succession planning can be found on pages 100 and 101, The Board at a glance, and in the Nomination Committee Report on pages 116 to 118.

Culture

20
Operating companies visited during 2024

+400
Senior leaders joining monthly calls

Driven by our culture

Our Purpose connects colleagues across the Group, as we work together to create more efficient, safer and sustainable outcomes for all our stakeholders. The way we work is underpinned by shared core Values, our commitments to inclusion and sustainability, as well as our business model, which is common to all three Businesses. These are all important indicators of our culture at Spirax Group that create a framework for consistency and collaboration while supporting local autonomy. In 2024, we launched a new Vision, to help guide us on the next stage of our journey. It was co-created through an approach that had stakeholder understanding and engagement at its core and this was achieved through an extensive internal and external engagement programme.

Listening to, and thinking about, the needs of all our stakeholders is central to the Board's role, as we explain on pages 8 and 9. Knowing what matters to stakeholders supports, 'why' we do what we do, 'what' we do and 'how' we do it. Communicating with all our stakeholders and keeping them informed is vital to helping them form a view of Spirax Group that is fair, balanced, and easy for them to understand.

Leading the Group through change

We cannot evolve Spirax Group without change. To be successful, change has to evolve from the inside. Helping colleagues understand, connect to and ultimately embrace change is essential to any evolution, which is why regular and engaging communications has been central to the new leadership team's approach. Frequent visits to our Sales and Supply operating companies by leadership, as well as monthly forums, hosted by the Group CEO for over 400 senior leaders from across the Group, are two key enablers of direct engagement. The calls are designed to keep leaders informed, answer their questions and enable them to communicate more effectively with their teams. During 2024, topics ranged from explaining our financial and operational performance, exploring capability and performance-related topics, launching our Vision and sharing the new Strategy and each of its Growth Drivers in more detail.

In 2025, we plan to expand the approach of these calls into wider colleague forums to reach more deeply into the organisation and connect colleagues more directly with senior leadership.

Ensuring our colleagues feel a sense of belonging

The Board also supports active communication and engagement with colleagues through visiting sites and speaking to teams, conducting the Colleague focus groups and attending key events such as the Spirit Awards.

We continue to develop meaningful touchpoints to listen to and hear from our colleagues, allowing them to have a strong voice and provide feedback regularly throughout the year. Some of the many examples being:

One Place colleague platform
Read more on page 61

Hybrid working survey
Read more on page 60

Spirit Awards
Read more on page 61

Global Safety Stand Down event
Read more on page 59

Colleague Networks
Read more on page 61

Colleague conferences
Read more on page 8

Coffee talks
Read more on page 114

Spark learning platform
Read more on page 8

Our Purpose, Vision and Values

Our Purpose is to create sustainable value for all our stakeholders by engineering a more efficient, safer and sustainable world. Our Vision is to be the trusted global leader in optimising critical thermal energy and fluid technology processes, we are highly connected with customers, obsessed with their evolving needs, delivering solutions that serve people and enable the transition to a low-carbon, resource-efficient world.

Our Purpose and Vision relies on a well-established business model and a strong, supportive culture. This culture stems from colleagues living our Values (see page 61) to make their difference and create value for the stakeholders that we serve.

Our Values also guide Board decisions. We prioritise **Safety** and enhance **Collaboration** and **Respect** through teamwork. We support **Excellence** and **Customer Focus** via continuous investment, site visits, and management presentations. We uphold **Integrity** with transparency and strong governance processes.

In 2022, the Board approved our first Group Inclusion Plan, which has made a significant impact on the lives and wellbeing of all colleagues across the Group who benefit from our 10 Inclusion Commitments, whoever they are and wherever they work. To enhance inclusion and equity, we set Diversity goals in December 2023. More information on our progression towards these goals can be found on page 62.

The Board monitors and assesses culture using the following mechanisms:

Approach	How it links to the culture
Colleague Engagement Committee	Insight in form of Business and HR leads presenting from different areas to understand what is happening locally as drivers to improve engagement and colleague experience. This enables discussion and visibility of how our Values are being lived through the organisation and how aligned local culture is to the current and future strategic objectives.
Colleague Engagement Committee focus groups	Monthly touchpoints with groups of colleagues from different business areas globally to listen to the colleague voice, open dialogue and gain feedback on what it's like to work at the Group and build assurance that the desired culture is being embedded within the organisation. This involves presenting key themes to the management teams to support any local/Group activity that is required. During each of the operational visits undertaken by the Board a colleague focus group took place with feedback presented to management and the CEC.
Board site visits	A number of Board meetings are held at sites around the Group allowing Directors to have conversations with colleagues in a more informal setting for example at lunch or on facility tours. The Chair and Executive Directors also have their own schedule of visits to operating companies across the Group during which they meet senior management as well as colleagues focused on the manufacturing, sales and support activities.
Colleague survey	Gives global insight into colleague engagement and enablement that informs where focus/action needs to be placed to support the organisation's culture and the Group's strategic goals. The Survey is undertaken biennially with the last one in 2023 and the approach and results are overseen by the Colleague Engagement Committee.
Management reports	Regular reports from the HR Director, as well as Information from the Internal Audit team on the impact of policies and processes.
Inclusion and Diversity	Review and supervision of Diversity goals on gender and ethnicity.
Whistle-blowing and Health and Safety	Regular reporting on matters reported through the whistle-blowing hotline as well as, health and safety reports including trend data (such as near misses) and results of H&S investigations.
Other	Additional indicators including promptness of payments to suppliers, approach to regulators.
Spirit Awards	The Board is invited to attend the Spirit Awards Gala Ceremony. In 2024, 18 finalists were represented from across the Group and recognised for their achievements in living our Values to 'elevate the everyday'. Attendance at the event gave the Directors the opportunity to hear directly from the finalists regarding their achievements.
Board activities	The Board also attends elements of the Group Leadership and Graduate Conferences and participates in monthly Coffee talks with colleagues who are randomly selected from across the Group.

For details on Colleague Engagement, including topics raised and our responses, see the Colleague Engagement Committee Report on pages 112 to 115.

Colleague Engagement Committee Report

"Our colleagues are excited by the future potential opportunities from our investment in decarbonisation and technology. They also recognise that Spirax Group is navigating through a period of change and challenging market conditions. The Group intends to support colleagues through updating our Colleague Promises in 2025."

Caroline Johnstone
Chair of Colleague Engagement Committee

Committee membership

Membership	Meeting attendance
Caroline Johnstone (Chair)	**100%**
Angela Archon	**100%**
Peter France	**100%**
Jane Kingston	**100%**
Constance Baroudel	**100%**

Committee role and responsibilities

To ensure the voice of our colleagues is heard and fully considered in decisions of the Board, we established the Colleague Engagement Committee (the Committee) with the principal remit of monitoring colleague engagement and ensuring our colleagues' voices are heard in the Boardroom. Having held a number of people leadership roles within PwC and other businesses, Caroline Johnstone was appointed as Chair of the Committee and serves as the designated Non-Executive Director for colleague engagement, in line with Provision 5 of the UK Corporate Governance Code 2024.

Committee meetings and operation

The Committee held three meetings in 2024. Our Group Chief Executive Officer and Chief Financial Officer attended all Committee meetings, bringing added insight into colleague engagement across the Group and enabling executive understanding and reflection on our colleagues' feedback. Other Non-Executive Directors also regularly join Committee meetings and participate in engagement activities.

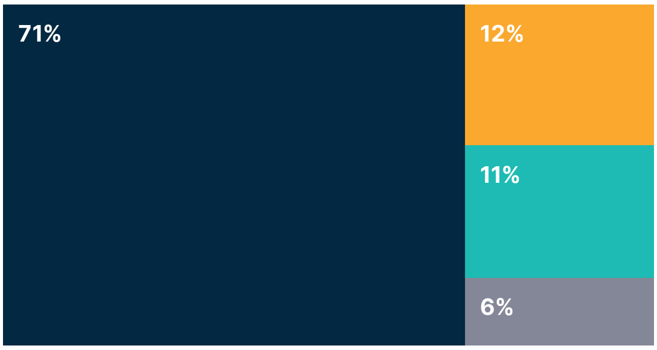
The Committee develops a tailored agenda each year to ensure interactions with and exposure to a wide range of colleagues across geographies, Business units and parts of the organisational structure.

The Committee's activities create both a formal, regular and two-way direct dialogue between the Board and colleagues, as well as an opportunity for informal, one-on-one interactions. The Committee Chair reports back to the full Board after each Committee meeting with key findings and actions arising. The main duties of the Committee include:

- A programme of engagement activities to enable the Board (and Non-Executive Directors (NEDs) in particular) to have regular dialogue with and listen to colleagues across the Group
- Overseeing the approach to, the results of and the action plans arising from each biennial global colleague engagement survey, more details of which can be found on page 114

How the Committee spent its time %

- Direct colleague engagement and follow-up/discussion
- Senior leadership discussion and updates on colleague engagement
- Formal items and Committee Planning
- Current engagement practices and survey engagement results



- Regular engagement with Group and divisional senior management to understand engagement practices
- Supporting the Audit Committee in ensuring procedures are in place for colleagues to raise concerns anonymously and in confidence, are accessible and well-publicised

Amanda Janulis, Group Divisional Counsel, is the secretary to the Committee. During 2024, the Committee continued to work with Amanda, as well as Jim Devine, Group HR Director and Sarah Petherick, Group Head of Colleague Experience.

Reviewing the effectiveness of our approach to workforce (colleague) engagement

The Board continues to review its mechanism for workforce engagement as required by the Code. The Board concluded that the Committee and the colleague engagement programme add significant value and insight both to the Board and to executive management and the Board regularly reflects on colleague views during Board deliberations.

The Board continues to believe that a Board level Committee, with responsibility for Colleague Engagement is appropriate:

- Given the size, scale and business model of our Businesses, with operating units of varying size and complexity worldwide
- This approach affords dedicated time to colleague engagement and culture generally across the Group
- Colleagues across the Group have given positive feedback that they feel the direct engagement with a Board member promotes open and inclusive discussions and valuable feedback

Moreover, our dynamic annual planning allows the Committee to keep our engagement mechanisms fresh, relevant and effective, in line with the requirements of the Code.

In 2024, we conducted a benchmarking exercise of our peer companies, reviewing the approaches to workforce engagement of various FTSE 100 companies, as described in each company's Annual Report. Committee members also shared what they see working well in other businesses. Whilst we concluded that no major changes were required to our approach, we did ask management to work proactively to suggest additional events where NEDs might have another opportunity to interact with colleagues, e.g. Graduate or global leadership meetings.

Chair's review of 2024

The Board's visits in 2024 created the opportunity to meet with colleagues across the globe, from Cornwall in the UK to Shanghai, China and Saint-Florentin in France. The Chair and Committee members also visited other sites in the USA and France to hold focus groups. These face-to-face interactions with colleagues in their own environment provide the Committee with invaluable insight into the day-to-day opportunities and challenges of the Group and our colleagues.

These focus groups are hosted by me (or another NED, particularly if it enables discussions in local language), with colleagues from a particular Business unit, function or strata (for example we spoke to a group of sales engineers across the Group). In order to expand the Committee's reach to different parts of the Group, these events utilise both in-person and virtual sessions and, when necessary, an interpreter from the focus group, which we have found works quite well.

I have reported before that I am struck by the open nature of discussions I have with colleagues across the Group, which has continued in 2024. In a period of evolution for the business, the Board finds it invaluable to hear what colleagues see as strengths and opportunities for improvement which are summarised on page 114. This is a key aspect of monitoring our culture across the Group and adding insight to our Board decision making.

As always, themes emerged across the focus groups we held in 2024 and these tend to align with feedback from colleague surveys. Our typical areas of discussion in 2024 were around change, the challenging economic environment and how we live our Values, particularly Safety.

Our colleagues are excited by the future potential opportunities from our continued investment in decarbonisation and technology initiatives. They also recognise that the Group is navigating through a period of change and challenging market conditions. The Group intends to support colleagues further through updating our Colleague Promises in 2025 (see page 60 for further information). These aim to clearly articulate the 'why work here?', elevate everyone's sense of pride in the Group and emphasise the meaningful work we do.

We continued our focus on race equity in the USA in 2024. Notably, this brought Black and African American colleagues together with senior leaders for two days in Charlotte, North Carolina, to explore lived experiences and how we can make a difference at work. This led to a series of in-person workshops for all US colleagues in STS, development of a Race Equity Leadership Toolkit and reviews of HR policies. We also introduced Juneteenth as a paid holiday in the USA, commemorating the end of slavery in the USA each 19 June.

Colleague Engagement Committee Report continued

Key activities undertaken

Direct colleague engagement and follow-up

- Seven structured focus groups involving some 70 colleagues from different areas of the Group (seniority, geography, Business units and functions)
- Members of the Board and Committee attended the annual Spirit Awards ceremony held during the Group Leadership Conference, with approximately 80 colleagues from all areas of the Group
- Site visits by the Board: 2024 visits included WMFTS UK Supply, STS China and ETS Vulcanic France
- Committee member visits in 2024 to ETS Vulcanic, France and ETS Chromalox, USA
- Overseeing the ongoing Group response and approach to the Race Equity initiative in the USA
- NED Virtual 'Coffee Talks' with randomly selected colleagues

Senior leadership discussions and updates on colleague engagement

- Business discussions: in 2024, leaders from STS China, WMFTS and ETS presented to the Committee
- We fed back themes to senior management following focus group discussions and received responses, with actions taken as a result of the feedback

Current engagement practices and engagement survey results

- Annual Benchmarking of our engagement approach
- Further insight at operating company level of the 2023 Biennial colleague engagement survey – quantitative data with demographic filters and approximately 13,000 free form comments and demographic analysis

Themes from our 2024 colleague focus groups

Our Group's Strengths

A Safety Mindset 'first and foremost'

Safety is consistently seen as the strongest Group Value. Colleagues found the Safety Stand Down early in the year to be a moving and unifying experience (see page 59). It created an opportunity to connect with colleagues and discuss safety even more openly. New colleagues say that Spirax Group aspires for higher standards of safety than their previous experience. They also feel comfortable and encouraged to challenge appropriately. Even so, there is no complacency and there are still areas of improvement required, with some colleagues (particularly from recently acquired companies) valuing more discussion of safety priorities.

A strong, Values-based culture, feeling of belonging to supportive teams

The culture is described as the reason for many colleagues' long service, we hear a strong sense of community, teamwork and the Company's support during personal challenges.

Parental leave and carers leave

Our colleague care/support package is seen as market-leading and a strong caring signal to colleagues. Parental leave is offered to colleagues of all genders, regardless of how they became a parent.

Future opportunities for growth

Colleagues are working on multiple opportunities for growing the Group, including capitalising on global decarbonisation, opportunities in digital and a growing portfolio of innovative products.

Our Group's Opportunities for Improvement

Collaboration and innovation

The business model provides great focus and drive across the Group and we heard about progress and some improvement in collaboration between supply and sales, but there are opportunities to do more to make it easier to collaborate between sales, supply and business development teams. Colleagues also see opportunities to develop our innovation processes, as the pace of change continues to accelerate and to provide even greater value to customers. Management's intention to reduce organisational complexity as part of its operational priorities is an important part of this.

Systems and processes for efficiency

The ongoing investment in systems is recognised but inevitably as this is a multi-year process, a feeling remains that it could be made easier to work in certain parts of the Group, allowing colleagues to be more efficient and to allow increased focus on opportunities.

Streamlining top-down communication and 'asks'

There has been significant work to simplify and streamline communications and reduce the number of requirements from the Group during the year but it is fair to say that this has not yet been fully felt at the local level.

Enhancing local empowerment and responsibility

The empowerment and responsibility embodied in our operating companies across the Group is seen as a key part of the business model. As management implements its organisational improvement programme, colleagues are keen to maintain that empowerment alongside reducing the administrative burden on smaller local operating companies.

Management actions arising from our colleague engagement

The Committee shares and discusses the general themes from each focus group with local and divisional management and we ask them to share with the Committee any actions that arise from the feedback. This has proved to be very effective; just a few examples of action taken include:

Discussion Group Feedback:	Management Action:
There was perceived competing objectives between Sales and Supply teams in a Business unit and a consensus that collaboration could be improved.	Leaders of the Sales and Supply organisations initiated a series of collaboration sessions, focusing on team building and collaboration on goals. Amongst other things, the teams implemented a temperament/communication assessment tool, developed a shared action plan based on engagement survey results and spun-off working groups to focus on cross-functional priorities. Early feedback suggests positive results.
Self-directed teams	This approach to collaboration and operational improvement was rolled out in WMFTS in 2023 and was enthusiastically welcomed by colleagues as improving collaboration in a practical way. Colleagues across the Group were very keen to get involved and this has been rolled out now in ETS, with similar early results.
Diversity on the shop floor	We had discussions with the China team which were wide ranging and positive, despite the slowdown in economic activity. We also noted the lack of female workers on the shop floor. The local management team reflected and decided to prioritise increasing diversity in the next recruitment phase.
Hybrid working	Colleagues in China also expressed desire for more hybrid working, where feasible. The local management team have since introduced flexible working systems and commuting options, amongst other enhancements.

I am happy to answer any questions or take any feedback on our Committee activities and will be available at our Annual General Meeting in May.

Caroline Johnstone
Chair of Colleague Engagement Committee
10 March 2025

Committee focus for 2025

- Oversight and review of the results from the 2025 colleague engagement survey
- Monitor engagement as the Group delivers its operational improvements and reduces organisational complexity
- Hold a range of focus groups across the business, including online global networks
- Hear from management on what they think colleagues will seek from 'great' employers in the future

Nomination Committee Report

"The 2024 Board evaluation indicated that there remained a strong sense of team identity and collaboration, with high levels of engagement and trusted, respected relationships."

Tim Cobbold
Chair of Nomination Committee

Committee membership

Membership	Meeting attendance
Tim Cobbold (Chair)*	**n/a**
Jamie Pike (retiring Chair)*	**100%**
Angela Archon	**100%**
Constance Baroudel	**100%**
Peter France	**100%**
Richard Gillingwater	**100%**
Caroline Johnstone	**100%**
Jane Kingston	**100%**
Kevin Thompson	**100%**

* On 31 December 2024 Jamie Pike stepped down from the Committee and Tim Cobbold took over as chair having joined the Committee on 1 September 2024

Committee role and responsibilities

The main role of the Nomination Committee, which is comprised of Non-Executive Directors only, is to optimise Board performance, consider succession planning and recommend changes to the Board to match the skills, knowledge and expertise of individuals to those needed to support the Strategy and business requirements of the Company. The full Committee Terms of Reference can be found on our website, spiraxgroup.com/governance-documents.

Chair's review of 2024

This year the Committee's focus was on recruiting a new Chair to the Board and selecting a new Non-Executive Director and Remuneration Committee Chair to succeed Jane Kingston, who is due to step down from the Board in September 2025. The Committee had three scheduled and one ad hoc meetings during the year. Details of attendance can be found on page 107.

Chair of the Board

The Nomination Committee commenced the search for a new Chair in Q4 2023, led by Richard Gillingwater as the Senior Independent Director. Jamie Pike and Non-Executive Director candidates did not take part in the selection process, in accordance with the UK Corporate Governance Code (Code). The Committee, working with our external advisers Egon Zehnder, developed a role specification, against which candidates were evaluated. This produced a long list and from this a shortlist was then selected, eventually resulting in my appointment, announced in May 2024. More information on this process was outlined in the 2023 Annual Report on page 135. I was appointed as a Non-Executive Director and Chair Designate with effect from 1 September. The Committee felt that my broad business experience with global industrial companies, as well as my experience as CEO of three FTSE listed businesses with a strong track record of value creation through growth and operational delivery, positions me well to lead and guide Spirax Group through this next chapter of our development and evolution.

To ensure an orderly handover of Chair and Group CEO responsibilities, the Board agreed with Jamie Pike that he would serve as Chair until he stepped down the end of 2024. Therefore, Jamie offered himself for re-election as a Non-Executive Director at the Company's AGM in May 2024. This allowed Jamie to support Nimesh Patel who took up the role of Group Chief Executive Officer in January 2024.

How the Committee spent its time %

- Chair succession planning
- New NED succession planning
- WMFTS MD appointment
- Reappointment of NEDs

Board and Group Executive Committee composition

On 16 January 2024, Nicholas (Nick) Anderson retired after 10 years as Group Chief Executive Officer. Nimesh Patel, previously Chief Financial Officer since July 2020, took up the role as Group Chief Executive Officer on the same date. This change completed the Board's long-term succession plan for Nick.

The Board was delighted to welcome Louisa Burdett to the Group in July 2024 as Chief Financial Officer (CFO). Louisa is a highly experienced CFO having led finance functions in several large companies including UK-listed Croda, Meggitt and Victrex. She currently serves as a Non-Executive Director and Audit Committee Chair of RS Group plc.

The appointments of Nimesh and Louisa followed Code-compliant, rigorous and independent procedures, supported by our external advisers. Details of the appointment processes are available in our 2023 Annual Report on page 135.

Jane Kingston's tenure as a Non-Executive Director and Chair of the Remuneration Committee will conclude in 2025. In 2024, the Committee began the process of searching for a new Non-Executive Director and Remuneration Committee Chair. Search criteria were established and a list of suitable candidates identified. The potential candidates were interviewed by Jamie Pike (Chair), Tim Cobbold (Chair Designate), and Richard Gillingwater (Senior Independent Director) and a shortlist was presented to the full Nomination Committee. We were pleased to announce in January 2025 that Maria Antoniou had been appointed as a Non-Executive Director and will be joining the Group in June 2025. She will bring extensive experience and knowledge to the Group particularly in International HR leadership, including change and transformation programmes.

During the year, Peter France and Richard Gillingwater completed their three-year terms. The Committee recommended to the Board that both be reappointed for an additional three years.

Andrew Mines was appointed as the Managing Director of ETS with effect from 1 September 2024 taking over from Armando Pazos, who left at the end of August 2024. Andrew had previously led WMFTS since 2020. In January 2025, Stuart Roby joined Spirax Group as Managing Director of WMFTS. Details of the respective skills and experience of all Board and Group Executive Committee members are set out on pages 102 to 104.

Succession planning and attracting talent

Egon Zehnder advises the Nomination Committee and Board to ensure proper succession planning for senior appointments, considering both internal and external candidates per our Diversity and Inclusion Policy. The Board confirms that there are no connections between its Directors and Egon Zehnder.

Further information on how appointments to the Board are made can be found in the 2023 Annual Report on page 126.

Board and Committee effectiveness

In light of the change in Chair, the decision was made to defer the scheduled fuller Board evaluation and consideration of any changes to the operation of the Board until 2025 as explained on pages 98 and 99.

Consistent with past practice, our external advisers Egon Zehnder carried out a Board evaluation in 2024 and the results were shared with the Board in December. Egon Zehnder facilitated the use of a comprehensive survey similar to the one from 2023, which was distributed to each Board member. They were asked to provide responses on both quantitative and qualitative aspects. The review assessed the strengths of the Board, as well as the Colleague Engagement, Remuneration, Audit, and Nomination Committees, by examining individual capabilities and contributions, as well as the interaction and collaboration among Board members. The responses were consolidated and anonymised, with common themes identified for the Board to determine key actions and next steps for improving Board and Committee effectiveness and performance.

The 2024 evaluation indicated that there remained a strong sense of team identity and collaboration, with high levels of engagement and trusted, respectful relationships. The Board continues to focus on sustainability, diversity, and inclusion objectives, while the Committees are clearly defined and serve specific purposes.

Ongoing improvements are being made to manage meeting agendas, ensuring adequate time is allocated for staying informed about industry trends, competitor activities, and potential future threats.

Re-election of Directors

The Board has concluded that the performance of each of the Directors standing for election or re-election continues to be effective and that these Directors demonstrate positive engagement to their role, including their time for the Board and Committee meetings and any other duties. Tim Cobbold and Louisa Burdett will stand for election following their appointments in 2024, and all other Directors will stand for re-election at the 2025 Annual General Meeting. An explanation of how they contribute to the success of the Company can be found in the Notice of AGM.

Diversity and Inclusion Policy

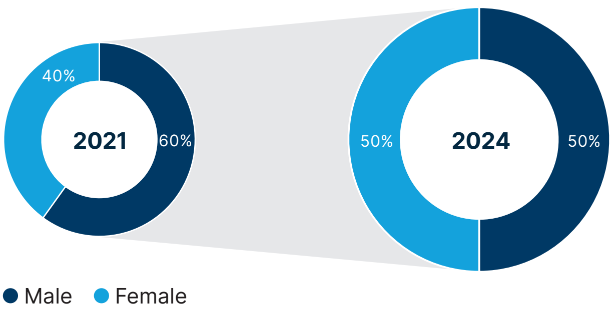
Our Board and Committees fully comply with and support the principles of our Everyone is Included Inclusion Plan, our Group Inclusion Commitments and the Group Diversity and Inclusion Policy. The Board believes that diverse teams bring a great variety of thought, skills, experience and perspectives to our Group. That diversity means we are more innovative and more creative and it helps ensure our continued business success. It means we continue to grow and it creates more opportunities for everyone – in short, our difference is our strength.

We remain committed to developing a strong and diverse Board and we have made progress in developing our internal talent at the executive senior leadership level. More information on this can be found on page 118. A copy of the Board Diversity Policy and the Group Diversity and Inclusion Policy can be found on our website spiraxgroup.com/governance-documents.

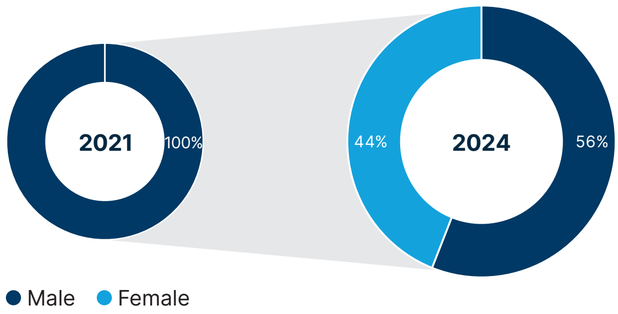
Nomination Committee Report continued

Gender diversity

Board



Group Executive Committee



For more information about the Board Diversity Policy see page 109

Inclusion, equity and wellbeing

We believe the Board benefits from diversity in gender, age, and culture, along with commercial and industry knowledge. The Board Diversity Policy guides our Director appointments, ensuring a balance of diversity, skills and expertise. We review senior management strengths annually and consider diversity in succession planning.

The Group captures diversity data of colleagues through voluntary disclosure via HR systems and processes (such as onboarding) where this is possible. For the Board of Directors, we seek individual permission to share this data on an annual basis. Aligned to the Parker Review, we use UK Office of National Statistics (ONS) categories for ethnicity reporting. The information required by LR 6.6.6R(10) can be found in the Directors' Report on page 148 and further information on diversity and inclusion within the Group can be found in our Sustainability Report on page 62.

Diversity and inclusion is always a key consideration in the Board recruitment process and is at the forefront of the Committee's mind when making nominations to the Board. We place a high priority on inclusion and are dedicated to enhancing diversity within our Group. As at 31 December 2024, the Company has met or exceeded all of the diversity and inclusion targets outlined in LR6.6.6R(9).

Specifically, we have surpassed the target of 40% female Board representation, with 45.5% of our Board being female as at 31 December 2024 and 50% as at the date of this report. Additionally, with two Board members from minority ethnic backgrounds, we have exceeded the requirement of at least one individual. The third target stipulates that one of the senior Board positions (Chair, CEO, CFO, or SID) must be held by a woman, a goal supported by the FTSE Women Leaders Review. As of 8 July 2024, this target has also been achieved following the appointment of Louisa Burdett as Group CFO.

In addition, half of the Board committees, i.e. the Remuneration Committee and the Colleague Engagement Committee are currently Chaired by Jane Kingston and Caroline Johnstone, respectively.

In 2024, our GEC increased to 44.4% women (2023: 22.2%, 2022: 12.5%, 2021: 0%). During the second half of 2024, the position of WMFTS Managing Director was being shared on an interim basis by Phil Scott and Martin Johnston whilst a permanent replacement for Andrew Mines (who took on the role of Managing Director for the ETS business last summer) was appointed. We were pleased to announce that with effect from 6 January 2025 Stuart Roby was appointed as Managing Director of WMFTS.

In 2024, women were 31.5% of our GEC direct reports (2023: 31.4%). With changes to our GEC, senior leadership overall was 33.3% women (2023: 30%). We remain committed to achieving a minimum of 40% women in our senior leadership by December 2025, a goal already achieved at Board and GEC levels.

More information on our Diversity and inclusion journey can be found on pages 62 and 118. As part of our wider commitment to gender equity, Nimesh Patel, Group Chief Executive Officer, continues his role as Co-Chair of the FTSE Women Leaders Review which seeks to increase the representation of women in senior leadership roles in the FTSE 350 and top 50 private companies in the UK. Listen to Nimesh discuss his thoughts on equality on our website spiraxgroup.com/inclusion.

Tim Cobbold
Chair of Nomination Committee
10 March 2025

Risk Management Committee Report

> The challenging macroeconomic and trading environment in 2024 required ongoing close oversight of the risks facing our Group."

Nimesh Patel
Chair of Risk Management Committee

Committee membership

Membership	Meeting attendance
Nimesh Patel (Chair)	**100%**
Louisa Burdett*	100%
Céline Barroche**	100%
Andy Robson***	100%
Jim Devine	100%
Andrew Mines	100%
Sarah Peers	100%
Maurizio Preziosa	100%
Maria Wilson	100%
Martin Johnston (Interim co-lead WMFTS/ Phil Scott (Interim co-lead WMFTS)	100%
Dan Harvey (Head of Internal Audit)	100%

* Louisa Burdett joined the Committee with effect from July 2024

** Céline Barroche joined the Committee with effect from September 2024

*** Andy Robson stepped down in September 2024

The full Committee Terms of Reference can be found on our website, spiraxgroup.com/governance-documents.

Committee role and responsibilities

The purpose of the Committee is to oversee the management and control of significant risks affecting the Group. The Committee ensures that the Group has robust risk management policies and procedures in place, covering all these key areas of risk. The Risk Management Committee's responsibilities include:

- Annual top-down or bottom-up reviews to improve our understanding of the risks facing the Group
- Determining the Group's appetite for individual and collective risks
- Assessing the velocity of each risk
- Monitoring any emerging risks on the horizon
- Managing risks within the Businesses, leveraging the expertise of our colleagues
- Identifying appropriate risk mitigation controls

We hold annual top-down or bottom-up reviews, alternating each year, that provide information and evaluations, which the Committee uses alongside the Risk Appetite and Risk Velocity ratings for our Principal Risks to create an effective system for monitoring, planning and developing our Group-wide approach and culture to manage risk.

The senior managers of our operating companies are involved in the risk assessment process. The evaluations of the Committee, including setting the appropriate levels of risk appetite and controls, are then communicated to all Group operating companies.

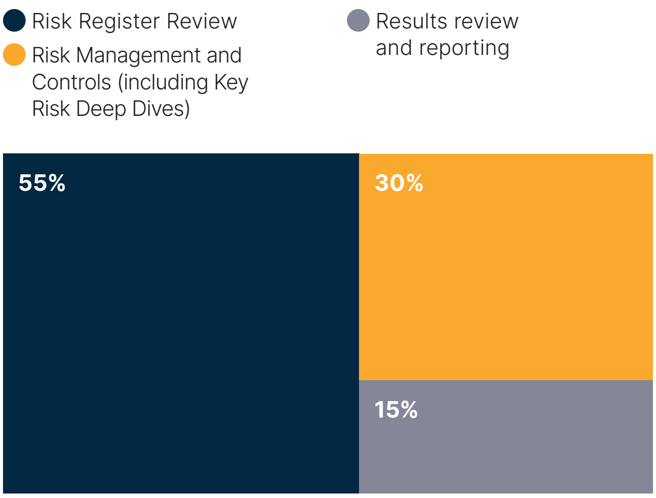
This ongoing monitoring and engagement contributes to the way we manage our risks. As these are dynamic, both our Risk Register and Principal Risks reflect current conditions across the Group and guide how we continually adapt our risk monitoring and mitigation activities.

Group Principal Risks, our Risk Register and our controls feed into the Group's viability assessment.

Changes to the Committee

Nimesh Patel took over as Chair of the Risk Management Committee in January 2024. Armando Pazos and Andy Robson left Spirax Group in 2024. Louisa Burdett and Céline Barroche joined the Committee as the new Group Chief Financial Officer and Group General Counsel, respectively. Martin Johnston and Phil Scott also joined the committee (as joint Interim heads of the Watson-Marlow Fluid Technology Solutions Business) until the end of 2024.

How the Committee spent its time %



Risk Management Committee Report continued

Key Activities

The Committee met five times in 2024, details of attendance at meetings can be found on page 107. A summary of the Committee's activities throughout the year is set out below:

- Review of the obligations and enhancements of the UK Corporate Governance Code 2024
- Review of the enterprise risk management framework, leading to initiating a refresh of our framework, which will continue to be a key focus throughout 2025
- Considered results from the top-down risk review with input from our Group operating companies
- Review, validation and update of the Risk Register
- Scoring of operational risks, including Risk Velocity and Risk Appetite
- Review of changes in Principal Risk rankings in accordance with the scoring process
- Ageing Enterprise Systems was added to the Risk Register in 2023 and this risk was thoroughly reviewed during 2024. We concluded that the scope of this risk should be expanded and that it should be elevated to a Principal Risk in light of the fragmented and large number of different systems in operation across the Group which will require upgrading or replacing over time.
- Final approval of 2024 Risk Register and Principal Risks

The Principal Risks affecting the Group, before mitigation, are set out on pages 83 to 87.

Governance and compliance

Acknowledging ongoing geopolitical tensions and their impact on global trade, uncertainty in the macroeconomic environment leading to more challenging trading conditions, the increasing demand for digital products and solutions and the ongoing focus on tackling climate change, we remained focused on monitoring and managing the risks facing our Group. During 2024, we also continued to strengthen our governance and controls, ensuring our compliance with legal and regulatory obligations.

We took a number of key steps in 2024, including development of a Group-wide Risk and Control Matrix (RACM) to enhance good governance and visibility of the effectiveness of controls against significant risks. We appointed a Group Head of Product Compliance to create a framework enhancing our monitoring and controls around legal and regulatory compliance. Additionally, Céline Barroche joined us as the new Group Legal Counsel and Company Secretary, bringing additional expertise to strengthen our Governance, Risk, and Compliance frameworks.

In addition, the Group is making good progress in preparing to comply with the requirements of the UK Corporate Governance Code 2024 published by the Financial Reporting Council (FRC), which introduces several updates aimed at enhancing corporate governance practices.

Chair's review of 2024

Summary of key focus areas

The continuing challenging macroeconomic climate in 2024 has required ongoing close oversight of the risks facing our Group.

Principal Risk Review

The Committee led the Principal Risks review and details of the process, outcome and rationale for changes made are set out in the Strategic Report on pages 35 to 37 with the Principal Risks set out on pages 83 to 87.

Geopolitical and Macroeconomic Risk

During 2024, key geopolitical issues shaped the global landscape, including continued ongoing conflicts as well as political elections in some of our largest markets. In turn, these issues impacted the global macroeconomic environment, including through the effects of persistent inflation and high interest rates slowing growth and increasing the risk of financial stress as well as rising barriers to global trade. We continue to monitor and manage the impact of these risks on our financial performance and resilience.

Enterprise Risk Management Framework and UK Corporate Governance Code 2024

In late 2023, the anticipated updated UK Corporate Governance Code 2024 was published by the FRC, which introduces several key updates aimed at enhancing transparency, accountability, and overall governance standards. We continued our planning and governance enhancement to ensure that we are well positioned to meet the updated requirements of the Code.

Anti-Bribery and Corruption (ABC)

The Group remains steadfast in promoting a zero-tolerance policy towards bribery and corruption across all its Businesses.

Read more about this, our Whistle-blowing Policy and the training we provide on page 63 of the Sustainability Report.

Board and Audit Committee Oversight

The Board has overall responsibility for the effectiveness of the Group's internal controls and risk management frameworks. Oversight of the Group's risk management procedures and the operation of controls is undertaken by the Risk Management Committee and the Group Executive Committee. Further details on how the Board and Audit Committee manage this oversight can be found in the Audit Committee Report on pages 121 to 128, and the Strategic Report on pages 80 to 87.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Board has assessed the viability of the Group, taking into account the Group's current financial position, strategy, the Board's risk appetite and the potential impacts of the Group's Principal Risks. We set out the eight Principal Risks we have identified, along with our mitigation measures, in our Risk Management section of the Strategic Report which begins on page 80. The viability assessment and statement is set out in our Financial Review on pages 32 to 37.

Nimesh Patel
Chair of Risk Management Committee
10 March 2025

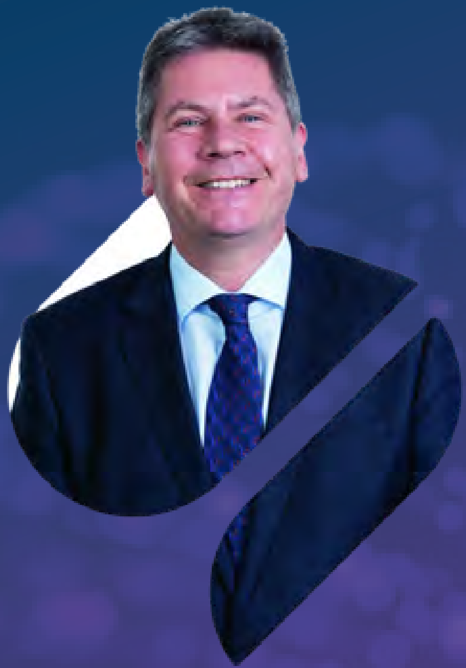
Focus for 2025

- Continue implementing and evolving our enterprise risk management framework
- Continue planning and preparations for the updated UK Corporate Governance Code 2024 requirements
- Annual review of the Risk Register
- Ongoing monitoring and analysis of the Group Risk Register, Principal Risks, emerging risks and control effectiveness

Further reading

Risk Management and Principal Risks: See pages 80 to 87

Audit Committee Report



“A year of good progress against a background of increasing future requirements and regulations.”

Kevin Thompson
Chair of Audit Committee

Committee membership

Membership	Meeting attendance
Kevin Thompson (Chair)	**100%**
Peter France	100%
Richard Gillingwater	100%
Caroline Johnstone	100%

Committee role and responsibilities

The Audit Committee’s principal responsibilities are to oversee and provide assurance to the Board on the integrity and quality of financial reporting, risk management, control processes and the effectiveness of audit arrangements both internally and externally.

The Committee’s published Terms of Reference are reviewed annually and were last amended in October 2024. A full copy can be found on the Group’s website, spiraxgroup.com/governance-documents.

The Committee’s annual self-assessment exercise was considered at the August Committee meeting. The vast majority of the responses and comments were positive, reflecting that the Committee continues to perform well. Areas for improvement (which included topics such as succession planning and Committee training) were discussed and actions agreed.

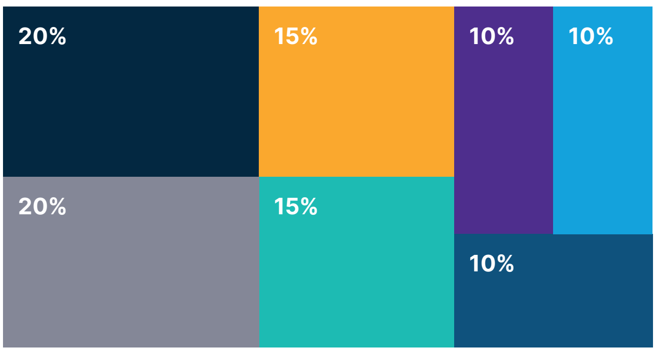
Chair’s review of 2024

I am pleased to present the 2024 Audit Committee Report which sets out the key areas of focus during the year ended 31 December 2024.

It has been a year of good progress against a background of increasing future requirements and regulations. The past year can be characterised as one of continued evolution for the organisation. Following changes in leadership within Spirax Group, the Committee welcomed Nimesh Patel in his capacity as Group Chief Executive Officer, Louisa Burdett as Group Chief Financial Officer and Céline Barroche as General Counsel and Company Secretary. On behalf of the Committee, I would like to thank Nick Anderson, Phil Scott and Andy Robson for their contributions to the Committee. The Committee also welcomed Dean Cook as lead audit partner from Deloitte, taking over from Andrew Bond. As our new colleagues and audit partner have settled into their roles, I have maintained regular dialogue with them, not least to ensure the Committee is provided with the necessary information and input to continue to enable it to guide, challenge and advise management.

How the Committee spent its time %

- External Reporting and External Auditors
- Financial Resilience, Risk Management and Internal Controls
- Corporate Governance and Whistle-blowing
- Internal Audit and Fraud Risk Reviews
- Sustainability
- Presentations by Divisional Finance Directors
- Training and Technical Sessions



Audit Committee Report continued

Chair's review of 2024 continued

During the year, the Committee discussed the multiple ERP systems which exist across the Group and welcomed the significant project which is planned to rationalise and harmonise these. Reducing complexity in both systems and operating structures is a key area of Committee focus in the coming year.

An area of continued development has been the embedding of the Group's ongoing multi-year internal controls programme 'G3' that is systematically improving and standardising controls over financial reporting across the Group using a risk-based framework. This framework is maintained and used as the basis for focused, independent oversight and support to ensure risks are managed effectively, as well as forming the foundation of the planned internal controls attestation in 2026. A number of improvements have been made across the Group with none requiring material change. The response across the Group to progress so far has been positive with the benefits of consistency, efficiency and greater insight experienced within the operating companies. In 2025, we will monitor progress as management further embed the G3 framework through a continuous testing programme, training and developing our control environment.

Building on the progress of the G3 programme and following the clarification by the Financial Reporting Council (FRC) on the changes to the Corporate Governance Code in January 2024, the Committee's attention has evolved to supporting and challenging management to strengthen internal controls over material non-financial reporting, operational and compliance activities. The Committee has reviewed the definition of materiality and received updates at each meeting on the progress made by the project leaders within the organisation. Members of the Committee met with the project team to help shape the project, advising specifically on the direction of the plan, by working back from the attestation required.

Risk management continues to be a key area for the Committee and we value the high quality outputs from the Risk Management Committee. Discussions have started on a review of the Group risk management framework in 2025 which the Committee will support with a particular focus on horizon scanning, risk appetite and risk mitigation. The Committee notes management's very positive response to fraud risks, positioning the Group well for new requirements in relation to fraud coming later this year – see also the Risk Management section in the report below.

In October, I had the pleasure along with my colleagues in the Audit Committee, of meeting key personnel in France during a visit to Vulcanic. I was able to see first-hand how the integration has progressed since we acquired the business in late 2022 from a Private Equity environment, recognising the time and resources needed to achieve Group standards of control and reporting. The Committee has monitored the operation of the risks and control framework in Vulcanic, including reviewing reports following the Internal Audit team's visit in May 2024. Good progress is being made, with more to do over the coming year. The Committee together with the Board, also visited our operations in Shanghai, China and saw the local emphasis on sustainability and the quality of reported data.

The Committee reviewed the proposed disclosure plan and enhancements to data quality in connection with the Task Force on Climate-related Financial Disclosures (TCFD) as well as the roadmap to compliance with the Corporate Sustainability Reporting Directive (CSRD) in the coming years. As part of the roadmap, Deloitte have provided limited assurance over six KPIs following their appointment as our ESG assurance provider as approved by the Committee. KPIs which are not assured by Deloitte are internally validated and the Committee reviewed the assurance status prior to external disclosure.

As a Committee, we continue to ensure that our External Auditor, Deloitte, maintain high standards of audit quality and is sufficiently challenging of management during the course of its audit work. Our level of assurance over the quality of the audit was further supported by a positive outcome of the FRC review of the audit of the Spirax Group 2023 accounts. We also oversee the work of Internal Audit and its resourcing, to monitor compliance with the Group policies and standards. The Committee remains satisfied with the coverage and quality of the work of both External and Internal Audit.

Committee composition

The Committee is comprised entirely of independent Non-Executive Directors and there were no changes to the members of the Committee during 2024. The Committee members have a breadth and depth of financial and commercial experience in various industries, as well as the industrial engineering sector in which the Group operates. The Committee's expertise, together with their independence, enables them to provide robust challenge to management, as well as to the Internal and External Auditors to ensure their duties under the Terms of Reference are fulfilled. For the purposes of the UK Corporate Governance Code 2018 (the Code) the Board is satisfied that Kevin Thompson (Chair), Richard Gillingwater and Caroline Johnstone have recent, extensive and relevant financial experience and the required competence in accounting.

Meetings in 2024

The Committee held five scheduled meetings during 2024 (details of attendance can be found on page 107). Outside of formal meetings a number of the Committee members engaged in working sessions with management during the year to support audit and assurance activities around the Group.

The Committee meeting agendas are tailored to ensure all the identified areas are covered, while also allowing for emerging topics to be included and permitting time for sufficient discussion and review. A summary of the Committee's activities during 2024 is given on the following pages.

As with prior years, relevant members of the Group's senior management attended Committee meetings, with the Group Chief Executive Officer, the Group Chief Financial Officer, the Group General Counsel and Company Secretary, the Head of Internal Audit and the Group Finance Director as regular attendees and each of the Group's three Business Finance Directors attending one of the Committee meetings to present on their Business. This practice has been beneficial in providing the Committee with more in-depth business specific context during 2024.

Our priorities in 2024	More information
External reporting for Full and Half Year Results	See Financial Reporting on pages 123 to 125
Planning and output of External Audit, AQIs and fees, including review of independence	See External Audit on pages 127 and 128
Sustainability data and reporting	See Internal Controls on pages 125 and 126
Internal controls and UK Corporate Governance Code	See Internal Controls on pages 125 and 126
Internal Audit assurance, planning and output	See Internal Audit on page 127
Other significant activities during 2024	See Financial Reporting on pages 123 to 125
Effectiveness of External Audit, Internal Audit and the Committee itself	See External and Internal Audit on pages 127 and 128
Oversight of whistle-blowing and sanctions	See Whistle-blowing on page 126
Risk management and fraud process and reporting	See Risk Management on page 126
Presentations by the Finance Directors of the Businesses	See Internal Controls on pages 125 and 126
FRC minimum standards compliance	See External Audit on pages 127 and 128
Tax and Treasury matters, including approval of financial arrangements	See Internal Controls on pages 125 and 126

Internal controls and risk management

The Board has overall responsibility for the effectiveness of the Group's internal controls and risk management frameworks. Oversight of the Group's risk management procedures and the operation of controls is undertaken by the Risk Management Committee and the Group Executive Committee and further detail on these processes can be found on pages 119 and 120. The Committee supports the Board by monitoring and assessing the effectiveness of the Group's internal controls processes.

The following pages detail the specific work undertaken by the Committee and form part of this Audit Committee Report.

I hope that you find this report useful in understanding our work over the past year and focus for 2025, and I welcome any comments from shareholders on my report.

Kevin Thompson
Chair of Audit Committee
10 March 2025

Committee focus for 2025

- Monitoring and supporting further development in the internal controls environment in preparation for compliance with the FRC's revised Corporate Governance Code
- Reviewing the effectiveness of the risk management framework
- Climate-related financial reporting and related assurance
- Supporting the rationalisation and harmonising of ERP systems and operating structures

Ensuring a fair, balanced and understandable Annual Report

The Board is required to provide its opinion that it considers the Annual Report and Accounts, as a whole, to be fair, balanced and understandable and therefore provides the required information for shareholders to assess the Group's position, performance, business model and strategy.

During 2024, the Committee considered many components of business performance to ensure it has a full understanding of the operations of the Group. Key matters considered by the Committee including elements presented at Board meetings, comprise:

- Reviewing, understanding and challenging the key judgements taken and estimates made
- Risk areas set out in the Risk Management Committee Report
- Ensuring an appropriate balance of GAAP and non-GAAP financial measures and disclosures
- Receipt of regular strategy reports from the Group Chief Executive and operational reports from the Business Managing Directors
- Briefing from the Group Head of Communications on key reporting themes
- Reviews of the budget and operational plan alongside the financial performance
- Considering the internal co-ordination and review of the Group-wide input into the Annual Report which runs alongside the formal audit process undertaken by the External Auditor

Through all the above, alongside its monitoring of the effectiveness of the Group's controls, Internal Audit and risk management, the Committee maintains a good understanding of business performance, key areas of judgement and decision-making processes within the Group.

As a result, the Committee advised the Board that it considers the Group's Annual Report to be fair, balanced and understandable.

Financial reporting

Committee role:

Monitor the integrity of the Group's published financial information and review and challenge the significant financial reporting issues and judgements made in connection with its preparation and presentation.

Actions and reviews undertaken during 2024:

- All published financial reporting, including the 2024 Annual Report and Accounts, before Board recommendation. Management prepared detailed papers on key issues, judgements and estimates
- Detailed analysis of management's verification and internal review processes for external reports
- External Auditor Reports and progress updates in relation to the Interim Results review and full year Group audit

Audit Committee Report continued

Financial Reporting continued

Actions and reviews undertaken during 2024: continued

- Going Concern and viability reporting, including modelling assumptions, assessment of time period suitability, climate change considerations, and scenario assumptions in relation to the Group's Principal Risks
- Pension accounting and strategy, including assessment of assumptions used to value the material schemes
- Ongoing assessments of the appropriateness of the Group's use of Alternative Performance Measures (APMs)

Financial reporting matters and accounting judgements

The Committee is responsible for assessing whether suitable accounting policies have been adopted and whether management has made appropriate judgements and estimates when applying these policies. During 2024, the Committee considered and addressed the significant matters listed below. The Committee received regular reports from management and the External Auditor regarding these matters and they were the subject of detailed discussions by the Committee including the challenge of management and the External Auditor. As a result, the Committee reached the conclusion that the proposed accounting treatments and resultant financial reporting were appropriate.

Pensions

Issue:

The Group operates four main defined benefit pension schemes (three in the UK and one in the US). As at 31 December 2024, the aggregate assets of the four schemes totalled £301.0 million, aggregate liabilities totalled £328.2 million resulting in a net liability of £27.2 million. All four schemes are closed to future accrual.

There are judgements and estimates made in selecting appropriate assumptions in valuing the Group's defined benefit pension obligations, including discount rates, mortality and inflation (see Note 22 on pages 192 to 197). These variables can have a material impact in calculating the quantum of the defined benefit pension liability.

How this was addressed:

The Committee considered reports by management and those from independent external specialists used to prepare pension valuations. Management's selection of assumptions was challenged, and key assumptions were examined against observable external benchmarks and market practices.

Based on this review (including reports from the External Auditor) and consideration of the valuation methods applied, the Committee is comfortable that the key assumptions and accounting treatment are reasonable and appropriate.

Impairment Assessment

Issue:

The uncertainty in the external economic environment may give rise to indicators of impairment of value of certain Group assets including goodwill.

How this was addressed:

The Committee received reports from management outlining their evaluation of goodwill, tangible and intangible assets for any potential impairments. Management's assessment of the level of aggregation of assets for cash-generating units (CGUs) and the basis for key assumptions and judgements used within their valuation models were considered and challenged.

As detailed in Note 14 to the Consolidated Financial Statements on page 185 to 188 the largest goodwill balance as at 31 December 2024 relates to the cash-generating units of the ETS Business (£491.3 million).

Specifically, the Committee focused on the key assumptions and the associated disclosures around the valuation of goodwill for the ETS Business, namely:

- The forecast operational performance in the business plan, particularly the growth in sales and earnings before interest and tax (EBIT), including EBIT margin forecasts and assumptions regarding cash generation focusing in particular on any underperformance against forecast
- The discount rates applied to the cashflows resulting from the business plan, specifically the determination of the input variables used to calculate the discount rate
- The modelling outcomes when sensitivities were applied to represent reasonably possible changes to key assumptions

The Committee challenged both management and the External Auditor on their analysis and conclusions, and held detailed discussions on this area at meetings through the year.

The Committee concluded it was comfortable that key assumptions and associated disclosures were reasonable and that no impairment of CGUs is required.

Management override of controls

Issue:

Internal controls are the safeguards put in place by the Group to protect its financial resources against external and potential internal fraud alongside ensuring the accuracy of reported financial information. Management is responsible for ensuring the internal controls are implemented across the Group. As such, intervention by management in the handling of financial information, especially in relation to one-off or judgemental transactions and making material decisions contrary to the internal control policy is a significant, if unlikely, risk.

How this was addressed:

Oversight of the Group's risk management and internal control environment is provided by the Group Executive and Risk Management Committees, supported by a number of leadership and function Committee meetings that occur regularly across the year. The Committee considers potential management bias in the delivery of business results to ensure fair and accurate reporting.

The Committee discussed the mitigation of control risks, with a particular focus on the level of management reviews taking place within the Businesses, highlighted by both management and the Business Finance Directors in their regular Committee presentations. The Committee also noted the high quality of response by management to any deviations from Group policies. The Internal Controls team have worked closely with the Group's finance team during 2024, strengthening the internal controls environment by supporting compliance with critical controls.

The Committee remains satisfied with the Group's monitoring of the effectiveness of the risk management and internal control systems and is supportive of the Group's continuous improvement journey in this area.

Other significant financial reporting issues

Going Concern, Viability Statement and financial resilience

During 2024, the Committee remained focused on monitoring the Group's financial resilience and overall liquidity position, especially given the debt-financed acquisitions of Vulcanic and Durex Industries which completed in the second half of 2022. The Committee approved all the external debt financing activities undertaken during the year, including issuance of €90 million of new US Private Placement debt, utilising existing shelf agreements. The Committee receives regular updates from the Treasury Committee and noted that the Group operated throughout 2024 comfortably within the leverage ratio covenants contained within its external financing arrangements.

The Group has continued its Viability Statement reporting in line with best practice by (i) including an assessment period of five years and (ii) providing sufficient detail around the underlying scenario modelling undertaken to ensure an explicit link between the scenarios and the Group's identified Principal Risks. The Committee reviewed the 2024 Going Concern and Viability Statements and were satisfied that these represented accurate assessments of the Company's position at the date of the Financial Statements. For further detail on the Going Concern and Viability Statements and for additional information on the financial resilience of the Group, please refer to pages 35 to 37.

Financial disclosures including Alternative Performance Measures (APMs)

In the year, the Committee reviewed the treatment of specific adjusting items. These included the treatment and presentation of costs related to acquisition and disposal activities.

While the number and value of the adjusting items reduced, they continued to be closely monitored by the Committee to understand, review and challenge management's classification. The Committee considered the views of the External Auditors and concluded that the disclosures made by management were supported and the classifications were appropriate in each case.

In addition, the Committee also reviewed the accounting treatment and disclosures relating to a number of specific transactions and situations that occurred within the year, including the treatment and presentation of the financial results of the Group's operating companies located in Argentina which are operating in a high inflation environment.

Internal Controls

Committee role:

Review the adequacy and effectiveness of the Group's internal financial control environment. Receive reports from the Risk Management Committee on operational risks and review the Group's Tax and Treasury policies, as well as debt financing facilities and the approach to management of foreign exchange risk.

Actions and reviews undertaken during 2024:

- Review of material findings arising out of Internal and External Audit Reports
- Update on Group-wide training programmes (including mandatory courses on Health and Safety, Anti-Bribery and Corruption and Cybersecurity).
- Annual reviews of Group Tax and Treasury policies with the Group Head of Tax and Group Treasurer attending the Committee meeting. Review by the Audit Committee Chair of the minutes and actions of the Tax and Treasury Committee meetings that took place during the year
- Review of anticipated impacts of the incoming Pillar 2 OECD minimum tax rate legislation
- Review of annual management papers on how the Group monitors the effectiveness of the Group's internal control processes
- Reports from the functional leaders with responsibility for managing cybersecurity risk
- Presentations from management detailing the progress achieved on the G3 internal controls programme
- In-depth presentations from the Group Sustainability team covering sustainability reporting requirements, data quality, processes and frameworks
- Detailed reviews with the respective internal risk owner for two of the Group's identified Principal Risks
- The Finance Director of each of the Group's three Businesses presented to the Committee the focus areas for their finance functions

During the year, management in conjunction with the Committee developed its approach to the FRC revised UK corporate governance code announced in January 2024 and applicable from 1 January 2025 (with the exception of provision 29 effective from 1 January 2026). Building on the approach already successfully deployed by the Group in respect of its financial reporting controls ('G3' project), a programme to document and improve controls for three key areas, reporting (financial and non-financial), operational risks and compliance has been developed. The Committee offered guidance on the structure of the project. The Committee advised on the scope of the required controls, reviewed the proposed definition of materiality and agreed the Group's proposed timetable of next steps. In the upcoming months, the Committee will oversee the development of the Provision 29 attestation, which will be presented to the Board for recommendation.

Audit Committee Report continued

Internal Controls continued

Actions and reviews undertaken during 2024: continued

The Group currently employs a localised operating model which results in a large number of individual IT systems which underpin business operations and the financial reporting processes. This strategy results in a disaggregated control environment which is supported by a series of manual control processes operated locally and additional monitoring activities at a Business and Group level. Through our control monitoring activities, opportunities to improve the control environment are identified, these include improving the formality of control operations, including better retention of evidence of a control's operation sufficient for testing purposes; and limitations in certain segregation of duty, user access and change management controls. Actions are put in place to respond to observations, which are reported to and monitored by the Audit Committee. In addition, the ongoing multi-year internal controls improvement programme together with the ERP upgrade programmes provide an important opportunity to standardise and automate controls and processes across the Group which will further enhance the overall control environment by creating a more centralised and standardised operating model, together with a more consolidated IT system landscape.

The Group has also continued to focus on mapping its current external reporting alongside the level of assurance it currently obtains over its external disclosures. Sustainability reporting is a focus area for the Group as the Committee recognises that the scope and breadth of reporting required by a range of different regulatory bodies, alongside the lack of established frameworks, creates challenges for all market participants. The Committee engaged with the Group's Sustainability team, who conducted a deep dive into current, upcoming and potential regulatory requirements. Given the focus on assurance, following a tender process during 2024, Deloitte was appointed by the Group's Sustainability team as ESG assurance provider to give limited assurance over ESG Annual report metrics. The Committee supports the Group's continuing evolution of its Sustainability reporting team which will focus on further embedding data reporting processes and delivering the assurance journey to ensure continuing compliance with existing regulations whilst also preparing for future disclosure requirements.

More information on our risk management processes and the key risks can be found in the Risk Management Committee Report on pages 119 and 120 and Risk Management section on pages 80 to 87.

Whistle-blowing

Committee role:

Review the adequacy and security of our whistle-blowing arrangements via a confidential colleague whistle-blowing platform (Safecall), that the Group has in place for colleagues and is deployed across the Group. Ensure appropriate processes are in place for the proportionate and independent investigation of any matters raised. Also receive reports of non-compliance with the Group's policies around fraud, bribery and unethical behaviour.

Actions and reviews undertaken during 2024:

- Reviewed summaries of calls to the Group's whistle-blowing helpline which have been received and investigated, or where investigation is in progress
- Reviewed the outcome of any identified cases where Group policies have been breached, together with details of the actions taken by management alongside consideration of any lessons learned

The flow of reports and actions taken indicates to the Committee that the process is working and the Group culture remains strong. As a result of the Committee review it was satisfied that all the whistle-blowing arrangements continue to operate effectively.

Risk Management

Committee role:

Review the Group's procedures and controls relating to:

- Fraud
- Bribery and unethical behaviour
- Money laundering
- Compliance with legal and regulatory requirements
- Risk Management Committee on operational risk reporting and controls

Actions and reviews undertaken during 2024:

- Received regular updates from the Group CEO on the activities of the Risk Management Committee
- A bottom-up fraud risk review exercise was undertaken whereby the fraud risks and controls within all of the Group's operating units were assessed, in conjunction with a senior leader focus to ensure opportunities to commit fraud are minimised
- Received reports from management detailing any identified cases of fraud and the resulting actions being taken
- Received input from the External Auditor and from the Internal Audit function as to their observations and findings
- Received updates from the Group Legal team on the training materials used across the Group to educate colleagues on anti-bribery, money laundering and legal compliance.

A limited number of breaches of the Group policies were identified during 2024. There was no material financial loss in any of these instances. Actions undertaken by management in the year included a 'Stand up to Fraud' webinar for senior managers led by the Group CEO, a comprehensive review of supplier relationships and ongoing fraud risk management training. The Committee was supportive of the lessons learned during the year and the follow-up actions taken by management to support and reinforce adherence to Group policies.

In 2025 a review of the risk management process will be undertaken by the Committee and the Board including a review of the most effective involvement of all stakeholders.

Internal Audit

Committee role:
Monitor and review the effectiveness of the Internal Audit function. Review, assess and approve the annual Internal Audit plan and resourcing. Review the Internal Audit reports and monitor the key issues arising.

Actions and reviews undertaken during 2024:

- Assessed the independence and effectiveness of the Internal Audit function
- Monitored key performance indicators of the function against pre-agreed targets
- Monitored timely completion of internal audits against the 2024 audit plan and approved any changes to the plan
- Approved the internal audit activity plan and budget for 2025
- Reviewed reports submitted by the Head of Internal Audit of activities undertaken, key audit findings and remediation actions and status reports on completion of agreed action plans
- Reviewed and approved the Internal Audit Charter
- Held meetings with the Group Head of Internal Audit without management present

The Committee is cognisant that the ongoing monitoring and review of the effectiveness of the Group's Internal Audit function is a key responsibility which all our stakeholders look to the Committee for. Throughout 2024, the Committee monitored the effectiveness of Internal Audit activity and the results of audits undertaken. This provided valuable input into the Committee's view on the effectiveness of the Group's risk management, control and governance framework.

During 2024, the Internal Audit team performed a total of 33 internal audits, which were all conducted through in-person visits. By visiting the business sites and locations to conduct the audits it provides a valuable opportunity to educate and build strong relationships with the local operating companies and to gather additional insights.

The insights and identified actions within the acquired businesses form a key pillar of the integration journey as we improve the operational and reporting standards to align with those required by the Group.

The majority of the operating companies audited were found to have a satisfactory control environment. Where issues were found, remediation actions were agreed that are tracked to completion and validated before being closed. To the extent that any Internal Audit action items become overdue, the Business Finance Directors are engaged to assist with ensuring they are closed as soon as possible. The Committee challenged management where action items had become overdue and was satisfied that throughout 2024 that management had devoted significant resource to the resolution of action items. The Committee receives regular reports on closure rates and will continue to monitor outstanding actions. During the year, progress was made in reducing open and overdue high priority items.

In recent years the Internal Audit function has continued to develop its analytics capabilities and is ensuring it has the skills to support the Group's ERP upgrade programmes, as well as being able to take advantage of further automation opportunities which consistent finance IT platforms will provide. The target is for analytics to be fully embedded across the Internal Audit process including risk assessment, scoping, fieldwork testing and assessing the effectiveness of remediation actions implemented. Following approval by the Committee an additional Internal Audit team member is being recruited in 2025. The Committee is satisfied that the Internal Audit function has sufficient skills and resources to discharge its responsibilities effectively.

External Audit

Committee role:
Manage the relationship with the Group's External Auditor. Review and approve the quality, effectiveness, scope, audit plan, fees, and procedures of the External Audit, ensuring independence of the External Auditor and governance of non-audit services. Make recommendations to the Board on the tendering of the External Audit, the appointment process, remuneration and engagement terms of the External Auditor.

Actions and reviews undertaken during 2024:

- Reviewing Deloitte's reports to the Committee covering its interim review and Full Year audit outcome and opinion
- Review, challenge and approval of Deloitte's 2024 audit plan and associated fees
- Tracking Deloitte's progress against its audit plan journey – specific areas of focus included data analytics usage
- Tracking performance against the agreed External Audit quality indicators and conducting its Auditor effectiveness review
- Approval of Non-Audit Services Policy alongside processes to govern auditor independence
- Handover of the lead partner from Andrew Bond to Dean Cook
- Regular dialogue with Deloitte through the year, in addition to Committee meeting time allocated with External Auditor without management present
- Recommendation to reappoint Deloitte at the 2024 AGM

The Company confirms that it has complied with the provisions of the CMA's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

External audit effectiveness and quality
A key responsibility of the Committee is overseeing the external audit process and assessing the audit quality. During the year the Committee engaged in a number of specific actions to ensure it continues to fulfil its obligations in this area. These included:

- Review of the Audit Committee and the External Audit Minimum Standard: The Committee reviewed the guidance issued by the FRC in May 2023 and completed a mapping exercise whereby all requirements were mapped against existing Committee processes and responsibilities in order to confirm compliance

Audit Committee Report continued

External Audit continued

External audit effectiveness and quality continued

- Output from the FRC's Audit Quality Review (AQR): During the year the Committee also reviewed correspondence from the FRC's Audit Quality Review (AQR) team, who reviewed Deloitte's audit of the Group's 2023 Financial Statements as part of its annual inspection of audit firms. The Committee received and reviewed the final report from the AQR team which identified no key findings or other findings, and noted several areas of good practice.
- Tracking of performance against Audit Quality Indicators (AQIs): The Committee received a detailed breakdown of performance against the agreed criteria and was pleased to see strong performance continuing against the agreed metrics, with opportunities for further improvement into 2025
- Audit plan and approach: The Committee discussed Deloitte's detailed audit plan and proposed approach and the planned scope of the audit during the year, together with the proposed materiality and the identified significant audit risks. The number of Group operating companies included within the scope of the audit was increased for 2024 by two (increasing revenue coverage to 73%), which the Committee believes provides sufficient coverage
- Audit fees: The Committee reviewed and approved the proposed audit fees. In reviewing the audit fees, the Committee received a detailed breakdown of the proposed fees and was able to satisfy itself that the agreed amount represented fair value in order to deliver the quality and scale of audit sought
- Internal evaluation process: Each local finance team provides feedback on the External Audit via a questionnaire and the results then aggregated and presented to the Committee and Deloitte for discussion with year-on-year movements. The overall results and audit experience remained in line with the prior year.
- Interaction with the Auditor: The Committee discussed their insights from audit team member's visits to operating companies as well as challenging the audit team on its work in specific areas. Throughout the year, the Committee worked closely with Deloitte and was able to gather good insight into the overall quality of the audit process and the performance of key individuals within the Deloitte team. Throughout these interactions the Committee felt that Deloitte delivered a consistently high-quality output and provided an appropriate challenge to management's assumptions, key judgements and estimates whilst ensuring its audit process focused on the key risk areas.

Via the combination of the activities described above, the Committee was able to conclude that Deloitte has provided a high quality audit, appropriately questioned and challenged management and ensured that the Committee has received appropriate insight and feedback detailing the process and results. The Committee was also pleased to see: (i) a continuing expansion of the use of data analytics by Deloitte within the audit process this year in order to increase efficiency and quality; and (ii) the continuing review and controls assessment work being undertaken by Deloitte in order to review and suggest improvements to each of the Group's Businesses as they continue on the journey to upgrade their respective ERP systems.

Safeguarding Auditor independence and objectivity

The Committee recognises that the independence of the External Auditor is an essential part of the audit framework and has adopted a policy for determining whether it is appropriate to engage the Group's Auditor for non-audit services. The Auditor Engagement Policy was reviewed and updated during the year to align with the latest FRC Ethical Standards. A copy of the Auditor Engagement Policy can be found on the Group's website, spiraxgroup.com/governance-documents. During the year, the Group spent £0.4 million (2023: £0.2 million) on non-audit services provided by Deloitte LLP, which included work undertaken on the interim review and ESG assurance. These non-audit fees equate to 15% of the average Group audit fees charged over the past three years. Further details can be found in Note 6 on page 178.

To safeguard independence and objectivity, the policy sets out that the maximum period of an audit engagement without an external tender process taking place is 10 years (calculated from the date of the first financial year covered by the audit engagement letter), with the statutory Audit provider to be rotated at least every 20 years. Further, and in line with the Ethical Standard, the policy details the non-audit services that the Auditor can undertake and which of those services are subject to the non-audit services cap. The policy states that any expenditure with the Group's Auditor on non-audit fees should not exceed 70% of the average audit fees charged in the last three-year period. Furthermore: (i) where the fees for any individual engagement in relation to the non-audit services are in excess of £100,000, pre-approval is required from the Committee; and (ii) a cumulative annual cap of £300,000 is set in respect of non-audit services provided by the Auditor, above which all individual engagements must be pre-approved by the Committee.

In addition to the Group's policy, the Auditor performs its own independence and compliance checks, prior to accepting any engagement, to ensure that all non-audit work is compliant with the FRC's Ethical Standard in force and that there is no conflict of interest.

11 years
Current auditor tenure

Dean Cook
Auditor Partner

2024 Non-audit fees
£381,850
15% of average Group audit fees

2022
Last Auditor tender for the 2024 year end

2024
Last Partner rotation

Remuneration Committee Report

"The Committee was pleased our flexible remuneration framework supported smooth leadership succession during the year and continues to drive future growth."

Jane Kingston
Chair of Remuneration Committee

Committee membership

Membership	Meeting attendance
Jane Kingston (Chair)	**100%**
Angela Archon	**100%**
Richard Gillingwater	**100%**
Kevin Thompson	**100%**

Introduction

On behalf of the Board, I am pleased to present the 2024 Directors' Remuneration Report for the year ended 31 December 2024. The Remuneration Report provides a full overview of the structure and scale of our remuneration framework and decisions made by the Committee as a result of business performance this year. The intended arrangements for 2025 are also set out in detail later in this report on pages 145 to 147.

Key activities undertaken

The Remuneration Committee's agenda followed its usual cadence of activity, formally meeting five times in 2024 (details of attendance can be found on page 107).

January

- Reviewed forecast performance of 2023 incentive outcomes
- Discussed Annual Incentive Plan (AIP) and Performance Share Plan (PSP) performance metrics in light of increasingly difficult macroeconomic environment

February/March

- AIP – Approved 2023 outcomes and 2024 metrics including personal strategic objectives
- PSP – Approved 2023 outcomes and 2024 metrics
- Reviewed 2023 Gender Pay Gap/CEO pay ratios and wider colleague pay including UK living wage rates
- Approved 2023 Directors' Remuneration Report

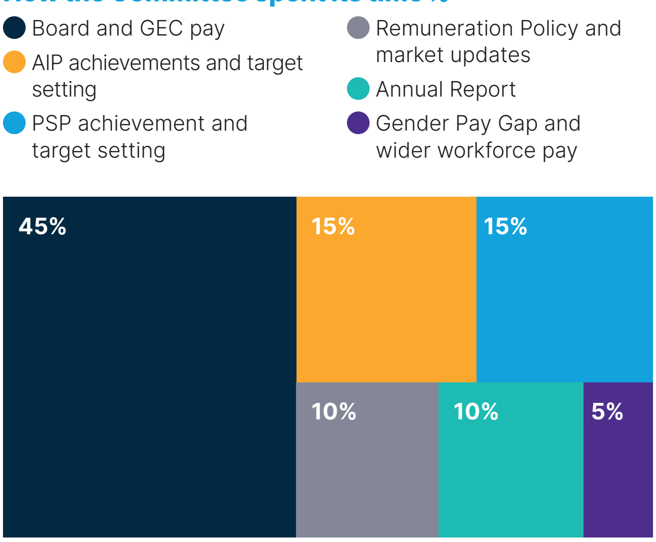
October

- Discussed external remuneration and governance landscape
- Discussed 2025 AIP and PSP measures and targets including reviewing sustainability plans and approving amendment to EPS metric within the PSP

December

- Discussed external remuneration and governance landscape
- Discussed internal global pay landscape
- Approved 2025 CEO and CFO remuneration arrangements
- Approved 2025 Group Executive Committee (GEC) salary increases
- Confirmed Board Chair fee for 2025

How the Committee spent its time %



Remuneration Committee Report continued

Committee role and responsibilities

The main role of the Committee is to determine Executive remuneration policies, how they are applied and to set targets for the short and long-term incentive schemes. It also monitors compliance with the presiding Remuneration Policy. The Committee also determines the philosophy, principles and policy of Executive and senior manager remuneration, having regard to the latest legislation, corporate governance, best practice and the Financial Conduct Authority (FCA) Listing Rules.

The Committee takes account of wider colleague remuneration frameworks, related policies and the alignment of incentives and rewards with our Group culture.

Executive Director changes during 2024

As was disclosed in last year's report, the Executive Board changes of Nimesh Patel appointed to Group Chief Executive Officer (Group CEO) and Louisa Burdett appointed to Chief Financial Officer (CFO) took place during 2024. The smooth succession of our two Executive Directors was well supported by our Remuneration Policy and provides strong leadership, ensuring Spirax Group is best positioned for long-term growth.

As we disclosed in August 2023 and again in last year's report, Nimesh's salary on appointment was consciously set below the market rate for the role. This reflected Nimesh's appointment from his role of CFO. The Committee shared with investors (as confirmed in the RNS detailing Nimesh's appointment) the intention to increase his salary to a market level (explained as the £750,000 that was being paid to Nick Anderson when he retired plus annual Executive Director salary increases) within two years of his appointment, subject to personal and business performance. We explained that these phased increases would likely be in excess of the standard annual salary increases provided to the wider colleague population during this period. As the first step in this process, the Committee (plus other Non-Executive Board members) reviewed the Group CEO's personal and business performance. The Committee was satisfied with his strong personal performance, excellent progress made toward defining and delivering the **Together for Growth** Strategy since his appointment and the progress that is being made in difficult economic circumstances. The Committee felt that it was entirely appropriate to implement the first of two phased salary increases. With annual UK workforce increases of 3.1% in 2024 and 2.2% in 2025, the market level has been calculated to have increased from £750,000 to c.£790,000. As shown on page 145, the Committee approved a salary increase of 6%, effective from 1 January 2025, bringing Nimesh's annual salary in 2025 to £763,000. This increase is made up of an annual Executive Director salary increase of 2.2% and 3.8% for the first phase of the market level adjustment. Appreciating this total increase is above the normal increase provided to the wider UK workforce, Nimesh volunteered to use the net amount of the total increase to purchase shares in the Group. It is intended to provide a similar increase to him effective 1 January 2026, subject again to continued strong delivery and progression of the strategic plan.

On 8 July 2024, we welcomed Louisa to the Board as the Group's CFO. As previously disclosed, Louisa's salary on appointment was £550,000. From 1 January 2025, a 2.2% increase to £562,100 was approved by the Committee. This increase is the same as the average pay increase for all other UK colleagues.

As shown on page 140 of this report, as part of Louisa's recruitment arrangements, and in line with our approved Recruitment Policy, arrangements were in place to compensate for potential loss of payments from her previous employer under both long-term and short-term incentives. As noted on page 140, an award was made for forfeited 2023 LTIP shares to the face value of the shares lost. These shares were granted under the Spirax Group 2015 PSP and will only be released to the extent our stretching PSP metrics are achieved. As no bonus was earned for 2023 at the previous employer, no payment was made in this respect. Provision to compensate for a part-year bonus lost for 2024 remains in place; any payment will be disclosed in full in next year's report.

Remuneration principles (alignment with UK Corporate Governance Code)

Our remuneration principles are to maintain a competitive remuneration package that promotes the long-term success of the Group, avoids excessive or inappropriate risk taking and aligns management's interests with those of shareholders.

Clarity	Predictability	Simplicity
The remuneration framework supports the financial and strategic objectives of the Group, encouraging transparent communication and alignment with shareholder interests.	The range of reward and performance outcomes in incentives aligns with our business model and strategy.	A simple but effective framework is consistently applied for leadership colleagues. Performance against key performance indicators is rewarded and pay outcomes for achieving targets is clear.
Risk	**Proportionality**	**Alignment to culture**
Incentives are structured to align with the Group's risk management framework. The Committee has overarching discretion to adjust formulaic outcomes with recovery and withholding provisions mitigating further any longer-term risk taking.	There is clear alignment between the performance of the Group, the business strategy, and the reward paid to Executive Directors. Target remuneration is market competitive ensuring we can attract and retain talent appropriately.	Incentive scheme determination takes account of Group Values, strategies and the views of wider stakeholders including shareholders and colleagues.

Tim Cobbold – appointment to Board Chair

Tim Cobbold was appointed as Chair Designate from 1 September 2024, becoming Board Chair from 1 January 2025. As part of the recruitment process, the Committee reviewed the annual fee level for the Board Chair role to ensure it was set an appropriate level. While the Committee does not believe in slavishly following benchmark data, it does review independent information to ensure Spirax Group remains able to recruit high-calibre and experienced talent to the Board. The fee level for the Board Chair role has been reset to £400,000, which the Committee believes is appropriate for the scale and complexity of the Group. Tim received a pro rata standard Non-Executive Director base fee of £70,000 for the three-month period to 31 December 2024 and as Board Chair from 1 January 2025 an annual fee of £400,000.

As a result of the benchmarked increases in the level of fee for the Chair and other Non-Executive Directors as disclosed in last year's report (see page 160 of our 2023 Annual Report), and the increase in the total number of Non-Executive Directors on the Board from seven to eight, the fees paid to the Non-Executive Directors during 2024 were inadvertently in excess of the aggregate limit specified in the Company's Articles of Association. This discrepancy will be addressed at the upcoming AGM by way of an ordinary resolution, with a view to increase the cap to £1,200,000. Further information can be found on page 136 and in the Company's notice of AGM available on the website spiraxgroup.com/agm-notices.

Performance metric	KPI alignment[2]	Annual Incentive Plan	Performance Share Plan
Organic revenue growth	●	From 2025	
Adjusted operating profit	●	●	
Adjusted earnings per share	●		●
Cash conversion[1]	●	●	
All-workplace injury rate	●	●	
Group GHG emissions	●		●
Relative Total Shareholder Return			●

1 An indicator of operating profitability and/or cash generation
2 See pages 40 and 41 for more information

Strategic alignment of pay framework

There is a strong alignment between Spirax Group's key performance indicators and the measures and targets of Executive Directors' incentive schemes, as shown above.

This alignment ensures a clear linkage between business performance and pay outcomes, supporting the Committee's commitment to designing pay arrangements which drive long-term sustainable growth for the benefit of our shareholders.

The Committee annually reviews the performance metrics of incentive schemes to ensure they remain appropriate. We disclosed last year an amendment to an AIP measure, replacing cash generation with cash conversion, retaining a 20% weighting. The Committee believes this change ensures a meaningful focus on driving strong free cash flow performance and operational efficiencies irrespective of any potential impact on sales in the current trading environment.

As detailed on page 138, payments under both the AIP and PSP were impacted by the business performance relative to targets.

The Committee will continue to closely monitor the pay structures and incentive arrangements for Executive Directors to ensure continued strong alignment between the delivery of business performance and associated remuneration arrangements.

Overall performance for 2024

As detailed earlier in this Annual Report, 2024 saw the continuation of a challenging trading environment for the Group which impacted financial performance.

Our Remuneration Policy is designed to ensure that a significant percentage (c. 75%) of Executive Directors' pay is based on the achievement of demanding performance targets and at risk of not being paid where financial performance is not achieved. This provides a strong alignment with shareholders' interests.

During the year a challenging trading environment resulted in achievement of threshold performance for operating profit but a strong cash conversion outcome in the AIP. This, together with PSP outcomes, resulted in total remuneration for Executive Directors being significantly less than maximum opportunity, reflecting the experience of shareholders over the performance period.

Remuneration Committee Report continued

AIP outcomes in 2024

Executive Director AIP payments were based primarily on stretching Group financial performance targets which accounted for 90% of maximum AIP payments. Financial measures for the year comprised 70% Group adjusted operating profit and 20% Group cash conversion.

During challenging times of business performance, the role of the Committee is to ensure our remuneration framework and practices are sufficiently balanced to incentivise strong performance towards goals, as well as recognising the vast effort which is required to deliver these results. Financial plans for 2024 were set at the start of December and despite the deteriorating market conditions in several geographies and sectors, were not adjusted. The Committee reviewed ranges around financial targets and set the 2024 operating profit range to begin payments for delivery of -9.5% below Target, with maximum bonus payment achievable for exceeding Target by at least 5%. As shown later in this report, threshold and maximum payments under the cash conversion measure were payable for delivery of -5 to +5 percentage points of the Target respectively.

Having reviewed the achievements against the personal strategic objectives approved by the Committee at the start of the year (see page 137 for more detail), the Committee is satisfied the Executive Directors made good progress towards these challenging measures, resulting in 8% of opportunity for this element of the AIP (maximum 10%) for both the CEO and CFO. Total payments made in respect of the 2024 AIP were therefore 40% of maximum opportunity.

PSP outcomes in relation to 2022–2024

Vesting for the 2022 PSP was measured against Total Shareholder Return (TSR), earnings per share (EPS) and progress towards our sustainability goals, specifically against our greenhouse gas reduction targets. Excellent progress was made towards our first milestone to reduce carbon emissions by 50% by 2025, with a 53% reduction being achieved over the three-year performance period. This exceeded the maximum target set by the Committee resulting in full vesting under this element of the 2022 PSP. TSR and EPS performance were both below the respective threshold targets. As a consequence, a total of 20% of the shares granted in respect of this 2022 scheme will vest in March 2025.

Application of discretion

In determining the outcome of proposed payments under the AIP and PSP, the Committee carefully considered the achievement of financial and non-financial targets against each performance measure, the overall performance of the business during the year and the wider macroeconomic and trading environment, as well as the remuneration relative to other colleagues. The Committee made a robust and full assessment of these factors in assessing both the incentive outcomes and the level of total remuneration received by each Executive Director for 2024.

Following this assessment, the Committee did not apply any discretion to the variable pay outcomes of the AIP or PSP. The Committee agreed that the final vesting of the PSP was reflective of the last three years of performance and the Policy operated as intended.

Wider colleague pay arrangements for 2024

The Committee monitors and reviews the effectiveness of the Executive Directors' reward framework and its alignment with policies in the wider business to ensure the appropriateness of senior pay arrangements in this broader context. As part of our approach to setting country-specific percentage increases, we were mindful of both forecast salary inflation data and the projected Consumer Price Index in each country together with business affordability in the continuing period of trading uncertainty and weakness in the global macroeconomic outlook. The wider colleague pay review for 2024 in the UK was 3.1%.

Shareholder engagement

We have a well-established record of active and thoughtful engagement with our key shareholders on the issue of executive pay. In building open and transparent communication with shareholders, the Committee will actively engage with shareholders and representative bodies, seeking views which are openly discussed and considered when making any decisions about changes to the Remuneration Policy for Executive Directors.

In the past, where advice has been provided by our shareholders, I have outlined feedback in the relevant Annual Report. As there were no significant changes to the pay framework for 2024 and none are planned for 2025, there have been no specific issues to discuss with shareholders since the AGM in May 2024. We remain committed to discussing with our shareholders in advance of making any changes to the Executive Director remuneration package or Policy and clearly explaining the Committee's decisions.

Wider colleague engagement

We have an open culture, welcoming ongoing feedback from our colleagues through the various mechanisms and channels we have in place. These methods include, but are not limited to one-to-one performance conversations, Works Council meetings, colleague engagement groups, engagement surveys and line manager dialogue up through the HR function to the Group Executive Committee and Remuneration Committee.

The Group HR Director provides updates to the Committee on pay and people-related issues to ensure we have visibility of the things which really matter to our colleagues. The Committee received regular updates in 2024 relating to the global pay arrangements of colleagues across the business to give the additional context needed to ensure Executive Director and senior leader pay arrangements are equitable across the Group. These updates included global salary review proposals, the alignment of UK colleague salaries against the Real Living Wage and the regional harmonisation of colleague benefits in various locations.

In addition, in my role as Committee Chair, I welcome the opportunity to speak with and receive direct feedback from colleagues from across the business via colleague focus group sessions. Colleagues taking part in these focus groups are drawn from different Businesses, geographies, functions and job roles. During these sessions we typically discuss a wide variety of matters, including how our Executive Directors and senior leaders are remunerated and rewarded and how the Board and Committee operates as well as the wider global frameworks on pay and benefits.

I am keen to ensure the Committee has access to meaningful and relevant information from our colleagues, not only to gain their views around the senior leadership pay frameworks but also on wider colleague matters. This year I met with small groups of colleagues who have recently successfully completed our Global Graduate Leadership Development programme and now transitioned into a variety of permanent careers across the Group. As our future senior leadership, they provided excellent insight and a fresh perspective into the Group's reward and benefits provisions. As in previous sessions, we discussed Executive Director pay and governance and the overall framework to ensure remuneration is fair and appropriate for these roles. Colleagues I spoke with all praised the quality of the graduate programme and the opportunity to undertake a broad range of assignments including international working, valuing and maintaining the broad internal networks developed on and off the programme including with coaches and mentors. I was delighted that all wanted to build long-term careers within the Group. They gave us helpful feedback around some of the challenges of transitioning from the programme into permanent roles including reward challenges; they all hoped the Group could find a way to keep supporting their development and make sure its investment in them is put to the very best use for the Group.

Pay arrangements for 2025

The average pay increase in 2025 for UK colleagues, including GEC members and other senior leaders, was 2.2%. The Committee reviewed this rate, together with rates provided in each of the countries in which we operate and was satisfied this level of increase was reflective of the business performance during the year. Salary increases for the Group CEO and CFO outlined previously in the report were inclusive of this 2.2% increase.

The Committee reviews each year the overall pay structures and performance metrics of the senior leader reward framework. Reflecting on existing AIP and PSP arrangements and their operation during 2024, the Committee agreed the incentive schemes worked broadly as intended for the year, but for 2025 is making two minor changes as described below and permitted within the Remuneration Policy. The intended changes will ensure the incentive frameworks better support and drive the delivery of the **Together for Growth** Strategy in the future.

For 2025, the AIP will continue to be largely focused on the profitable performance of the Group with 55% of maximum opportunity being measured against adjusted Group operating profit targets. The recently updated cash conversion metric will account for 15% of any bonus earned and Personal Strategic Objectives will also remain at 10%.

The final 20% of the award will be determined against organic revenue growth, defined as the growth in sales on the prior year's sales from Businesses which have been included in the results of operations for more than 12 months, on a constant currency basis. After careful consideration, the Committee believes ensuring continued top-line organic sales growth to be a key driver of sustainable delivery of the strategy. This change is within the shareholder-approved Policy and maintains the total weighting of financial performance targets within the scheme, determining up to 90% of an Executive Director's bonus payment.

Although our Remuneration Policy provides for a maximum opportunity of up to 200% of salary, the maximum payment available under the AIP in 2025 will remain at 150% of salary for the Group CEO and 125% of salary for the CFO.

The PSP will continue to be measured against three key performance metrics which together focus on driving long-term sustainable profit growth and shareholder value. These being, EPS, relative TSR and a reduction in scopes 1 and 2 greenhouse gas (GHG) emissions.

The Committee reviewed the measures against the long-term financial plans and determined no changes were required under the GHG and TSR elements for the 2025 award. However, to align the way targets are set for the EPS element, the Committee will be setting growth targets that better reflect the level of world Industrial Production growth (IP) over the three-year performance period. EPS achievement will be measured relative to a multiple of IP rather than outperformance against a fixed growth percentage. This metric will mitigate the impact of IP volatility on vesting outcomes and will take into account relative financial outperformance against either a strong or weak IP backdrop.

Our strategy is to grow sales above IP, organically, while also improving our adjusted operating profit margin and the Committee believes the EPS growth target should reflect this. We are therefore setting a target range for EPS growth of IP x 1.25 to IP x 3.5. Further details of the performance targets associated with the 2025 grant can be found on page 146.

The Committee is aware the share price during the year has been below the level of last year's grant. For the 2025 PSP, the Committee will undertake a comprehensive assessment at the point of vesting to determine whether or not a windfall gain has occurred and take a decision at that time on any appropriate action. This will be fully disclosed in the relevant Annual Report.

Looking forward

This will be my last AGM as a NED and Remuneration Committee Chair of the Group as I will have served nine years in September 2025. I will be handing over the leadership of the Committee to Maria Antoniou on her appointment to the Board on 1 June 2025, after the May AGM. I will remain as a Committee member until September 2025. Maria and I will be working together to ensure a timely transition and continuity of decision making for the benefit of the Group.

The Committee will be reviewing the Remuneration Policy ahead of seeking shareholder re-approval at the 2026 AGM. Any proposed changes would be intended to ensure Executive Director pay arrangements support and drive the business strategy while remaining appropriate when considered within the overall workforce remuneration frameworks and the external regulatory environment.

I would like to thank our shareholders for their continued support during the year and my tenure as Committee Chair. I will be available at the Company's Annual General Meeting on 14 May 2025 to answer any questions in relation to this Remuneration Report.

Jane Kingston
Chair of Remuneration Committee
10 March 2025

Committee focus for 2025

- Support the appointment of new Board Chair and Remuneration Committee Chair
- Review of Remuneration Policy prior to shareholder vote at 2026 AGM
- Continue to review the incentive arrangements to ensure an appropriate balance of stretching but achievable targets

At a glance summary: Executive Directors' remuneration

Executive Directors' remuneration framework

Fixed pay
To enable the Group to attract, retain and motivate high performing Executive Directors of the calibre required to meet the Group's strategic objectives.

Annual Incentive Plan (AIP)
To incentivise and reward for performance against the short-term delivery of key metrics linked to the business strategy.

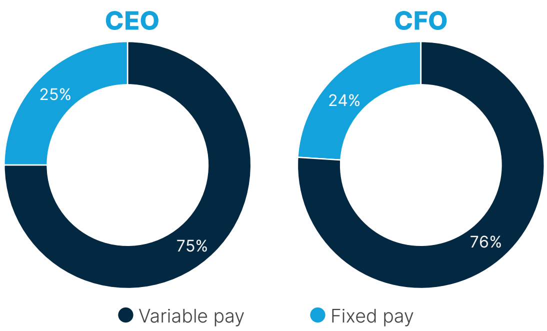
Performance Share Plan (PSP)
To incentivise, reward and retain Executive Directors for delivery against long-term Group performance, driving sustainable Group performance aligned with shareholders' interests.

Pay outcomes for 2024

Fixed pay	+ AIP	+ PSP	= Total pay
	Payments made were 40% of maximum bonus opportunity	20% of 2022 PSP award vested	
• Base salary • Benefits • Pension	• Maximum opportunity: 150% of salary Group CEO and 125% of salary CFO • Measured against Group operating profit (70%), cash conversion (20%) and personal strategic objectives (10%)	• Maximum grant: 200% of salary Group CEO and 175% of salary CFO • Measured against EPS outperformance of Global IP (50%), relative TSR (30%) and reduction in greenhouse gas emissions (20%)	• Sum total of pay elements

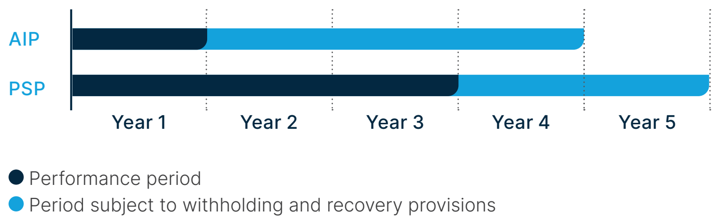
Pay subject to performance

A significant proportion (c.75%) of an Executive Director's potential remuneration is only payable to the extent the stretching performance conditions have been achieved.



Pay at risk

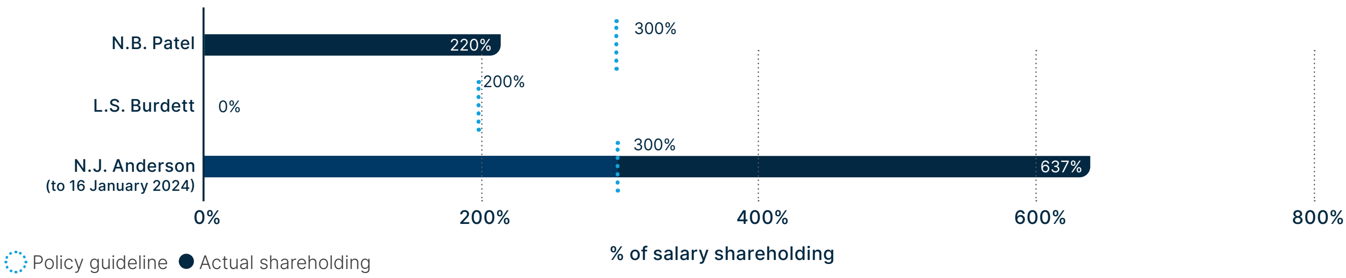
After payment, there are further mechanisms in place to ensure decisions made at the most senior levels are aligned with shareholders' and colleagues' interests over a long-term period.



Share ownership

Executive Directors are required to build a substantial shareholding in the Company to ensure alignment with shareholders' interests. This shareholding continues to apply for two years after leaving the Company. As shown below, Nick Anderson continues to hold a significant number of Spirax Group shares, following his retirement on 16 January 2024. Shareholding guidelines will continue to apply for Nick until 16 January 2026.

Actual shareholding – achievement against guideline



Annual Report on Remuneration

Annual Remuneration Report

Governance

Details of the Committee membership can be found page 107 and full biographies of the Committee members can be found on pages 102 and 103. Each Committee member is an Independent Non-Executive Director and brings independence to all aspects of Board remuneration and the application of professional advice to matters relating to remuneration. The General Counsel and Company Secretary acted as Secretary to the Committee with support from the Assistant Company Secretary. The Committee met five times during the year ended 31 December 2024 as shown on page 107.

No conflicts of interest with respect to the work of the Committee have arisen during the period and none of the members of the Committee have any personal financial interest in the matters discussed, other than as shareholders. The fees of the Non-Executive Directors are determined by the Board on the joint recommendation of the Chair and the Group CEO. The fees of the plc Chair are determined by the Committee.

The Committee is formally constituted and operates on written Terms of Reference, which are modelled on the Code and are available on our website, spiraxgroup.com/governance-documents.

Advice to the Committee

The Committee takes account of information from both internal and independent sources. During the year it received external advice from Korn Ferry. Korn Ferry, appointed in 2019, advises on all aspects of the Company's Remuneration Policy and reviews our remuneration structures against corporate governance best practice. They also provide support to the Company and management more generally with the monitoring of TSR performance for the PSP, non-Board benchmarking and salary surveys. The Committee confirms that neither it nor any of its Directors has any connection with Korn Ferry, who is a member of the Remuneration Consultants Group and complies with its Code of Conduct, which sets out guidelines to ensure that its advice is independent and objective. The Committee reviews the performance and independence of its adviser on an annual basis. During the period, Spirax Group incurred fees from Korn Ferry of £95,990 (plus VAT) on a time and materials basis.

The Group's HR Director provides updates to the Committee, as required, to ensure that the Committee is fully informed about pay and performance issues throughout the Group. The Committee takes these factors into account when determining the remuneration of the Executive Directors and senior executives. The Group CEO also attends at the Committee's request but does not participate in discussions regarding his own individual remuneration. The Committee also ran two focus groups during the year; see page 132 for more details on these.

Audited information

The information that follows is subject to audit until otherwise indicated. To support consistency across the Annual Report, the majority of figures provided within this report are now disclosed in thousands of pounds, rather than pounds.

Executive Directors' single total figure of remuneration (£'000)

		Base Salary £'000	Taxable Benefits £'000	Pension £'000	Total Fixed Pay £'000	AIP £'000	PSP[3] £'000	ESOP £'000	Total Variable Pay £'000	Total Pay £'000
N. B. Patel[1]	**2024**	**711**	**29**	**71**	**811**	**432**	**102**	**2**	**536**	**1,347**
	2023	530	19	53	602	66	145	2	213	815
L.S. Burdett (from 8 July 2024)	**2024**	**265**	**10**	**30**	**305**	**137**	**—**	**—**	**137**	**442**
	2023	—	—	—	—	—	—	—	—	—
N.J. Anderson[2] (to 16 January 2024)	**2024**	**32**	**1**	**3**	**36**	**—**	**—**	**—**	**—**	**36**
	2023	750	30	75	855	112	208	2	322	1,177

1 Nimesh Patel was appointed to the role of Group CEO on 16 January 2024. Any remuneration shown in the table above prior to this date relates to his role as CFO.

2 Nick Anderson retired from the Board prior to the vesting of the 2022 PSP award. See page 140 for details of the vesting value of Nick's 2022 PSP.

3 The amount shown relates to the market value of PSP awards whose performance period ended during the relevant financial year. Refer to page 139 for details of PSP awards made during 2024.

Over the 2022 PSP vesting period the share price decreased from £119.10 at grant (14 March 2022) for Nick Anderson and Nimesh Patel, to £68.91, which was the average share price over October, November and December 2024, a decrease in value of the vesting shares of around £50.19 per share. The amount attributable to share price appreciation in the figure above is therefore nil. As the award will not vest before the publication of the 2024 annual results and therefore the value at vesting will not be known, the value will be restated next year in the single figure table when the share price at vesting is known.

The value of PSP awards vesting in 2023 has been restated to reflect the actual share price on the date of vesting, £105.27.

Annual Report on Remuneration continued

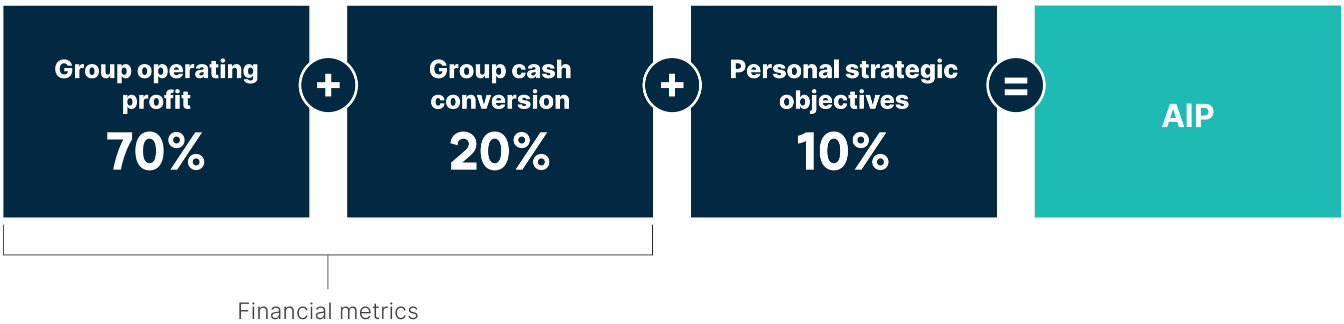
Audited information continued

Non-Executive Directors' single total figure of remuneration (£'000)

		Basic Fees £'000	Additional Fees[1] £'000	Total[2] £'000
T. Cobbold (from 1 September 2024)	**2024**	**23**	**—**	**23**
	2023	—	—	—
J. Pike	**2024**	**350**	**—**	**350**
	2023	309	—	309
R. Gillingwater	**2024**	**70**	**20**	**90**
	2023	62	15	77
A. Archon	**2024**	**70**	**68**	**138**
	2023	62	59	121
C. Baroudel	**2024**	**70**	**—**	**70**
	2023	26	—	26
P. France	**2024**	**70**	**—**	**70**
	2023	62	—	62
C.A. Johnstone	**2024**	**70**	**20**	**90**
	2023	62	15	77
J.S. Kingston	**2024**	**70**	**20**	**90**
	2023	62	15	77
K.J. Thompson	**2024**	**70**	**20**	**90**
	2023	62	15	77

1 'Additional Fees' relate to Senior Independent and Committee Chair fees and the long-haul intercontinental travel fee in addition to international travel expenses to the UK.

2 As referenced on page 131, the aggregate fees paid to Non-Executive Directors during 2024 (inclusive of additional responsibility/travel fees totalled £955,333, which is above the £750,000 cap specified in the Company's Articles of Association.



Additional requirements in respect of the single total figure table of remuneration

Annual Incentive Plan (AIP)

Executive Directors participate in the AIP, which rewards them for financial and non-financial performance of the Group, details of which are illustrated below. Metrics are reviewed annually to ensure continuing alignment with strategy and are agreed at the start of the year. Resulting awards are determined following the end of the financial year by the Committee, based on performance against these targets.

For the Group CEO, achievement of target performance results in a bonus of 90% of salary, increasing to 150% of salary for maximum performance. For the CFO, achievement of target performance results in a bonus of 75% of salary, increasing to 125% of salary for maximum performance. Assessment of performance against the 2024 AIP measures is detailed below.

Financial metrics (90% of maximum opportunity)

The following table summarises the achieved performance in 2024 in respect of each of the financial measures used in the determination of the AIP, together with an indication of actual performance relative to target.

2024 measures	Actual performance	Achieved (% of Target)	Threshold	Target	Maximum
Group operating profit (70% weighting)	£333.9m	90.9%	£332.3m	£367.1m	£385.5m
% of metric achieved	17.1%		15%	60%	100%
Group cash conversion (20% weighting)	87%	116.4%	70%	75%	80%
% of metric achieved	100.0%		15%	60%	100%
% of total financial metrics achieved (90%)	**32.0%**				

Personal Strategic Objectives (10% of maximum opportunity)

The tables below detail each of the Executive Directors' Personal Strategic Objectives for 2024. The Board were provided with regular updates on progress towards these objectives throughout the year. The Remuneration Committee reviewed total progress against these objectives at the end of the year at its February 2025 meeting and approved the achievements detailed below.

N.B. Patel

Measure	Achievement
Health and Safety:	Reduction in serious LTAs and all-workplace injury rate reduced by 2% across the Group. In addition, strong progress has been made on Mandatory Machine Safety and Excellence Framework, further strengthening the Group's safety culture.
Sustainability:	Implementation of **One Planet**, with early achievement of GHG, water and waste reduction targets. CSRD reporting readiness is ahead of peers, having completed Double Materiality and identified key reporting metrics.
Colleagues:	The Group-wide "Everyone is Included" plan has resulted in gender balance of the GEC, early achievement of diversity goals for GEC/Board Directors and ethnicity balance across the senior leadership team being stable. During the year, six colleague network groups were launched across the Group to drive continued support for inclusion and a variety of actions taken following 2023 colleague survey including revised Colleague Promises and a "Development Everyday" festival of learning.
Operational Improvement:	Driving a strong focus on operational best practice, margin improvement, cost savings, supply output and manufacturing efficiencies across the Group resulting in double-digit increase in sales in Industrial Process Heating, achievement of procurement savings and organic profit growth in all three Businesses.
Decarbonisation:	Accelerated the Group's decarbonisation offering with development of new higher-temperature and higher-voltage elements to cement differentiated product offering for customers. Driven collaboration between STS and ETS to deliver combined thermal energy and TargetZero solutions. Addressable markets for decarbonisation defined and quantified, and priority sectors identified.
Digital and Systems:	Implementation of the Group Digital strategy to increase customer connections, develop connected products and platforms and increase efficiencies. STS and WMFTS connected products and platforms pilots initiated. Digital revenues significantly increased as a result of increased customer connections (including product pull-through) and the new innovation framework supported the development of MiM (AI) tool to increase sales engineers' efficiency.
Total (up to 10%)	**Achievement assessed as 8%**

L.S. Burdett

Measure	Achievement
Health and Safety	Reduction in serious LTAs and all-workplace injury rate reduced by 2% across the Group. In addition, strong progress has been made on Mandatory Machine Safety and Excellence Framework, further strengthening the Group's safety culture.
Sustainability	Implementation of **One Planet**, with early achievement of GHG, water and waste reduction targets. CSRD reporting readiness is ahead of peers, having completed Double Materiality and identified key reporting metrics.
Onboarding	Seamlessly integrated into new role through the completion of a comprehensive induction programme and key OpCo visits to understand the Group. Strong relationships with CEO, peers and finance colleagues formed. Effective and extensive interactions with shareholders during the year.
Governance	Driving implementation of Group-wide G3 Finance controls to ensure alignment with the UK Corporate Governance Code, resulting in "on track" status for Provision 29 attestation as well as progression towards non-finance control pillars. Identified and defined improvements to enterprise risk management to support Provision 29 together with implementation of improved training and processes for fraud prevention include an review of supplier conflicts of interests.
Information Technology and Systems	Oversaw the implementation of the Group's cybersecurity plan with the introduction of an assurance framework and refreshed policies during the year. In addition, actively led the process to unite the three proposed business ERPs into one global common design which will further embed standardisation, driving efficiency for the Group.
Total (up to 10%)	**Achievement assessed as 8%**

Annual Report on Remuneration continued

Additional requirements in respect of the single total figure table of remuneration continued

Annual Incentive Plan (AIP) continued

As a result of performance in 2024, the following payments were earned, as reflected earlier in this report:

Executive Directors	AIP achieved[1] (£'000)	AIP achieved (% of maximum)	Maximum opportunity (% of salary)	AIP achieved (% of salary)
N.B. Patel	432	40%	150%	60%
L.S. Burdett	137	40%	125%	50%

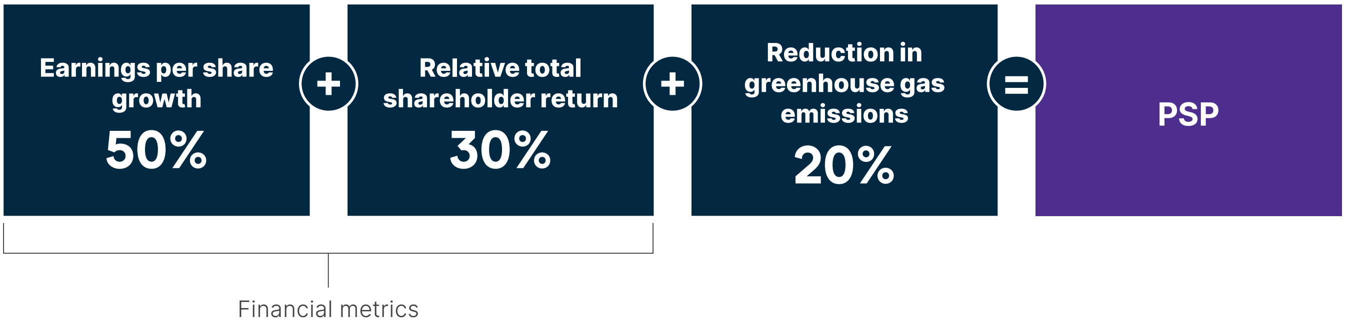
1 Bonus payments are calculated using FTE salary.

Under our Remuneration Policy, if an Executive Director has not reached the level of 1.5 times their shareholding requirement, they must use the net of tax amount of 25% of AIP earned to purchase shares in the Company. These shares must be held for a further two years. Nimesh's shareholding requirement has been updated to reflect his appointment as Group CEO in 2024. As such, Nimesh and Louisa will be required to purchase shares out of their net AIP payment.

Performance Share Plan (PSP)

The Committee makes an annual grant of conditional shares to each Executive Director under the PSP, having reviewed the relevant performance metrics to ensure they remain strategically aligned and sufficiently stretching. For EPS this includes a review of analysts' forecasts.

Vesting of the award is dependent on the achievement of targets against the three performance measures illustrated below. These performance measures have been chosen as they are considered to be an appropriate balance of the key performance indicators most aligned with our strategy.



The Committee reviews the achievement against the targets and applies any necessary discretions to the formulaic calculation, ensuring vesting outcomes are appropriate.

2022 PSP award (performance period measured over 2022-2024)

On 14 March 2022 the Executive Directors received share grants under the PSP, with vesting subject to the measures outlined above. The following table summarises the relevant performance metrics and the resultant achievements.

Performance measure	Weighting	Threshold requirement (18% vesting)	Maximum requirement (100% vesting)	Actual achievement	Vesting level (of total award)
EPS growth	50%	Global IP +2% pa	Global IP +8% pa	-12.8%	0.0%
Relative TSR	30%	Median	Upper quartile	-54.1%	0.0%
GHG emissions 2024	20%	24% reduction	31% reduction	53% reduction	20.0%
Total	**100%**				**20.0%**

Adjusted EPS is derived from the audited Annual Report for the relevant financial year. For the purposes of the PSP, adjusted EPS is then recalculated to exclude the acquisition of Vulcanic Group and the disposal of the Russian businesses. EPS targets summarised above equated to a requirement to achieve at least 9.9% growth over the period for vesting to begin under this element, with maximum vesting for the achievement of 30.2% EPS growth. Adjusted EPS decreased by 12.8% over the period, equating to a compound annual decline of 4.5% per annum, and below the performance required to trigger vesting under this element.

The TSR comparator group, comprising 44 companies, for the purpose of measuring relative TSR performance, was the FTSE 350 Industrial Goods and Services Supersector constituents at the start and end of the performance period. Over the three-year period to 31 December 2024, the Company's TSR was calculated as -54.1%. This ranked below the required threshold performance level for any part of this element to vest (median and upper quartile TSR in the comparator group being 0.4% and 34.1% respectively).

Aligned with the Group's **One Planet** Strategy, performance was also measured against a reduction in scopes 1 and 2 GHG emissions. Focused improvements towards decarbonising the business resulted in a 53% reduction in emissions from the 2019 baseline (excluding Vulcanic and Durex Industries). This was above the maximum target set in 2022 to achieve a 31% reduction in emissions by the end of 2024.

As a result of the above, 20% of the shares granted under the 2022 PSP will vest in March 2025. The Committee considers this achievement and consequent payment to be a fair reflection of business performance throughout the performance period and in line with shareholders' experience.

Executive Directors[1]	No. of shares granted	Price at grant	Value at grant (£'000)	No. of shares vesting	Vesting price[2]	Vesting value (£'000)	Amount attributable to growth in share price (£'000)
N.B. Patel	7,387	£119.10	£880	1,477	68.91	102	-74

1 See page 140 for details of Nick Anderson's 2022 PSP vesting value.

2 Three-month average closing price for October, November and December 2024.

2024 PSP award (performance period measured over 2024-2026)

Executive Directors were granted conditional shares under the 2024 PSP during the year. Grant values were determined by reference to a share price of £103.77 with 200% and 175% of salary being awarded to the Group CEO and CFO respectively.

Executive Directors	PSP shares granted	Face value of award on grant (£'000)	Last day of the performance period	Vesting at threshold performance
N.B. Patel	13,876	1,440	31/12/2026	18%
L.S. Burdett	9,275	962	31/12/2026	18%

Vesting will take place on a straight-line basis for performance between the threshold and maximum requirements. Performance below the threshold requirement for each performance measure will result in nil vesting for that part of the award and at maximum full vesting will occur.

The vesting of these shares is based on the below performance metrics measured over a three-year period. In addition to the three-year performance period, a two-year holding period applies.

Performance measure	Weight	Threshold requirement	Maximum requirement
EPS growth	50%	Global IP +2% pa[1]	Global IP +7% pa
Relative TSR	30%	Median TSR	Upper quartile TSR
Greenhouse gas emissions 2026	20%	27,449 tonnes	24,834 tonnes

1 The Global Industrial Production Growth (IP) data source is the CHR Metals Global IP Index, providing data that incorporates over 90% of global industrial output.

The EPS element of the PSP is based on growth in excess of global industrial production growth rates, often referred to in our industry as 'Global IP'. Global IP is a measure the Board and management have used for some time, as there is well documented evidence that it is the best predictor of the global and industrial markets within which the Group operates. For these reasons, Global IP was used in the formulation of the long-term strategic plan and targets for EPS growth approved by the Board. Adjustments are made to reflect material businesses which are acquired and sold.

The TSR element of the PSP assesses performance relative to a comparator group of companies. The 2024 TSR peer group comprises the constituents of the FTSE 100, excluding companies in the Mining, Oil & Gas and Financial Services sectors. This group was selected as it objectively provides a sufficiently robust number of companies to compare performance against, including those that operate in the industrial goods and services arena, whilst also excluding companies which are significantly different to us in terms of business operations. While the exact number of companies varies from year to year, the comparator group for the 2024 award was 71 companies.

The remaining performance element assesses the extent to which we are meeting our sustainability goals. We have targeted management to reduce scopes 1 and 2 GHG emissions to 27,449 tonnes or below by the end of 2026 for this part of the award to start to vest. Maximum payout will only be achieved for emissions at or below 24,834 tonnes.

Annual Report on Remuneration continued

Additional requirements in respect of the single total figure table of remuneration continued

Employee Share Ownership Plan (ESOP)

Executive Directors and UK colleagues are eligible to participate in an HMRC-approved Share Incentive Plan known as the ESOP. Participation up to HMRC limits are matched on a 1:1 basis for each share purchased.

Shares acquired under the ESOP are not subject to performance measures as the aim of the ESOP is to encourage increased colleague shareholding in the Company. In 2024, around 66% of eligible UK colleagues purchased partnership shares and were awarded matching shares under the ESOP.

During the year Nimesh Patel purchased 29 partnership shares and was awarded 29 matching shares.

Taxable benefits

	N.B. Patel	L.S. Burdett	N.J. Anderson
Car cash allowance	£28,258	£9,375	£1,237
Private health insurance	£542	£271	£23

Pension

During the year, Nimesh Patel and Louisa Burdett received 10% of their basic salary in cash which, in the year ended 31 December 2024, amounted to £71,127 and £29,756 respectively.

Board changes in 2024

Louisa Burdett was appointed to the Board as Chief Finance Officer (CFO) on 8 July 2024. Her remuneration on appointment was in line with the approved Remuneration Policy detailed on page 147 with an annual base salary of £550,000, a car cash allowance and pension allowance of 10% of salary. Louisa's incentive arrangements are consistent with the Policy for the CFO.

An additional share award was granted to Louisa Burdett to compensate her for remuneration forfeited with her previous employer. This award comprised a PSP award vesting in 2026 with the same performance metrics as the 2023 PSP. This award will vest, to the extent the relevant targets are achieved, on the same date as all other 2023 PSP awards. The value of the award granted was equal to the face value award of the forfeited shares at the time of accepting the role with Spirax Group. The award was granted on 21 November 2024 at a price of £103.00 resulting in 7,112 shares being granted. This award will be subject to a two-year holding period, consistent with the Policy for PSP awards to Executive Directors.

Tim Cobbold joined the Board on 1 September 2024 as Chair Designate, succeeding Jamie Pike as Board Chair on 1 January 2025. On appointment, Tim received the standard annual fee for Non-Executive Directors of £70,000, increasing to £400,000 from 1 January 2025.

Jamie Pike retired from the Board on 31 December 2024, having served as a Non-Executive Director since 2014 and Board Chair since 2018. There were no payments for loss of office for Jamie.

Payments to past Directors

Following his stepping down from the Board on 16 January 2024, Nick Anderson remained in employment with the Group under his previous terms and conditions until 31 March 2024 to ensure a smooth transition of leadership. Payments received during this period comprised £156,250 salary, pension contributions of £16,180 and £6,274 taxable benefits. He has two outstanding awards under the PSP. In accordance with the rules of the Plan, 20% of his 2022 PSP award will vest in March 2025 at an estimated value of £136,793. Nick's remaining 2023 PSP award was pro-rated for time, reflecting his retirement. The remaining 5,744 shares will vest in March 2026, to the extent the performance conditions are achieved. Both the 2022 and 2023 PSP awards remain subject to the two-year post-vesting holding period for Executive Directors.

Payments for loss of office

There were no payments made to Directors for loss of office during the year ended 31 December 2024.

Board changes in 2025

Jane Kingston will retire from the Board in September 2025, upon the completion of nine years on the Board. Jane will remain a member of the Remuneration Committee from 1 June 2025, on the appointment of Maria Antoniou, to ensure a successful handover. There will be no payments for loss of office for Jane.

Maria Antoniou will join the Board as a Non-Executive Director and Remuneration Committee Chair on 1 June 2025. From appointment, Maria will receive the standard annual Non-Executive Director fee of £71,540 and the additional annual Committee Chair fee of £20,000 which is in line with the NED fees shown on page 146.

External directorships

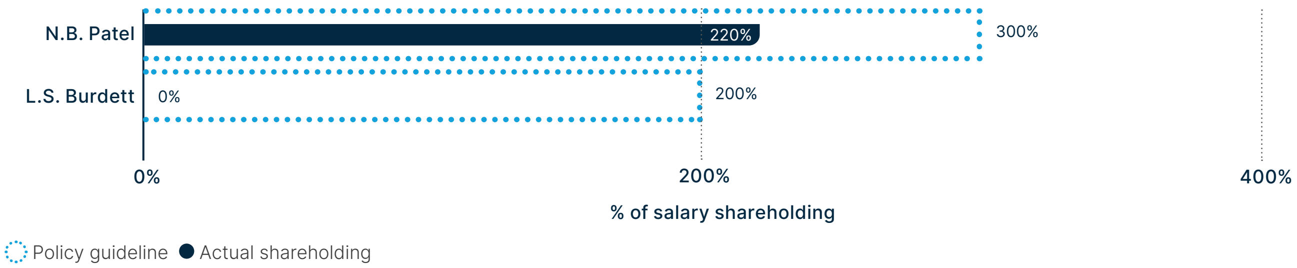
Nicholas Anderson served as a Non-Executive Director at BAE Systems plc during 2024, for which he received and retained total fees of £4,933 to 16 January 2024.

Louisa Burdett served as a Non-Executive Director at RS Group plc in 2024, for which she received and retained total fees of £39,713 from 8 July 2024.

Statement of Directors' shareholding and share interests

Share ownership guidelines

The Executive Directors' share ownership guidelines are 300% of base salary for the Group CEO and 200% of base salary for other Executive Directors. The value of the shareholding is taken at 31 December 2024 as a percentage of 2024 base salary. The closing share price on 31 December 2024 was £68.55.



Outstanding share interests

The following table summarises the total interests of the Directors in shares of the Company as at 31 December 2024 or the date a Director left the Board. These cover beneficial and conditional interests. No Director had any dealing in the shares of the Company between 31 December 2024 and 28 February 2025 (being the latest practicable date prior to publication).

	Beneficial[1]	PSP awards[2]	ESOP shares	Total 31/12/2024	Total 28/02/2025
T. Cobbold (from 1 September 2024)	0	—	—	0	0
J. Pike	11,061	—	—	11,061	11,061
N.B. Patel	22,900	29,778	166	52,844	52,852
N.J. Anderson (to 16 January 2024)	68,817	15,669	835	85,321	85,321
L.S. Burdett (from 8 July 2024)	0	16,387	0	16,387	16,387
R. Gllingwater	600	—	—	600	600
A. Archon	505	—	—	505	505
C. Baroudel	300	—	—	300	300
P. France	980	—	—	980	980
C.A. Johnstone	1,091	—	—	1,091	1,091
J.S. Kingston	6,370	—	—	6,370	6,370
K.J. Thompson	4,900	—	—	4,900	4,900

1 Includes any shares owned by connected persons.

2 Unvested shares remaining subject to performance measures.

Unvested share awards (included in the previous table)

	PSP shares subject to performance conditions			Shares not subject to performance conditions
	2022	2023	**2024**	**2024 ESOP awards[3]**
N.B. Patel	7,387	8,515	**13,876**	**58**
N.J. Anderson[1]	9,925	5,744	**—**	**—**
L.S. Burdett[2]	—	7,112	**9,275**	**—**

1 2023 PSP award reflects 'good leaver' treatment applied to existing awards following Nick's retirement.

2 2023 PSP shares granted as compensation for remuneration forfeited from prior employer.

3 Excludes dividend shares awarded during the year.

Annual Report on Remuneration continued

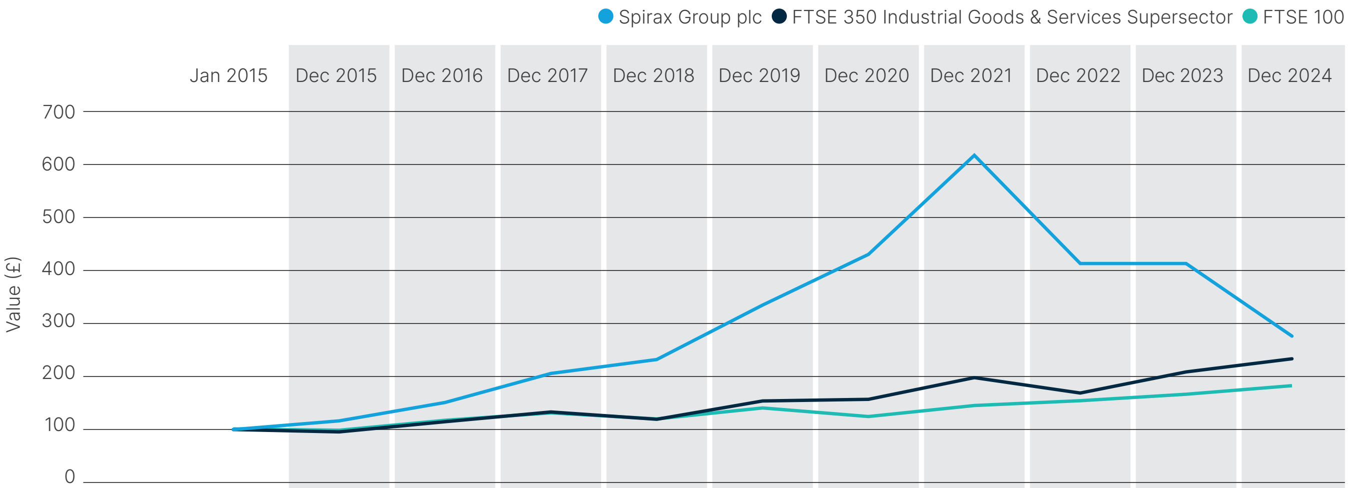
Unaudited information

TSR performance graph

The graph below demonstrates the growth in value of a £100 investment in the Group compared to the FTSE 100, less companies in the Mining, Oil & Gas and Financial Services sectors, from January 2015 to December 2024. A comparison against the FTSE 350 Industrial Goods and Services Supersector is also provided. These comparator groups have been chosen as the Group is a constituent of both, with the former also aligning with the TSR peer group used for PSP awards.

Aligning pay with performance

The table below shows the historical levels of the Group CEO's pay (single figure of total remuneration) and annual variable and PSP awards as a percentage of maximum.



	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023	Dec 2024
CEO single figure (£'000)										
N.B. Patel	—	—	—	—	—	—	—	—	—	**1,347**
N.J. Anderson	1,191	1,611	2,173	2,323	2,788	2,220	3,325	3,099	1,177	**36**
AIP payment (% of maximum)										
N.B. Patel	—	—	—	—	—	—	—	—	—	**40.0%**
N.J. Anderson	61.4%	99.2%	100.0%	92.5%	82.6%	30.0%	98.0%	59.3%	10.0%	**—**
PSP vesting (% of maximum)										
N.B. Patel	—	—	—	—	—	—	—	—	—	**20.0%**
N.J. Anderson	80.3%	40.0%	100.0%	100.0%	100.0%	73.9%	100.0%	100.0%	18.9%	**—**

Percentage change in remuneration of the Directors and colleagues

The following table provides a summary of the increases in base salary, benefits and bonus for the Directors compared to the average increase for colleagues in the same period, for the last five years. The regulations require disclosure of the change in remuneration of the colleagues of the Parent Company. As Spirax Group plc only employs the Executive Directors (whose individual information is already included below), the general UK colleague population comparator group has been used to give a more meaningful comparison.

	% change on prior year for 2020			% change on prior year for 2021			% change on prior year for 2022			% change on prior year for 2023			**% change on prior year for 2024**		
	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	Salary/ Fees	Benefits	Bonus	**Salary/ Fees**	**Benefits**	**Bonus**
UK colleagues	2.9	2.9	-32.1	2.0	2.0	120.7	2.7	2.7	-26.2	7.1	7.1	-70.5	**3.1**	**3.1**	**246.9**
T. Cobbold (from 1 September 2024)	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**	**—**
J. Pike	2.9	—	—	2.0	—	—	32.3	—	—	3.0	—	—	**13.3**	**—**	**—**
N.B. Patel (CEO from 16 January 2024)	—	—	—	2.0	2.0	240.0	2.7	-33.4	-36.5	5.3	7.1	-83.0	**36.0**	**50.2**	**552.5**
N.J. Anderson (to 16 January 2024)	2.9	2.9	-62.6	2.0	2.0	233.2	2.7	2.6	-37.9	19.0	7.1	-79.9	**-95.8**	**-95.8**	**-100**
L.S. Burdett (from 8 July 2024)	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**	**—**
R. Gillingwater	—	—	—	—	—	—	16.6	—	—	2.4	—	—	**17.2**	**—**	**—**
A. Archon	—	—	—	2.0	—	—	10.4	45.7	—	18.0	61.0	—	**15.8**	**11.5**	**—**
C. Baroudel (from 3 August 2023)	—	—	—	—	—	—	—	—	—	—	—	—	**171.8**	**—**	**—**
P. France	2.9	—	—	2.0	—	—	10.4	—	—	3.0	—	—	**13.3**	**—**	**—**
C.A. Johnstone	2.9	—	—	2.0	—	—	16.6	—	—	2.4	—	—	**17.2**	**—**	**—**
J.S. Kingston	2.9	—	—	2.0	—	—	16.6	—	—	2.4	—	—	**17.2**	**—**	**—**
K.J. Thompson	2.9	—	—	2.0	—	—	16.6	—	—	2.4	—	—	**17.2**	**—**	**—**

Group CEO pay ratio

The table below details the ratio of the Group CEO's single figure of total remuneration to the 25th, 50th and 75th percentile total remuneration of the Group's full-time equivalent UK colleagues. For 2024, comparisons have been made using Nimesh Patel's disclosed remuneration, as he held the role of Group CEO for 96% of the year. As in previous years, Option B has been chosen for these calculations as the data used is consistent with that collected to inform the Group's UK gender pay gap. To ensure the individuals identified at the three quartiles are representative of the UK workforce, the total pay and benefits for a small number of colleagues centred around each quartile were also considered to confirm there were no anomalies. The individuals identified were deemed appropriately representative.

Financial year	Methodology	25th percentile	50th percentile	75th percentile
2024	**Option B**	**35:1**	**31:1**	**19:1**
2023	Option B	33:1	28:1	18:1
2022	Option B	91:1	65:1	51:1
2021	Option B	111:1	83:1	62:1
2020	Option B	76:1	66:1	45:1
2019	Option B	110:1	74:1	46:1

Single figure total remuneration (£'000)

	CEO	25th percentile	50th percentile	75th percentile
Salary	711	33	37	61
Benefits	29	1	1	1
Bonus	432	0	1	0
PSP	102	—	—	—
Pension	71	3	4	7
ESOP	2	1	1	1
Total pay	**1,347**	**38**	**44**	**70**

Annual Report on Remuneration continued

Unaudited information continued

Year-on-year commentary

As shown earlier in this report, a sizeable proportion of the Group CEO's total potential remuneration is linked to performance outcomes which will annually impact the CEO pay ratio. Total actual pay outcomes for other colleagues across the Group are less driven by performance outcomes, as is typical in the market. For 2024, the CEO pay ratio has increased slightly as a result of higher AIP and PSP outcomes for the Group CEO. Nimesh Patel's total variable pay for 2024 was £535,441, around 40% of total remuneration, compared with 27% (£322,091) of Nick Anderson's 2023 total remuneration.

Relative importance of spend on pay

The table below demonstrates the relative importance of total pay spend relative to total colleague numbers, profit before tax (selected as the best measure of efficiency) and dividends payable in respect of the year.

	2024	2023	Change
Total pay spend	**£643.2m**	£634.2m	1.4%
Group average headcount	**9,910**	10,122	(2.1)%
Adjusted profit before tax	**£288.1m**	£309.2m	(6.8)%
Dividends payable	**£121.6m**	£117.8m	3.2%

Statement of voting at the Annual General Meeting

At the AGM in 2024, shareholders approved the Annual Report on Remuneration 2023. The following table shows the results which required a simple majority (i.e. 50%) of the votes cast to be in favour for the resolutions to be passed.

	Votes for	%	Votes against	%	Votes withheld[1]
Remuneration Policy 2023 (2023 AGM)	54,257,130	91.09%	5,303,941	8.91%	290,647
Annual Report on Remuneration 2023 (2024 AGM)	57,808,820	96.69%	1,979,683	3.31%	11,423

1 A vote withheld does not constitute a vote in law and therefore has not been included when calculating the percentages above.

Directors' service agreements and letters of appointment

	Original appointment date	**Current agreement/ appointment/ reappointment letter**	**Expiry date**	**Notice period**	**No. of years' service as at 31 December 2024**
Executive Directors					
N.B. Patel	27/07/2020	16/01/2024	N/A	12 months	4 years, 5 months
L.S. Burdett	08/07/2024	08/07/2024	N/A	12 months	0 years, 5 months
Chair and Non-Executive Directors					
T. Cobbold	01/09/2024	01/09/2024	31/08/2027	3 months	0 years, 4 months
J. Pike	01/05/2014	12/05/2021	11/05/2024	3 months	10 years, 8 months
R. Gillingwater	10/03/2021	10/03/2024	09/03/2027	1 month	3 years, 9 months
A. Archon	01/12/2020	01/12/2023	30/11/2026	1 month	4 years, 1 months
C. Baroudel	01/08/2023	01/08/2023	31/07/2026	1 month	1 years, 5 months
P. France	06/03/2018	06/03/2024	05/03/2027	1 month	6 years, 9 months
C.A. Johnstone	05/03/2019	04/03/2022	04/03/2025	1 month	5 years, 9 months
J.S. Kingston	01/09/2016	01/09/2022	31/08/2025	1 month	8 years, 4 months
K.J.Thompson	15/05/2019	15/05/2022	14/05/2025	1 month	5 years, 7 months

Chair and Non-Executive Directors

The Chair and Non-Executive Directors have letters of appointment with the Company for a period of three years, subject to annual re-election at the AGM. Appointments may be terminated by the Company or individual with three months' notice for the Chair and one month's notice for all other Non-Executive Directors. The appointment letters for the Chair and Non-Executive Directors provide that no compensation is payable on termination, other than accrued fees and expenses.

Remuneration Policy

The Remuneration Policy which applies to this year's Directors' Remuneration Report, was approved on 10 May 2023 and can be found in full in our 2022 Annual Report on pages 160 to 168 and on our website, spiraxgroup.com. A summary of this Remuneration Policy is set out on the following pages together with details of how the Policy will be implemented for 2025.

Summary Remuneration Policy

Summary Remuneration Policy (approved 2023) and implementation for 2025

The table below sets out a summary of our Remuneration Policy for Executive and Non-Executive Directors and how it will be implemented for 2025. The full Policy was approved by shareholders at the AGM on 10 May 2023 and can be found on our website at spiraxgroup.com/governance-documents. The Policy took effect from this date and is designed to attract, retain and motivate our leaders within a framework designed to promote the long-term success of Spirax Group as well as align with our shareholders' interests.

Element	2023 Policy Summary	Implementation for 2025
Base salary	• Salaries are typically reviewed annually by the Committee considering a number of factors, including the scale and complexity of the role, experience of the individual, wider workforce comparison, external market data and the impact of any increase on the total remuneration package	Effective 1 January 2025: • Group CEO: £763,000 • CFO: £562,100 See page 130 for further details
Pension	• For UK nationals, the Company provides a defined contribution pension arrangement on the same terms as other colleagues or a cash allowance of 10% salary	• Pension contributions for the Executive Directors will be 10% of salary
Common benefits	• The Company provides common benefits including, company car and associated running costs or cash alternative allowance; private health insurance and telecommunications and computer equipment; life assurance and long-term disability insurance	• Executive Directors receive car cash allowance, private health insurance, life assurance and long-term disability insurance consistent with all other UK senior leaders. Full details are shown on page 140
Mobility- related benefits	• The Company will pay all reasonable expenses and applicable tax to support relocate on appointment and repatriation to the original home country at the end of their assignment and/or employment. Executive Directors are not entitled to tax equalisation	• Not applicable
Annual Incentive Plan (AIP)	• Executive Directors participant in this non-contractual cash bonus scheme. Maximum potential award of 200% of salary although currently the maximum award level is 150% of salary • Any measure can be incorporated at the Committee's discretion provided it is aligned to the Group's strategic objectives; however, at least 70% of the bonus opportunity will be based on financial performance • The Committee can adjust some performance targets to reflect certain non-operating items and has discretion to adjust the formulaic outcome if it is not representative of the performance delivered • If an Executive Director has not reached the level of 1.5 times their shareholding requirement, then they must use the net of tax amount of 25% of their bonus to increase the level of shareholding and hold these shares for two years • Bonus payments are subject to clawback and/or malus for up to three years following payment	• Maximum annual bonus opportunity will be 150% of base salary (Group CEO) and 125% of base salary (CFO) • Financial performance conditions determine 90% of any bonus, measured against the following Group metrics: **Operating Profit (55%)** **Organic Revenue Growth (20%)** **Cash Conversion (15%)** • The remainder of any bonus payment is determined as follows: **Personal Strategic Objectives (10%)** • Targets will be disclosed retrospectively for reasons of commercial sensitivity • Executive Directors may be required to use 25% of any net bonus received to purchase shares in the Company

Summary Remuneration Policy continued

Summary Remuneration Policy (approved 2023) and implementation for 2025 continued

Element	Operation	Implementation for 2025
Performance Share Plan (PSP)	• The Committee annually grants conditional shares to Executive Directors, subject to Committee approval. Maximum potential individual grants may be up to 250% salary although currently the maximum grant level is 200% of salary for the Group CEO. • Performance is measured over a three-year period, normally starting at the beginning of the financial year in which awards are granted. An additional two-year post-vesting holding period applies • Measures, targets and weightings are reviewed regularly by the Committee to ensure continuing alignment with strategic objectives. At least 50% of the award will be based on financial and/or share price related metrics • The Committee has discretion to adjust the formulaic outcome if it is not representative of the performance delivered • Share awards are subject to clawback and/or malus for up to five years following initial award. Circumstances include financial misstatement, erroneous calculations determining bonus payments, gross misconduct, corporate failure and reputational damage	• PSP award levels will be 200% of base salary (Group CEO) and 175% of base salary (CFO). • Performance measures are: **EPS Growth (50%)** Threshold: 1.25x Global IP p.a. Maximum: 3.50x Global IP p.a. **Relative TSR (30%)** Threshold: Median TSR Maximum: Upper quartile TSR **Reduction in GHG (20%)** Threshold: 16,592 tonnes Maximum: 15,012 tonnes Further details are on page 138
Employee Share Ownership Plan (ESOP)	• Eligible UK Executive Directors are entitled to participate in an HMRC-approved Share Incentive Plan known as the ESOP	• Participation permitted up to HMRC limits
Shareholding requirement	• Directors are required to build and hold shares equivalent in value to a minimum percentage of their salary. The required shareholding normally has to be retained for two years after leaving Spirax Group	• Group CEO: 300% of salary • CFO: 200% of salary. See page 141 for further details.
Chair and Non-Executive Directors' Fees	• The annual fee for the Chair is reviewed annually by the Remuneration Committee and reflects all responsibilities undertaken. Fees for the Non-Executive Directors are reviewed annually by the Board, with additional fees payable for further responsibilities and time commitments, such as the role of Senior Independent Director (SID), Committee Chair or long-haul intercontinental travel • Participation in any annual bonus, incentive plan, pension scheme or healthcare benefit provided by the Company is not permitted • Participation in other benefit arrangements available to the majority of UK colleagues is permitted, subject to the Company not incurring any additional costs • The Company repays reasonable expenses incurred and may settle any tax incurred in relation to these • The fees paid to the Chair and Non-Executive Directors will not exceed the amount set out in the Articles of Association	Effective from 1 January 2025, annual base fees are: • Group Chair: £400,000 • NED fee: £71,540 Additional fees are unchanged from 2024: • Committee Chair: £20,000 • SID: £20,000 • Intercontinental travel: £12,000

Recruitment Policy

The table below summarises the Company's policy on the recruitment of new Executive Directors. Similar considerations may also apply where a Director is promoted to the Board. In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate, considering the specific circumstances of the individual, subject to the limit on variable remuneration set out below. The rationale for any such component would be appropriately disclosed.

Element	Approach
Service contract	Executive Directors have rolling service agreements which may be terminated by either the Company or the Executive Director giving 12 months' notice. Non-compete restrictions in the 12 months following the cessation of employment apply.
Base salary	Base salary will be set on appointment taking into account the factors set out in the Policy table. Depending on an individual's prior experience, the Committee may set salary below market norms, with the intention that it is realigned over time, typically two to three years, subject to performance in the role.
Pension	Pension benefits will not exceed the rate applicable to the relevant country's workforce, as determined by the Committee; Executive Directors who have transferred internally from overseas may continue to participate in home country pension arrangements and/or receive a cash allowance in line with the relevant country's workforce. For details of common benefits, AIP and PSP see the Remuneration Policy table on pages 145 and 146.
Mobility-related benefits	Relocation may include the payment of some or all of an individual's tax on relocation expenses incurred within 12 months of joining.
Buyout awards	The Committee may offer compensatory awards where an individual has forgone by accepting the appointment. The terms of such awards would be informed by the amounts being forfeited and the associated terms (for example the extent to which the outstanding awards were subject to performance, the vehicles and the associated time horizons). Awards would be made either through the existing share plans or in accordance with the relevant provisions contained within the Listing Rules.

Termination Policy

Element	Approach
Base salary, pension and common benefits	Payments made will be in line with contractual notice periods.
Repatriation	The Company will pay all reasonable expenses and applicable tax due where an Executive Director has been recruited from overseas.
Annual Incentive Plan (AIP)	Whilst no entitlement to payment, it is expected where an Executive Director is confirmed as a 'good leaver', payments will be made to the extent performance targets are met subject to the Plan rules and the Policy. If the Executive Director is not a 'good leaver', it is expected no payment would be made.
Performance Share Plan (PSP)	The treatment of outstanding shares under the PSP is determined in accordance with the PSP rules. In the case of a 'good leaver' the award will normally vest on the normal vesting date to the extent the performance conditions are met, with the number of shares pro-rated to reflect the period employed within the performance period. Otherwise, all awards will normally lapse in full no later than the last day of employment with the Company.

The full Policy sets out further detail on the treatment of the Executive Directors' pay arrangements, including the treatment of share schemes in the event of a change of control or winding up of the Company.

The Company's approach to annual salary reviews is consistent across the Group, with consideration given to the scope of the role, level of experience, responsibility, individual performance and market pay levels. The most senior managers in the business (approximately 350 people globally) participate in bonus arrangements with similar targets, measures and relative weightings to that of the Executive Directors.

Target and maximum potential values are lower and determined by the grade of the manager's role. Performance targets are based on an appropriate combination of Group, Business and local operating company financial measures, in addition to personal strategic objectives. Contractual terms and benefits for the wider workforce are subject to local employment legislation and best practice.

Jane Kingston
Chair of Remuneration Committee
10 March 2025

Directors' Report

"The Directors present their report and the audited Financial Statements of Spirax Group for the year ended 31 December 2024."

Céline Barroche
Group General Counsel and Company Secretary

The Directors present their Report and the audited Financial Statements of Spirax Group for the year ended 31 December 2024. The following regulatory disclosures are made in compliance with the Companies Act 2006 (the Act), the Listing Rules (LR), the Disclosure Guidance and Transparency Rules (DTR) and the 2018 UK Corporate Governance Code (the Code).

The Board has taken advantage of Section 414C (11) of the Act to include disclosures in the Strategic Report on those items indicated in the table at the end of this report. These, together with this report, comprise the Directors' Report (the Report).

Scope of the reporting in this Annual Report

The Board has prepared a Strategic Report (including the Chair's Statement, the Group Chief Executive Officer's Review, the Financial Review, Operating Review and Sustainability Report) which provides an overview of the development and performance of the Group's business in the year ended 31 December 2024 and its position at the end of that year, which covers likely future developments in the business of the Company and the Group. The Strategic Report can be found on pages 1 to 96.

For the purposes of compliance with DTR 4.1.5R (2) and DTR 4.1.8R, the required content of the management report can be found in the Strategic Report, including the sections of the Annual Report incorporated by reference. For the purposes of LR 6.6.4R, the information required to be disclosed by LR 6.6.1R, which is not covered in this report, is set out in the table at the end of this report.

Governance Statement

DTR 7.2.1R requires a company to include in its Directors' Report a Governance Statement containing certain information. However, as allowed by DTR 7.2.9, we have chosen to set out the information in the Governance section of the Annual Report on pages 97 to 151. The Group's risk management and internal control framework and the Principal Risks and uncertainties, described on pages 83 to 87, the various Committee Reports on pages 112 to 133 and this Directors' Report also contains required information and are incorporated into this Statement by reference.

Directors

The Directors who served during the year were Jamie Pike (stepped down 31 December 2024), Nicholas Anderson (retired 16 January 2024), Richard Gillingwater, Angela Archon, Constance Baroudel, Peter France, Caroline Johnstone, Jane Kingston, Kevin Thompson, Nimesh Patel, Louisa Burdett (appointed 8 July 2024) and Tim Cobbold (appointed 1 September 2024).

We have met or exceeded the Board composition requirements of the Parker Review on ethnic diversity and the FTSE Women Leaders' Review on gender diversity on the Board. Biographies of the Directors and details of the gender and ethnic diversity of the Board can be found on pages 100 and 102 to 104.

Results

The Group's results for the year have been prepared in accordance with the International Financial Reporting Standards. They are set out in the Consolidated Income Statement, which appears on page 164.

Dividend
As at 31 December 2024, the Company has distributable reserves of £570.0 million (see the Company Statement of Financial Position on page 214). The Directors are proposing the payment of a final dividend of 117.5 pence (2023: 114.0 pence) which, together with the interim dividend of 47.5 pence (2023: 46.0 pence), makes a total distribution for the year of 165.0 pence (2023: 160.0 pence). If approved at the 2025 Annual General Meeting (AGM), the final dividend will be paid on 23 May 2025 to shareholders on the register at the close of business on 25 April 2025.

Directors' and Officers' Insurance
The Company provides Directors' and Officers' Insurance for Board members, as well as Directors of the Group's operating companies and senior officers. The Company has also provided each Director with an indemnity to the extent permitted by law in respect of the liabilities incurred as a result of their holding office as a Director of the Company.

Appointment, replacement and powers of Directors
Directors may exercise all the Company's powers, according to the Articles of Association. The appointment and replacement of Directors follow the Articles of Association, the Code, and UK legislation, including the Companies Act 2006. Directors stand for election or re-election annually at the AGM, as per the Code.

All current Directors will seek election or re-election at the 2025 AGM. The Board believes that all Directors continue to perform effectively and are committed to their roles. They also possess the required skills and experience, as detailed in their biographies on pages 102 to 103.

Conflicts of interest
Under the Companies Act 2006 and the Company's Articles of Association, the Board must address potential conflicts of interest. Formal procedures are in place for disclosing, reviewing and authorising any conflicts or potential conflicts of interest involving Directors.

The Board reviews and if necessary, authorises conflicts as they arise and conducts an annual review of such matters. New Directors must declare any conflicts at their first Board meeting. The Board believes these procedures are effective.

Capital structure
As of 31 December 2024, the Company had 73,776,048 issued ordinary shares, each with one vote at general meetings. There are no restrictions on share transfers or voting rights, except as stated in the Articles of Association or legislation. Directors can issue and allot ordinary shares, subject to annual renewal by shareholders at the AGM.

On 28 February 2025, the Company held no treasury shares. Changes in issued share capital listed on the London Stock Exchange are detailed in Note 20 on page 190.

Share capital – special rights and restrictions
There are no specific restrictions on shareholding size or voting rights for holders of ordinary shares under the Articles and prevailing laws. The Directors note that only legal restrictions, such as insider trading laws and FCA Listing Rules, may limit the transfer of ordinary shares. Employees may need Company approval to deal in its securities.

The Company is unaware of any shareholder agreements restricting share transfers or voting rights. No individual has special control over the Company's share capital, and all issued shares are fully paid.

Articles of Association
The Company's Articles of Association are available from Companies House in the UK or on the Company's website. Amendments require a special resolution at a general shareholders' meeting.

Change of control
The Group's principal borrowing facilities include change of control provisions that could lead to repayment and cancellation. Executive Directors' service agreements state that if terminated after a takeover, they receive salary/benefits and a lump sum for lost future bonuses.

Substantial shareholdings
The voting rights in the table below have been determined in accordance with the requirements of the UK Listing Authority's Disclosure and Transparency Rules DTR 5 and represent 3% or more of the voting rights attached to issued shares in the Company as at 28 February 2025 (being the latest practicable date prior to publication) and 31 December 2024. There are no controlling founder shareholders.

	As at 31 December 2024		As at 28 February 2025	
Substantial shareholdings	**Number of ordinary shares**	**% of issued share capital**	**Number of ordinary shares**	**% of issued share capital**
BlackRock, Inc.	7,530,699	10.21%	7,445,971	10.10%
Impax Group plc	4,870,585	6.60%	4,915,208	6.66%
The Vanguard Group Inc	3,584,647	4.86%	3,622,224	4.91%
PineStone Asset Management Inc	3,006,005	4.07%	2,736,930	3.71%
Liontrust Investment Partners LLP	2,238,052	3.03%	2,174,081	2.95%

Purchase of own shares
The Company had Shareholder authority to buy up to 10% of its shares during the year but made no purchases. This authority expires at the upcoming AGM, where a renewal is proposed.

Employee Benefit Trust (EBT)
As of 31 December 2024 72,250 shares were held in the EBT for fulfilling employee share awards and options. Dividends on these shares are waived.

Auditor
The Company's Auditor for the duration of this Annual Report was Deloitte LLP. Initially appointed on 20 May 2014, they were reappointed following an audit tender in 2022 and reaffirmed at the 2024 AGM. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming AGM.

Disclosure of information to the Auditor
As of this Annual Report's approval date, each Director confirms they are not aware of any relevant audit information unknown to the Auditor. Each Director has taken necessary steps to ensure they are aware of such information and that the Auditor is informed, in accordance with Section 418 of the Companies Act 2006.

Research and development (R&D)
The Group continues to devote significant resources to the research, development, updating and expansion of its range of products and solutions to remain at the forefront of its world markets.

Directors' Report continued

Research and development (R&D) continued

The R&D functions in Steam Thermal Solutions: Spirax Sarco, Cheltenham (UK) and Gestra, Bremen (Germany); Electric Thermal Solutions: Vulcanic, Neuilly-sur-Marne (France) and Thermocoax, Normandy (France); and WMFTS: Falmouth (UK) and Aflex Hose, Huddersfield (UK); and the Product Development functions in Chromalox, Pittsburgh (USA) and Durex Industries, Cary (USA) are tasked with improving the Group's pipeline of new products, accelerating the time to launch, expanding the Group's addressable market and realising additional sales.

Further information on the expenditure on R&D is contained in Note 6 on page 178. The amount of R&D expenditure capitalised, and the amount amortised, in the year, are given in Note 14 on pages 185 to 188.

Treasury and foreign exchange

The Group follows approved treasury policies and procedures, managing interest rates on borrowings and cash deposits. It ensures compliance with banking covenants and maintains facilities to support strategic plans. These policies are regularly reviewed. The Group avoids speculative transactions beyond normal trading activities.

To manage exchange rate risk, the Group uses forward contracts and monitors foreign currency exposures.

Political donations

The Group has a policy of not making political donations and no political donations were made during the year (2023: nil).

Diversity and inclusion

The Company collects gender and diversity data through voluntary disclosure on the HR portal or direct contact. For the Board of Directors, we obtain individual permission to share this data annually. Directors self-describe their gender or ethnicity. The Compliance Statement with FCA's Listing Rules 6.6.6R(9) is in the Nomination Committee Report (pages 116 to 118). Information as of 31 December 2024 in accordance with Listing Rules 6.6.6R(10) is provided below:

Table 1: Reporting table on gender representation

	Number of Board members	Percentage of Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
Men	6	54.5%	3	42	66.7%
Women	5	45.5%	1	21	33.3%
Non-binary and other genders	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

Table 2: Reporting table on ethnicity representation

	Number of Board members	Percentage of Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
White British or other White (including minority White groups)	9	81.8%	3	52	82.5%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	1	9.1%	1	9	14.3%
Black/African/Caribbean/Black British	1	9.1%	—	1	1.6%
Other ethnic group, including Arab	—	—	—	1	1.6%
Not specified/prefer not to say	—	—	—	—	—

* Group CEO, CFO, SID and Chair

Annual General Meeting

The AGM will be held on Wednesday 14 May 2025, at Charlton House, Cheltenham, UK. Details of the meeting and resolutions are in the Circular to Shareholders and Notice of Meeting (Circular) on our website and sent to shareholders. For updates, visit our website: spiraxgroup.com/agm-notices.

Shareholders can vote by submitting a Form of Proxy as per the instructions in the Circular. Vote results will be announced to the London Stock Exchange and posted on our website shortly after the meeting.

The Strategic Report and this Directors' Report were approved by the Board on 10 March 2025.

By order of the Board

Céline Barroche
Group General Counsel and Company Secretary
10 March 2025

Spirax Group plc Registered no. 596337

Additional information

Disclosure	Page(s)	Location in Annual Report
Asset values	163	Consolidated Statement of Financial Position[1]
Charitable donations	77	Strategic Report: Sustainability Report[1]
Risk management and Principal Risks	80 to 87	Strategic Report[1]
Financial instruments and financial risk management	199 to 204	Note 26, Financial Statements[1]
Future developments of the Group's business	45, 49 and 53	Strategic Report[1]
Employee culture and engagement (includes employee investment and reward)	60, 61 and 112 to 115	Strategic Report: Sustainability Report[1] and Colleague Engagement Report
Employee share schemes (includes Long-Term Incentive Plans)	140, 141 and 192 to 197	Directors' Remuneration Report and Note 22, Financial Statements[2]
Health and Safety and employee-related policies including diversity and disability	58, 59 and 79	Strategic Report: Sustainability Report[1]
Movements in share capital	166	Consolidated Statement of Changes in Equity
Greenhouse gas emissions	64 to 71	Strategic Report: Sustainability Report[1]
Going Concern Statement	35	Strategic Report: Financial Review
Directors' Responsibility Statement	152	Statement of Directors' Responsibilities
Directors' interests	141	Directors' Remuneration Report
Stakeholder consideration and engagement	8 to 10	Strategic Report: Section 172 Statement[1]

1 The Board has taken advantage of Section 414C(11) of the Act to include disclosures in the Strategic Report on these items.

2 Information required to be disclosed by LR 6.6.1R.

Statement of Directors' Responsibilities

> The Annual Report 2024 taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders."

Nimesh Patel
Group Chief Executive Officer

Board of Directors

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare consolidated Group Financial Statements for each financial year in accordance with IFRS as adopted by the UK. Parent Company Financial Statements are prepared under FRS 101.

In addition, by law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner which is relevant, reliable, comparable and understandable
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website, spiraxgroup.com.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Cautionary Statement

All Statements other than Statements of historical fact included in this document, including those regarding the financial condition, results, operations and Businesses of Spirax Group plc (its strategy, plans and objectives), are forward-looking Statements.

These forward-looking Statements reflect management's assumptions made based on information available at this time. They involve known and unknown risks, uncertainties and other important factors which could cause the actual results, performance or achievements of Spirax Group plc 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.

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. Schedule 10A contains limits on the liability of the Directors of Spirax Group plc and their liability is solely to Spirax Group plc.

Responsibility Statement

We confirm that 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 or 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 that they face
- The Annual Report 2024 taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, 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:

Nimesh Patel
Group Chief Executive Officer
10 March 2025

Financial Statements

In this section

Report on the audit of the Financial Statements

1. Opinion

In our opinion:

- the Financial Statements of Spirax Group plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related Notes 1 to 27 to the Consolidated Financial Statements and 1 to 11 for the Parent Company Financial Statements; and
- the Corporate Information.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in Note 6 to the Financial Statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • goodwill valuation for the Electric Thermal Solutions (ETS) Group of cash-generating units (CGU); • defined benefit pension liability valuation for UK schemes; and • revenue recognition.
Materiality	The materiality that we used for the Group Financial Statements was £15.0m (2023: £16.0m) which was determined on the basis of 5% of forecasted adjusted profit before tax.
Scoping	We completed audits of the entire financial information on 24 reporting entities and audits of specified account balances or specified procedures were performed on 18 reporting entities. Our audits of the entire financial information, specified account balances and specified procedures covered 73% of total Group revenue and 83% of profit before tax.
Significant changes in our approach	The US defined benefit scheme no longer forms part of the defined benefit pension liability valuation key audit matter given a buy-in transaction completed at the beginning of 2024 which has de-risked the scheme. Our revenue recognition key audit matter is now broader covering all assertions, not just the cut-off assertion where the audit risk level has reduced compared to the prior year. The extension of this key audit matter is due to the significant allocation of resources and effort in the audit of the balance as a whole.

Report on the audit of the Financial Statements continued

4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- evaluated the financing facilities available to the Group including nature of facilities, repayment terms and covenants;
- considered the business model and Principal Risks and uncertainties;
- challenged the assumptions used in the forecasts by reference to historical performance, trading run rate, and other supporting evidence, such as the current macroeconomic environment;
- recalculated and assessed the amount of headroom in the forecasts (cash and covenants);
- performed a sensitivity analysis to consider specific scenarios including a reverse stress test; and
- assessed the appropriateness of the going concern disclosures in the Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least 12 months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' Statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Goodwill valuation for the Electrical Thermal Solutions (ETS) group of cash-generating units (CGU)

Key audit matter description	The Group holds £669.7m (2023: £680.5m) of goodwill. The value of goodwill for the ETS group of CGUs as at the balance sheet date was £491.3m (2023: £494.7m). Management performs an impairment review of the carrying value of the CGU on an annual basis in line with the requirements of IAS 36. The impairment assessment involves judgement in considering whether the carrying value of the CGU is recoverable. Management performs a value in use calculation to measure the recoverable amount of the ETS group of CGUs. There is a high level of judgement surrounding the valuation of goodwill for the ETS group due to the significant growth anticipated in management forecasts. Key judgements include assumptions in estimating future revenue and earnings before interest and tax (EBIT) margins in the short term (2025-2029), alongside setting an appropriate discount rate. We have identified a key audit matter due to sensitivity of management's valuation to these assumptions. The Audit Committee Report on page 124 refers to impairment of goodwill and other intangibles as an area considered by the Audit Committee. Note 1 to the Consolidated Financial Statements sets out the Group's accounting policy for testing of goodwill for impairment. The basis for the impairment reviews is outlined in Note 14 to the Consolidated Financial Statements, including details of the discount rates and growth rates used. Note 14 to the Consolidated Financial Statements also includes details of the extent to which the CGU to which the goodwill and other intangible assets are allocated are sensitive to changes in the key inputs.
How the scope of our audit responded to the key audit matter	In response to the key audit matter identified, we performed the following procedures: • obtained an understanding of the relevant controls relating to the goodwill impairment review process; • assessed the integrity of management's impairment model through testing of the mechanical accuracy and evaluating the application of the input assumptions; • evaluated the revenue and EBIT growth assumptions, held meetings with finance and commercial management and visited a key facility within the ETS business (Ogden) to understand and assess the growth assumptions within the impairment model; • considered external evidence, such as forecast IP(Industrial Production) and GDP growth, market reports and order intake, to assess accuracy and reasonableness of management's forecasts; • compared the change in model assumptions from 2023 and understood the driver of any variances; • evaluated historical forecasting accuracy by comparing prior year plans to actual results achieved; • with the involvement of our internal valuations specialist, we assessed the appropriateness of the discount rate used utilising their knowledge and expertise; • performed a sensitivity analysis on the assumptions used within the model to determine the appropriate disclosure; • completed a stand back review by evaluating the reasonableness of the assumptions in aggregate, by comparing the EBIT multiple of the ETS group to the EBIT multiple of the Group, and the relative Group enterprise value to the value in use; and • assessed the appropriateness of the related disclosures.
Key observations	From the work performed above we are satisfied that the value in use used in the goodwill impairment review for the ETS group CGU supports the carrying value and therefore we are satisfied with the goodwill valuation of the ETS group CGU. This was on the basis that the key assumptions, applied, when taken in aggregate, are within our acceptable range. We consider the related disclosures to be appropriate.

Report on the audit of the Financial Statements continued

5. Key audit matters continued

5.2. Defined benefit pension liability valuation for UK schemes

Key audit matter description	At 31 December 2024 the gross UK retirement benefit liability recognised in the Consolidated Statement of Financial Position was £280.9m (2023: £313.6m). There is a risk of material misstatement relating to the judgements made by management in valuing the defined benefit pension liabilities including the use of key model input assumptions, specifically the discount rates, mortality assumptions and inflation rates over the three main UK schemes. These variables can have a material impact in assessing the quantum of the retirement benefit liability. Management involved third-party actuaries to complete valuations of the pension liabilities. Refer to Note 1 for the Group's policy on defined benefit plans and post-retirement benefit key sources of estimation uncertainty, Note 22 for the financial disclosure including the key estimates and assumptions used in the defined benefit pension plan valuations and the significant issues section of the Audit Committee Report on page 124.
How the scope of our audit responded to the key audit matter	We have obtained an understanding of the relevant controls relating to the pensions cycle. With the involvement of our internal actuarial specialists, we assessed the key assumptions applied in determining the pension obligations for the three UK pension schemes, and determined whether the key assumptions are reasonable. For each of the three UK schemes, we challenged management's key assumptions by reference to illustrative benchmark rates, sensitising any difference between management's rates and the illustrative benchmark rates. Additionally, we benchmarked the key assumptions against other listed companies to check for any outliers in the data used. We also evaluated the competence of management expert, their capabilities and objectivity and assessed their reports considering compliance with IFRIC IAS 19 'The Limit on a Defined Benefit Asset' and have considered the appropriateness of the related disclosures.
Key observations	From the work performed, we are satisfied that the valuation of the defined benefit pension liability of the UK schemes is appropriate and the key assumptions applied in respect of the valuation of the three UK schemes' liabilities are reasonable.

5.3. Revenue recognition

Key audit matter description	The Group recognised revenue of £1,665.2m (2023: £1,682.6m) through the provision of goods and services accounted for under IFRS 15 Revenue from Contracts with Customers. Given the disaggregated nature of the Group, the range of products, customers and markets spanning across numerous countries and sectors, understanding the revenue recognition process and the control environment underpinned our central risk assessment and the basis for our planned audit procedures. Due to the large number of revenue transactions recognised across multiple businesses, this is an area which requires a significant allocation of resources and effort in the audit. Refer to Note 1 for the Group's revenue recognition policy.
How the scope of our audit responded to the key audit matter	Our audit response consisted of a combination of procedures varying depending on the nature of the component, including: • obtaining an understanding of the relevant controls relating to the revenue cycle; • collaborating with data and analytics specialists to build bespoke analytics for transactions recorded in the year for a number of in scope components. The analytics reconciled underlying transaction data with the revenue recognised by the Group, identifying outliers in the revenue population for further investigation; • testing the accuracy and completeness of the data utilised in the analytics, as well as the transactions recorded, through agreeing a sample to supporting documentation; • evaluating the product dispatch cycle and revenue recognition profile across the year-end period; • for the components not subject to bespoke analytics, evaluating a sample of items by assessing whether the performance obligation was met in line with the revenue recognition date in accordance with the terms of trade with customers; and • assessing the appropriateness of the related disclosures.
Key observations	From the procedures performed above, we consider that revenue has been appropriately recognised in the year.

Report on the audit of the Financial Statements continued

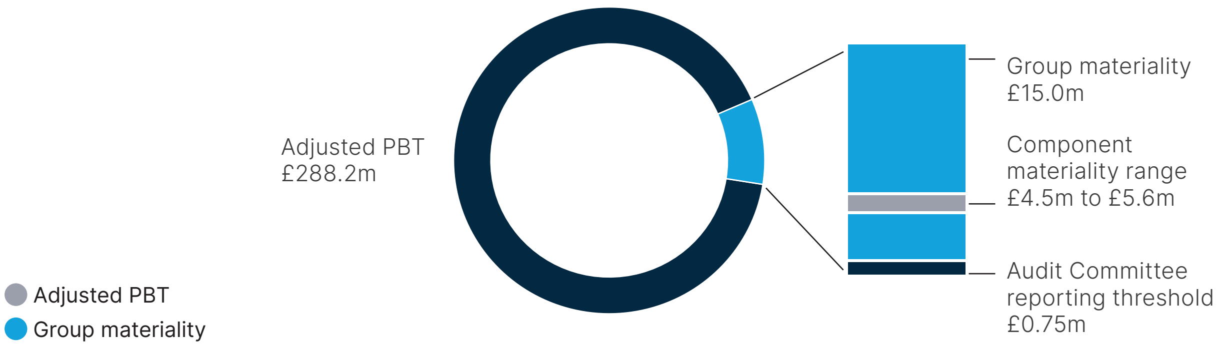
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	£15.0m (2023: £16.0m)	£5.6m (2023: £5.6m)
Basis for determining materiality	We determined materiality on the basis of 5% of forecast adjusted profit before tax (2023: 5% of forecast adjusted profit before tax), this represents 5.2% of final adjusted profit before tax.	Parent Company materiality is set at 3% of net assets (2023: 3% of net assets), which is capped at 50% of the Group performance materiality. This is consistent with prior year.
Rationale for the benchmark applied	We have used adjusted profit before tax for determining materiality. This is considered to be a key benchmark as this metric is important to the users of the Financial Statements (investors and analysts being the key users for a listed entity) because it portrays the performance of the business and hence its ability to pay a return on investment to the investors.	We have considered net assets as the appropriate measure given the Parent Company is primarily a holding Company for the Group.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial Statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered our risk assessment, including our assessment of the Group's overall control environment and the level of corrected and low level of uncorrected misstatements identified in previous audits. We have also considered changes in key management personnel of the Group.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £750,000 (2023: £800,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

Report on the audit of the Financial Statements continued

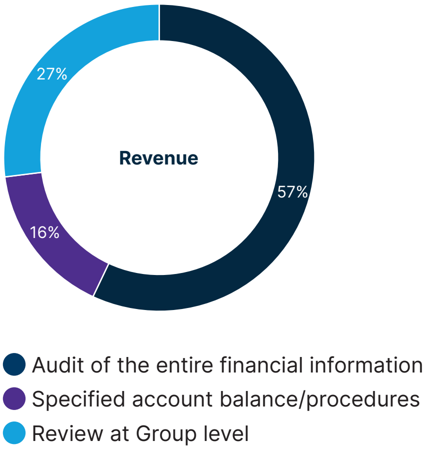
7. An overview of the scope of our audit

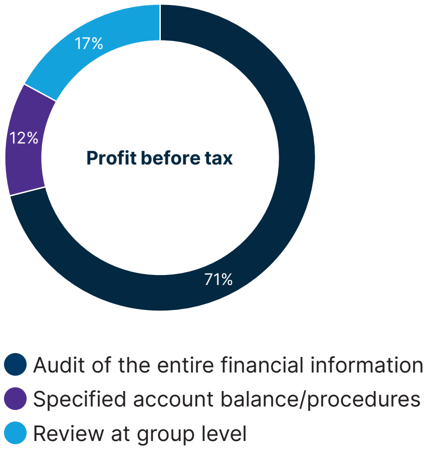
7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work at 42 components (2023: 40 components). 24 (2023: 24) of these were subject to an audit of the entire financial information, 17 components (2023: 16 components) were subject to specified account balance procedures where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those components. In addition, 1 entity (2023: none) was subjected to specified audit procedures. These components represent the principal business units and account for 73% (2023: 72%) of the Group's revenue and 83% (2023: 81%) of profit before tax. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. In addition, the Group team performed audit procedures to obtain additional coverage over certain account balances including cash, intangible assets and provisions.

The Parent Company is located in the UK and is audited directly by the Group audit team. Our work on the components, including the Parent Company, was executed at levels of performance materiality applicable to each individual component, which were lower than Group materiality and ranged from £4.5m to £5.6m (2023: £4.5m to £5.6m).

At the Parent Company level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audits of the entire financial information, specified account balances or specified procedures.





7.2. Our consideration of the control environment

The Group operates a range of IT systems which underpin the financial reporting processes. This can vary by geography and/or reporting entity. For certain components subject to audits of the entire financial information, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, with the involvement of our IT specialists we obtained an understanding of relevant IT controls and tested the general IT controls for some operating entities.

Consistent with the prior year, in the current year we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our historical knowledge of the: disaggregated nature of the control environment, which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment specifically around retention of evidence of a control's operation sufficient for testing purposes; and our understanding of the Group's business transformation programme to upgrade legacy systems, including gaps in associated user access and change management controls. This understanding was reconfirmed in the current year and was factored into our planned audit approach and risk assessment.

The Group-wide G3 programme seeks to enhance the internal control framework and has both IT and business control aspects that span multi-years. Therefore, in addition to the audit work on IT controls described above, additional audit work on controls was limited to obtaining an understanding of the relevant controls in key financial reporting process cycles to inform our risk assessment.

The Group continues to invest time in responding to and addressing our observations on IT and entity level controls. Management determines their response to these observations and continues to monitor their resolution with reporting to and oversight from the Audit Committee as explained in the Audit Committee Report on pages 122 and 123, which includes consideration of developments in control in the context of the FRC guidance and changes to the Corporate Governance Code. As management develops and completes the business transformation project, we expect our audit approach to evolve in future years alongside these developments in the internal control environment.

Report on the audit of the Financial Statements continued

7. An overview of the scope of our audit continued

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its Financial Statements.

The Group has assessed the risk and opportunities relevant to climate change which has been included as an emerging risk across the Group. This risk has also been considered and embedded into the businesses as explained in the Strategic Report on page 82.

In combination with internal sustainability specialists, we have obtained management's risk register and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's Financial Statements. Whilst management has acknowledged that the transition and physical risks posed by climate change have the potential to impact the medium to long term success of the business, they have assessed that there is no material impact arising from climate change on the judgements and estimates determining the valuations within the Financial Statements as at 31 December 2024 as explained in Note 1.

We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transaction, and did not identify any additional risks of material misstatement. We have also evaluated the appropriateness of disclosures included in the Financial Statements and read climate-related disclosures included in the Strategic Report to consider whether they are materially consistent with the disclosures made in Financial Statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The Group audit was conducted exclusively by a global network of Deloitte member firms under the direction and supervision of the UK Group audit team. Detailed instructions were sent to each component audit team to set out the scope, timing and extent of the audit. Dedicated members of the Group audit team were assigned to each component to facilitate an effective and consistent approach to component oversight. We reviewed the work performed by component teams and discussed the results with them, including holding planning meetings. We maintained regular communication between the Group and component teams and remote access to relevant documents was provided. Based on our understanding of each component, for certain components we conducted in-person site visits and additionally, we increased our interaction with certain component audit teams based on our professional judgement.

8. Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Report on the audit of the Financial Statements continued

10. Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that is approved annually by the Board, most recently on 6 March 2025;
- results of our enquiries of management, internal audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions, sustainability and IT specialists regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' Statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' Statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 35;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 35;
- the Directors' Statement on fair, balanced and understandable set out on page 123;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 119;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 123; and
- the section describing the work of the Audit Committee set out on page 121.

Report on other legal and regulatory requirements continued

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Directors and subsequently at the Annual General Meeting on 11 May 2014 to audit the Financial Statements for the year ending 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 11 years, covering the years ending 31 December 2014 to 31 December 2024.

15.2. Consistency of the Audit Report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these Financial Statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This Auditor's Report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Dean Cook, MA FCA
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
10 March 2025

Consolidated Statement of Financial Position

at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Property, plant and equipment	12	**433.1**	415.1
Right-of-use assets	13	**95.6**	98.4
Goodwill	14	**669.7**	680.5
Other intangible assets	14	**420.4**	448.8
Prepayments		**1.8**	1.9
Investment in Associate	11	**3.3**	3.0
Taxation recoverable	8	**—**	4.9
Deferred tax assets	15	**34.2**	31.0
		1,658.1	1,683.6
Current assets			
Inventories	16	**253.2**	285.2
Trade receivables	26	**313.8**	299.8
Other current assets	17	**75.1**	71.4
Taxation recoverable		**10.6**	8.7
Cash and cash equivalents	23	**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	18	**263.0**	251.2
Provisions	19	**5.4**	9.5
Bank overdrafts	23	**100.3**	146.9
Current portion of long-term borrowings	23	**123.9**	3.6
Short-term lease liabilities	23	**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	23	**706.2**	875.9
Long-term lease liabilities	23	**77.9**	82.2
Deferred tax liabilities	15	**63.6**	68.2
Post-retirement benefits	22	**42.5**	51.4
Provisions	19	**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	20	**19.8**	19.8
Share premium account		**92.0**	90.1
Translation reserve	20	**(86.1)**	(60.4)
Other reserves	20	**(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

These Financial Statements of Spirax Group plc, company number 00596337, were approved by the Board of Directors and authorised for issue on 10 March 2025 and signed on its behalf by:

N.B. Patel
Director

L. S. Burdett
Director

Financial Statements

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	3	**(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, 5	**(43.7)**	(39.9)
Share of loss of Associate	11	**(2.0)**	—
Profit before taxation	6	**258.9**	244.5
Taxation	8	**(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	9		
Basic earnings per share		**259.6p**	249.5p
Diluted earnings per share		**258.9p**	248.9p
Dividends	10		
Dividends per share		**165.0p**	160.0p
Dividends paid during the year (per share)		**161.5p**	155.5p

The Notes on pages 168 to 204 form an integral part of the Financial Statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Notes	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	22	**3.6**	(3.8)
Deferred tax on remeasurement gain/(loss) on post-retirement benefits	15, 22	**(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	20	**(25.7)**	(77.9)
(Loss)/gain on cash flow hedges net of tax	20, 26	**(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

	Notes	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	20	**—**	**—**	**(25.7)**	**—**	**—**	**(25.7)**	**—**	**(25.7)**
Remeasurement gain on post-retirement benefits	22	**—**	**—**	**—**	**—**	**3.6**	**3.6**	**—**	**3.6**
Deferred tax on remeasurement gain on post-retirement benefits	15, 22	**—**	**—**	**—**	**—**	**(1.1)**	**(1.1)**	**—**	**(1.1)**
Loss on cash flow hedges net of tax	20, 26	**—**	**—**	**—**	**(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	10	**—**	**—**	**—**	**—**	**(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	20	**—**	**1.9**	**—**	**—**	**—**	**1.9**	**—**	**1.9**
Employee Benefit Trust shares	20	**—**	**—**	**—**	**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 (see Note 20). 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

	Notes	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 (expense)/ income:									
Foreign exchange translation and net investment hedges loss	20	—	—	(77.9)	—	—	(77.9)	—	(77.9)
Remeasurement loss on post-retirement benefits	22	—	—	—	—	(3.8)	(3.8)	—	(3.8)
Deferred tax on remeasurement loss on post-retirement benefits	15, 22	—	—	—	—	1.1	1.1	—	1.1
Gain on cash flow hedges net of tax	20, 26	—	—	—	5.0	—	5.0	—	5.0
Total other comprehensive (expense)/income for the year		—	—	(77.9)	5.0	(2.7)	(75.6)	—	(75.6)
Total comprehensive (expense)/ income 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	10	—	—	—	—	(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	20	—	2.0	—	—	—	2.0	—	2.0
Employee Benefit Trust shares	20	—	—	—	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	2,3	**103.7**	112.7
(Profit)/loss on disposal of property, plant and equipment	6	**(3.8)**	0.1
Share of loss of Associate	11	**2.0**	—
Additional contributions to pension schemes	22	**(6.4)**	(5.7)
Profit on disposal of Associate	11	**(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	22	**3.1**	6.1
Net financing expense	5	**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	12	**(74.3)**	(84.0)
Proceeds from sale of non-current assets		**9.2**	3.1
Purchase of software and other intangibles	14	**(14.6)**	(14.2)
Development expenditure capitalised	14	**(3.9)**	(7.2)
Disposal of Associate	11	**5.6**	0.5
Acquisition of businesses net of cash acquired		**(4.5)**	(5.2)
Acquisition of businesses reimbursed consideration		**4.2**	—
Interest received	5	**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	20	**1.9**	2.0
Employee Benefit Trust share purchase		**—**	(12.8)
Repaid borrowings	23	**(103.0)**	(221.1)
New borrowings	23	**76.8**	192.8
Interest paid and interest on lease liabilities	5	**(54.8)**	(49.1)
Repayment of lease liabilities	23	**(16.6)**	(16.1)
Dividends paid (including minorities)		**(119.3)**	(114.9)
Net cash used in financing activities		**(215.0)**	(219.2)
Net change in cash and cash equivalents	23	**32.5**	(16.3)
Net cash and cash equivalents at beginning of the year	23	**212.8**	243.8
Exchange movement	23	**(11.4)**	(14.7)
Net cash and cash equivalents at end of the year	23	**233.9**	212.8
Borrowings	23	**(830.1)**	(879.5)
Net debt at end of the year	23	**(596.2)**	(666.7)
Lease liabilities	23	**(95.1)**	(96.7)
Net debt including lease liabilities at end of the year	23	**(691.3)**	(763.4)

1 Accounting policies

Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis except for items that are required by International Financial Reporting Standards (IFRS) to be measured at fair value, principally certain financial instruments. The Consolidated Financial Statements have been prepared in accordance with IFRS which includes the standards and interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the United Kingdom (UK).

The preparation of Financial Statements in conformity with IFRS requires the Directors to apply IAS 1 and make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The Directors have concluded that no critical judgements, apart from those involving estimations (which are dealt with separately below) have been made in the process of applying the Group's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined below.

(i) Post-retirement benefits

The Group's defined benefit obligation is assessed by selecting key assumptions. The selection of mortality rates, discount rates and inflation are key sources of estimation uncertainty which could lead to material adjustment in the defined benefit obligation within the next financial year. These assumptions are set with close reference to market conditions.

The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, the quality of the bonds and the identification of outliers which are excluded.

The assumptions selected and associated sensitivity analysis are disclosed in Note 22.

Climate change

Climate change is a global challenge and an emerging risk to businesses, people and the environment across the world. We have a role to play in limiting global warming by improving our energy management, reducing our carbon emissions and helping our customers do the same. Growing awareness of climate change and customer sustainability targets will provide impetus for business growth as we provide products, services and solutions that increase efficiency and reduce customers' energy use and carbon emissions.

In preparing the Consolidated Financial Statements, the Directors have considered the impact of climate change, particularly in the context of risk identified in the TCFD disclosures on pages 88 to 96. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors have considered the impact of climate change in respect of the following areas:

- Assessment of impairment of goodwill, other intangibles and tangible assets
- Going Concern and Viability Statements
- Impact on useful economic lives of assets
- Preparation of budgets and cash flow forecasts

Given no material risks have been identified as per the assessment outlined in the TCFD report, no climate change related impact was identified. The Directors are, however, aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in the preparation of the Group's Financial Statements.

The Group has considerable financial resources together with a diverse range of products and customers across wide geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

Further information on the Group's business activities, performance and position, together with the financial position of the Group, its capital structure and cash flow are included in the Strategic Report from the inside front cover to page 96. In addition, Note 26 to the Financial Statements discloses details of the Group's financial risk management and credit facilities.

The Consolidated Financial Statements are presented in pounds sterling, which is the Group's functional currency, rounded to the nearest one hundred thousand.

1 Accounting policies continued

Basis of preparation continued

New standards and interpretations applied 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.

Basis of accounting

(i) Subsidiaries

The Group Consolidated Financial Statements include the results of the Company and all its subsidiary undertakings. Subsidiaries are entities controlled by the Group. Control is achieved when the Group has power over an entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to use its power to affect those returns. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities for which the Group has significant influence, but not control, over the financial and operating policies. The Financial Statements include the Group's share of the total recognised income and expense of Associates on an equity accounted basis, from the date that significant influence commenced until the date that significant influence ceases.

(iii) Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the Group Consolidated Financial Statements. Unrealised gains arising from transactions with Associates are eliminated to the extent of the Group's interest in the entity.

Foreign currency

(i) On consolidation

The assets and liabilities of foreign operations are translated into sterling at exchange rates ruling at the date of the Consolidated Statement of Financial Position (closing rate). The revenues, expenses and cash flows of foreign operations are translated into sterling at average rates of exchange ruling during the year. Where the Notes to the Group Consolidated Financial Statements include tables reconciling movements between opening and closing balances, opening and closing assets and liabilities are translated at closing rates and revenue, expenses and all other movements are translated at average rates, with the exchange differences arising being disclosed separately.

Exchange differences arising from the translation of the assets and liabilities of foreign operations are taken to a separate translation reserve within equity. They are recycled and recognised in the Consolidated Income Statement upon disposal of the operation. Any differences that have arisen before 1 January 2004, the date of transition to IFRS, are not presented as a separate component of equity.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective currencies of the Group entities at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities at the date of the Statement of Financial Position denominated in a currency other than the functional currency of the entity are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates fair value was determined.

1 Accounting policies continued

Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and presented in the cash flow hedges reserve. The associated gain or loss is removed from equity and recognised in the Consolidated Income Statement in the period in which the transaction to which it relates occurs.

Net investment hedge accounting
The Group uses foreign currency denominated borrowings as a hedge against translation exposure on the Group's net investment in overseas companies. Where the hedge is fully effective at hedging, the variability in the net assets of such companies caused by changes in exchange rates and the changes in value of the borrowings are recognised in the Consolidated Statement of Comprehensive Income and accumulated in the net investment hedge reserve. The ineffective part of any changes in value caused by changes in exchange rates is recognised in the Consolidated Income Statement.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at the fair value of consideration received, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest basis.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis. The effective interest method is a method of calculating the amortised cost of the financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group has not participated in any supplier financing arrangements during the current or prior year.

Property, plant and equipment
Items of property, plant and equipment are stated at cost or deemed cost, less accumulated depreciation. Depreciation is charged to the Consolidated Income Statement on a straight-line basis at rates which write down the value of assets to their residual values over their estimated useful lives. Land is not depreciated.

The annual principal rates are as follows:

Freehold buildings	1.5–4.0%
Leasehold buildings	Over life of lease
Plant and machinery	6.66–12.5%
Office furniture and fittings	10%
Office equipment	12.5–33.3%
Motor vehicles	20%
Tooling and patterns	10%

The depreciation rates are reassessed annually.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. Identified assets acquired and liabilities assumed are measured at their respective acquisition date fair values. The excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired is recorded as goodwill. Acquisition-related costs are expensed as incurred. The operating results of the acquired business are reflected in the Group's Consolidated Financial Statements after the date of acquisition.

The cost of the acquisition is measured as the cash paid and also includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date.

1 Accounting policies continued

Intangible assets

(i) Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment (see Note 14 for more detail). Annual impairment tests are performed on goodwill by comparing the carrying value with the recoverable amount, being the higher of the fair value less cost to sell and value in use, discounted at an appropriate discount rate, of future cash flows in respect of goodwill for the relevant cash-generating unit.

(ii) Research and development

Expenditure on R&D is charged to the Consolidated Income Statement in the period in which it is incurred except when development expenditure is capitalised where the development costs meet certain distinct criteria for capitalisation. These criteria include demonstration of the technical feasibility, intent of completing a new intangible asset that is separable, the ability to measure reliably the expenditure attributable to the intangible asset during its development phase and that the asset will generate probable future economic benefits. The expenditure capitalised includes staff costs and related expenses. Capitalised development expenditure is stated at cost less accumulated amortisation and any impairment losses.

(iii) Other intangible assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and any impairment losses.

Where computer software is cloud based and the Group does not have control of the software, the configuration and customisation costs are expensed over either:

- The period the services are received, where costs are distinct from the underlying software
- The period of the SaaS arrangement, where costs are not distinct from the underlying software

(iv) Amortisation

Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use. The annual principal amortisation rates are as follows:

Capitalised development costs	20%
ERP systems and software	10–33%
Brand names and trademarks	5–33%
Manufacturing designs and core technology	6–50%
Non-compete undertakings and other	20–100%
Customer relationships	6–33%

The Group has reviewed the amortisation rates and has determined a change for ERP systems and software from 12-33% to 10-33%. This is to reflect the extended usage of the ERP systems around the Group. This impact on current and future periods is not material.

Inventories

Inventories are measured at the lower of cost and net realisable value. Inventory cost is calculated on both first in, first out and weighted average methodologies depending on which is deemed most appropriate. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Trade receivables and other receivables

Trade receivables are carried at original invoice amount (which is considered a reasonable proxy for fair value) and are subsequently held at amortised cost less a loss allowance. Other receivables are initially measured at fair value. The loss allowance of trade receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, adjusted for factors specific to the receivable and operating company. The movement in the provision is recognised in the Consolidated Income Statement.

Trade and other payables

Trade and other payables are recognised at fair value and subsequently held at amortised cost.

Provisions and contingent liabilities

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources, which can be reliably measured, will be required to settle the obligation. If the obligation is expected to be settled within 12 months of the reporting date, the provision is included within current liabilities and if expected to be settled after 12 months, it is included in non-current liabilities.

In respect of product warranties, a provision is recognised when the underlying products or services are sold. Obligations arising from restructuring plans are recognised when detailed formal plans have been established and there is a valid expectation that such a plan will be carried out. Provisions are recognised at an amount equal to the best estimate of the expenditure required to settle the Group's liability. If the likelihood of having to settle the obligation is less than probable but more than remote, or the amount of the obligation cannot be measured reliably, then a contingent liability is disclosed.

1 Accounting policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less and are held at amortised cost. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Going concern

When managing liquidity, the Group's principal objective is to safeguard the 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 $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 cash flow modelling does not consider 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.

Having assessed the relevant business risks (as outlined in our Principal Risks on pages 83 to 87); the potential impact of any climate change related risks (as outlined within the Task Force on Climate-related Financial Disclosures section on pages 88 to 96); and the liquidity and covenant headroom available under several alternative scenarios (as set out in the viability assessment on pages 35 to 37), the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

Alternative performance measures

The Group reports under International Financial Reporting Standards (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. A definition of the alternative performance measures included in the Annual Report and a reconciliation to the closest IFRS equivalent are disclosed in the Appendix. Adjusted performance measures are not considered to be a substitute for, or superior to, IFRS measures.

Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Income Statement as incurred.

(ii) Defined benefit plans

The costs of providing pensions under defined benefit schemes are calculated in accordance with the advice of qualified actuaries and spread over the period during which benefit is expected to be derived from the employees' services. The Group's net obligation or surplus in respect of defined benefit pensions is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. Past service costs are recognised straight away.

That benefit is discounted at rates reflecting the yields on AA credit rated corporate bonds that have maturity dates approximating the terms of the Group's obligations to determine its present value. Pension scheme assets are measured at fair value at the Statement of Financial Position date. Actuarial gains and losses, differences between the expected and actual returns and the effect of changes in actuarial assumptions are recognised in the Statement of Comprehensive Income in the year they arise. Any scheme surplus (to the extent it is considered recoverable under the provisions of IFRIC 14) or deficit is recognised in full in the Statement of Financial Position.

The costs of other post-employment liabilities are calculated in a similar way to defined benefit pension schemes and are spread over the relevant period, in accordance with the advice of qualified actuaries.

(iii) Employee share plans

Incentives in the form of shares are provided to employees under share award schemes. The fair value of these awards at their date of grant is charged to the Consolidated Income Statement over the relevant vesting periods with a corresponding increase in equity. The value of the charge is adjusted to reflect share awards vesting.

(iv) Long-term share incentive plans

The fair value of awards is measured at the date of grant and the cost spread over the vesting period. The amount recognised as an expense is not adjusted to reflect market-based performance conditions, but is adjusted for non-market-based performance conditions. Awards can vest in the form of shares, a nil-cost option or, exceptionally, cash.

1 Accounting policies continued

Revenue

The Group applies the following five-step framework when recognising revenue:

Step 1: Identify the contracts with customers.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The criteria the Group uses to identify the performance obligations within a contract are:

- The customer must be able to benefit from the goods or services either on its own or in combination with other resources available to the customer and
- The entity's promise to transfer the good or service to the customer is separable from other promises in the contract

The transaction price is the value that the Group expects to be entitled to from the customer and includes discounts, rebates, credits, price concessions, incentives, performance bonuses, penalties and liquidated damages, but is not reduced for bad debts. It is net of any value-added tax (VAT) and other sales-related taxes. Variable consideration that is dependent on certain events is estimated and then constrained to the extent that it is highly probable.

Revenue is recognised over time as the product is being manufactured or a service is being provided if any of the following criteria are met:

- The Group is creating a bespoke item which does not have an alternative use to the Group (i.e. we would incur a significant loss to rework and/or sell to another customer) and the entity has a right to payment for work completed to date including a reasonable profit
- The customer controls the asset that is being created or enhanced during the manufacturing process, i.e. the customer has the right to significantly modify and dictate how the product is built during construction
- As customers receive services provided by the Group, they simultaneously consume the benefit of such services

Judgement is made when determining if a product is bespoke and the value of revenue to recognise over time as products are being manufactured. However, due to the low value of orders for bespoke items in progress at the 31 December 2024 where we have a right to payment of costs plus a reasonable profit, this is not considered a critical judgement.

The value of revenue to be recognised over time for goods being manufactured is calculated using a cost-based input approach. This is considered a faithful depiction of the transfer of the goods as the costs incurred, total costs expected to be incurred and order value are known. Each month progress on manufacturing contracts is reviewed and a contract asset or liability recognised for any work performed to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If an interim payment exceeds the revenue recognised to date under the cost-based input method then the Group recognises a contract liability for the difference.

The value of revenue to be recognised over time for services being provided is calculated based on the stage of completion. This is assessed by reference to the contractual performance obligations with each separate customer and the costs incurred on the contract to date in comparison to the total forecast costs of the contract. Payment for such services is not due from the customer until they are complete and therefore a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date.

If the criteria to recognise revenue over time are not met then revenue is recognised at a point in time when the customer obtains control of the asset and the performance obligation is satisfied. The customer obtains control of the asset when the customer can direct the use of the asset and obtain the benefits from the asset.

Factors the Group considers when determining the point in time when control of the asset has passed to the customer and revenue recognised include:

- The Group has a right to payment
- Legal title is transferred to the customer
- Physical possession of the asset has been transferred to the customer
- The customer has the significant risks and rewards of ownership
- The customer has accepted the asset

Control normally passes and revenue is recognised when the goods are either dispatched or delivered to the customer (in accordance with the terms and conditions of the sale) or the installation and testing are completed. Until this point, no revenue is recognised on point in time sales. Due to this, a contract liability may be recognised at the time of the initial sales transaction if a payment in advance, or deposit is received.

A large proportion of the Group's revenue qualifies for recognition on dispatch or delivery of the goods to the customer as this is when the performance obligation is satisfied. This is normally the trigger point for raising an invoice per the terms and conditions of the order. Therefore invoicing for a large proportion of the Group's revenue occurs at the same time as when the performance obligation is satisfied. Contract assets at 31 December 2024 were £23.2m (1.4% of total revenue) (2023: £17.0m (1.0% of total revenue)).

All revenue recognised by the Group is generated through contracts with customers.

1 Accounting policies continued

Revenue continued

When the unavoidable costs of fulfilling the contract exceed the revenue to be recognised the contract is loss making and the expected loss is recognised in the Consolidated Income Statement immediately.

Warranties that give assurance that a product meets agreed-upon specifications are accounted for as a cost provision and do not impact the timing and value of revenue. The Group does not have any material warranties that promise more than just providing assurance that a product meets agreed-upon specifications.

Costs of obtaining a contract, which are only incurred because the contract was obtained, are capitalised and expensed at a later date. At 31 December 2024 no costs of obtaining a contract were capitalised. All other assets recognised to fulfil a contract are within the scope of other accounting standards and policies.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (assets with a value of less than £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

For new leases entered into, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate for the related geographical location unless the rate implicit in the lease is readily determinable. The incremental borrowing rate is calculated at the rate of interest at which the company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the Company under residual value guarantees
- The exercise price of purchase options, if the Company is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option
- The lease payments change due to changes in an index or rate or a change in expected payment under a residual guarantee value

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Judgement is required when determining whether to include or exclude optional extension periods within the lease term and estimation is required when calculating the incremental borrowing rate used to discount the future lease cash flows. These are not considered critical judgements or a key source of estimation uncertainty.

Taxation

The tax charge comprises current and deferred tax. Income tax expense is recognised in the Consolidated Income Statement unless it relates to items recognised directly in equity or in other comprehensive income, when it is also recognised in equity or other comprehensive income respectively. Current tax is the expected tax payable on the profit for the year and any adjustments in respect of previous years using tax rates enacted or substantively enacted at the reporting date. Tax positions are reviewed to assess whether a provision should be made on prevailing circumstances. Tax provisions are included within current taxation payable. Deferred tax is provided on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted at the date of the Statement of Financial Position or the date that the temporary differences are expected to reverse. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Share capital and repurchased shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares or placed in an Employee Benefit Trust and are presented as a deduction from total equity.

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 year.

Analysis by operating segment

2024

	Revenue £m	Total operating profit £m	Operating 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 financing expense		**(43.7)**	
Share of loss of Associate		**(2.0)**	
Profit before tax		**258.9**	

2023

	Revenue £m	Total operating profit £m	Operating 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 financing expense		(39.9)	
Share of (loss)/profit of Associate		—	
Profit before tax		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 £455.5m (2023: £454.2m), in China is £160.8m (2023: £177.8m), in Germany is £147.8m (2023: £153.2m), in France is £130.7m (2023: £131.3m), in the UK is £116.7m (2023: £110.0m) and in the rest of the world is £653.7m (2023: £656.1m).

2 Segmental reporting continued

Net financing income and expense

	2024 Income £m	2024 Expense £m	2024 Net £m	2023 Income £m	2023 Expense £m	2023 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 Assets £m	2024 Liabilities £m	2023 Assets £m	2023 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 £684.1m (2023: £689.1m), in France were £353.2m (2023: £388.7m), in the UK were £276.3m (2023: £251.1m), in Germany were £151.2m (2023: £161.0m) and in the rest of the world were £193.3m (2023: £193.7m).

Capital additions, depreciation, amortisation and impairment

	2024 Capital additions £m	2024 Depreciation, amortisation and impairment £m	2023 Capital additions £m	2023 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	—
Group total	**109.6**	**103.7**	161.1	112.7

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

3 Operating costs

	2024 £m	2023 £m
Cost of inventories recognised as an expense	**396.5**	402.5
Staff costs (Note 4)	**640.5**	630.4
Depreciation, amortisation and impairment	**103.7**	112.7
Other operating charges	**219.9**	252.6
Total operating costs	**1,360.6**	1,398.2

Total staff costs includes a credit of £2.7m (2023: £3.8m) relating to amounts capitalised during the year. Excluding this credit, total staff costs were £643.2m (2023: £634.2m).

4 Staff costs and numbers

The aggregate payroll costs of persons employed by the Group were as follows:

	2024 £m	2023 £m
Wages and salaries	**528.4**	523.1
Social security costs	**85.1**	82.0
Pension costs	**29.7**	29.1
Total payroll costs	**643.2**	634.2

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2024	2023
United Kingdom	**2,411**	2,608
Rest of the world	**7,499**	7,514
Group average	**9,910**	10,122

5 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)

Financial Statements

6 Profit before taxation

Profit before taxation is shown after charging:

	2024 £m	2023 £m
Depreciation of property, plant and equipment	**(38.9)**	(35.5)
Depreciation of right-of-use assets	**(17.6)**	(16.2)
Amortisation of acquired intangibles	**(34.1)**	(37.2)
Amortisation of other intangibles	**(7.4)**	(8.1)
Non-current asset impairment	**(5.7)**	(15.7)
Leases exempt from IFRS 16 (short term, low value or variable lease payments)	**(2.9)**	(3.1)
Exchange difference gains	**1.1**	1.8
Profit/(loss) on disposal of non-current assets	**3.8**	(0.1)
Research and development	**(11.3)**	(16.8)

Auditor's remuneration	2024 £m	2023 £m
Audit of these Financial Statements	**0.7**	0.7
Amounts receivable by the Company's Auditor and its Associates in respect of:		
Audit of Financial Statements of subsidiaries of the Company	**2.2**	1.9
Total audit fees	**2.9**	2.6
Audit-related assurance services	**0.4**	0.2
Total non-audit fees	**0.4**	0.2
Total Auditor's remuneration	**3.3**	2.8

7 Directors' emoluments

Directors represent the key management personnel of the Group under the terms of IAS 24 Related Party Disclosures. Total remuneration is shown below.

Further details of salaries and short-term benefits, post-retirement benefits, share plans and long-term share incentive plans are shown in the Annual Report on Remuneration 2024 on pages 135 to 144. The share-based payments charge comprises a charge in relation to the Performance Share Plan and the Employee Share Ownership Plan (as described in Note 22).

	2024 £m	2023 £m
Salaries and short-term benefits	**2.6**	2.4
Post-retirement benefits	**0.1**	0.1
Share-based payments	**0.1**	0.3
Total Directors' remuneration	**2.8**	2.8

8 Taxation

	2024 £m	2023 £m
Analysis of charge in the year		
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
UK deferred tax:		
Origination and reversal of timing differences	**(3.3)**	(11.4)
Adjustment in respect of prior years	**(0.3)**	0.7
	(3.6)	(10.7)
Foreign deferred tax:		
Origination and reversal of timing differences	**(3.2)**	(8.6)
Adjustment in respect of prior years	**(0.5)**	(4.1)
	(3.7)	(12.7)
Total deferred tax credit	**(7.3)**	(23.4)
Tax on profit on ordinary activities	**67.5**	60.5

Reconciliation of effective tax rate

	2024 £m	2023 £m
Profit before tax	**258.9**	244.5
Expected tax at blended rate of 26.7% (2023: 26.6%)	**69.2**	65.0
Increased withholding tax on overseas dividends	**6.8**	7.6
Non-deductible expenditure and incentives	**(2.2)**	0.8
Over provided in prior years	**(1.8)**	(4.2)
Other reconciling items	**(4.5)**	(8.7)
Total tax in Consolidated Income Statement	**67.5**	60.5
Effective tax rate	**26.1%**	24.7%

The Group's tax charge in future years will be affected by the proportion of profits arising and the effective tax rates in the various countries in which the Group operates. The rate may also be affected by the impact of any acquisitions.

The Group is subject to a tax adjustment in Argentina that seeks to offset the impact of inflation upon taxable profits. Current high levels of inflation in Argentina have a meaningful impact on the Group's tax charge. The adjustment gave a reduction in the Group's effective tax rate in the year of 110bps being £2.8m on a statutory basis (2023: 260bps being £6.4m), included within 'Other reconciling items' in the reconciliation above. Whilst we include the expected impact of this adjustment in our guidance for the effective tax rate, this is difficult to accurately forecast.

The Group has also benefitted from one-off investment tax incentives in the USA giving a reduction in the Group's effective tax rate in the year of 90bps being £2.3m on a statutory basis (2023: £nil), included within 'Non-deductible expenditure and incentives' in the reconciliation above.

The Group monitors income tax developments in the territories in which it operates.

On 14 July 2023, the government of the United Kingdom, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company is required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. This increased the Group's effective tax rate in the year by 50bps being £1.3m on a statutory basis (2023: £nil). The benefit of the Argentinian inflation adjustment gives rise to most of the Pillar Two income tax.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

8 Taxation continued

Reconciliation of effective tax rate continued

In October 2017, the European Commission (EC) opened a State Aid investigation into the UK's Controlled Foreign Company (CFC) regime. In April 2019, the EC published its final decision that the UK CFC Finance Company Exemption (FCE) constituted State Aid in certain circumstances, following which the UK Government appealed the decision to the EU General Court. In June 2022, the EU General Court dismissed the UK Government's appeal following which the UK Government lodged a further appeal to the European Court of Justice. The UK Government's appeal has been successful with the European Court of Justice annulling the decision of the EC.

The Group received, paid and appealed Charging Notices totalling £4.9m, expects to recover this in 2025 and has recognised a current receivable for the full amount at the year-end balance sheet date. The Group has not recognised a receivable for any repayment interest, estimated at £0.3m, on the amount of £4.9m. HMRC has enquired into the benefit received during 2019, which the Group estimates to be £1.1m. No provisions have been recognised at the year-end balance sheet date for this amount.

No tax (after double tax relief for underlying tax) is expected to be payable on the future remittance of retained earnings of overseas subsidiaries.

The expected tax at blended rate is the product of accounting profit arising in each country multiplied by the statutory tax rates in each country.

9 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.

10 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.

11 Investment in Associate

On 6 August, the Group agreed to invest €4.0m in return for an initial 12.0% stake in Sustainable Process Heat GmbH (SPH), a technology start-up in Germany that is pioneering the development of high temperature heat pumps (HTHPs). As a result of the rights and powers attached to the Group's shareholding, the Group has concluded that it has significant influence and, as a result, will equity account for its share of SPH's results, as an investment in Associate. This investment in Associate is not considered individually material to the Group. The Group's share of profit/(loss) recognised during the year in relation to SPH is £nil.

During the year, the Group increased its ownership of Kyoto Group AS (Kyoto) from 15.0% to 18.9% and then subsequently disposed of its investment in Kyoto for 80.2m NOK (£5.6m) which resulted in a profit on disposal of £3.2m. In line with prior year, the Group reports the share of profit/(loss) for the year on a 6 month time lag, therefore 18 months of results have been recognised in the current year, this does not have a material impact on the Group's results. The Group's share of loss recognised during the year in relation to Kyoto is £2.0m.

Summarised financial information in respect of the Group's individually immaterial Associate is set out below.

	Associate 2024 £m	Associate 2023 £m
Cost of investment	**3.3**	3.0
Share of equity	**—**	—
Total investment in Associate	**3.3**	3.0

Details of the Group's Associate at 31 December 2024 are as follows:

Name of Associate	**Country of incorporation and operation**	**Proportion of ownership interest and voting power held**	**Principal activity**
Sustainable Process Heat GmbH	**Germany**	**12.0%**	**Manufacturing and selling**

Details of the Group's Associate at 31 December 2023 are as follows:

Name of Associate	Country of incorporation and operation	Proportion of ownership interest and voting power held	Principal activity
Kyoto Group AS	Norway	15.0%	Manufacturing and selling

12 Property, plant and equipment

2024

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost:						
At 1 January 2024	**197.6**	**50.2**	**253.9**	**125.3**	**50.8**	**677.8**
Exchange adjustments	**(4.9)**	**(0.5)**	**(6.5)**	**(3.2)**	**0.5**	**(14.6)**
	192.7	**49.7**	**247.4**	**122.1**	**51.3**	**663.2**
Additions	**13.7**	**2.4**	**27.4**	**14.2**	**16.6**	**74.3**
Transfers	**4.5**	**1.5**	**5.2**	**0.5**	**(8.7)**	**3.0**
Disposals	**(4.4)**	**(0.3)**	**(7.7)**	**(11.7)**	**(0.3)**	**(24.4)**
At 31 December 2024	**206.5**	**53.3**	**272.3**	**125.1**	**58.9**	**716.1**
Depreciation:						
At 1 January 2024	**39.8**	**12.8**	**140.7**	**69.4**	**—**	**262.7**
Exchange adjustments	**(1.4)**	**(0.3)**	**(3.4)**	**(2.0)**	**—**	**(7.1)**
	38.4	**12.5**	**137.3**	**67.4**	**—**	**255.6**
Charged in year	**6.6**	**2.0**	**18.6**	**11.7**	**—**	**38.9**
Impairment	**—**	**—**	**0.7**	**—**	**5.0**	**5.7**
Transfers	**0.8**	**0.1**	**2.3**	**(0.3)**	**—**	**2.9**
Disposals	**(1.3)**	**(0.4)**	**(7.1)**	**(11.3)**	**—**	**(20.1)**
At 31 December 2024	**44.5**	**14.2**	**151.8**	**67.5**	**5.0**	**283.0**
Net book value:						
At 31 December 2024	**162.0**	**39.1**	**120.5**	**57.6**	**53.9**	**433.1**

2023

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost:						
At 1 January 2023	165.1	53.6	244.4	121.5	58.2	642.8
Exchange adjustments	(4.4)	(3.3)	(6.6)	(4.5)	(2.0)	(20.8)
	160.7	50.3	237.8	117.0	56.2	622.0
Additions	3.4	1.3	27.9	10.6	40.8	84.0
Transfers	35.9	—	3.1	5.5	(45.8)	(1.3)
Disposals	(2.4)	(1.4)	(14.9)	(7.8)	(0.4)	(26.9)
At 31 December 2023	197.6	50.2	253.9	125.3	50.8	677.8
Depreciation:						
At 1 January 2023	38.5	12.9	139.2	67.7	—	258.3
Exchange adjustments	(1.1)	(0.8)	(3.7)	(2.2)	—	(7.8)
	37.4	12.1	135.5	65.5	—	250.5
Charged in year	4.8	2.1	17.2	11.4	—	35.5
Impairment	—	—	1.8	—	—	1.8
Transfers	—	—	(0.2)	0.3	—	0.1
Disposals	(2.4)	(1.4)	(13.6)	(7.8)	—	(25.2)
At 31 December 2023	39.8	12.8	140.7	69.4	—	262.7
Net book value:						
At 31 December 2023	157.8	37.4	113.2	55.9	50.8	415.1

All impaired assets have been impaired down to a recoverable amount of £nil. In 2024 a £5.7m impairment was recognised within Watson-Marlow Fluid Technology Solutions within Group operating profit; £5.0m within assets under construction and £0.7m within plant and machinery. In the prior year a £1.8m impairment was recognised as a result of the restructure of the Watson-Marlow Fluid Technology Solutions Business, also within Group operating profit.

The net amount transferred relates to property, plant and equipment transferred to other intangible assets (see Note 14).

13 Leases

Right-of-use assets

2024

	Leased land and buildings £m	Leased plant and machinery £m	Leased fixtures, fittings, tools and equipment £m	Total right-of-use assets £m
Cost:				
At 1 January 2024	**120.1**	**24.4**	**2.6**	**147.1**
Exchange adjustments	**(2.2)**	**(1.2)**	**(0.1)**	**(3.5)**
	117.9	**23.2**	**2.5**	**143.6**
Additions	**9.3**	**7.3**	**0.2**	**16.8**
Disposals	**(3.9)**	**(3.0)**	**(0.9)**	**(7.8)**
At 31 December 2024	**123.3**	**27.5**	**1.8**	**152.6**
Depreciation:				
At 1 January 2024	**32.9**	**14.1**	**1.7**	**48.7**
Exchange adjustments	**(1.2)**	**(0.7)**	**0.1**	**(1.8)**
	31.7	**13.4**	**1.8**	**46.9**
Charged in the year	**12.7**	**4.6**	**0.3**	**17.6**
Disposals	**(4.0)**	**(2.6)**	**(0.9)**	**(7.5)**
At 31 December 2024	**40.4**	**15.4**	**1.2**	**57.0**
Net book value:				
At 31 December 2024	**82.9**	**12.1**	**0.6**	**95.6**

The vast majority of the right-of-use asset value relates to leased property where the Group leases a number of office and warehouse sites in a number of geographical locations. The remaining leases are largely made up of leased motor vehicles, where the Group makes use of leasing cars for sales and service engineers at a number of operating company locations. The average lease term is 4.3 years (2023: 4.3 years).

13 Leases continued

Right-of-use assets continued

2023

	Leased land and buildings £m	Leased plant and machinery £m	Leased fixtures, fittings, tools and equipment £m	Total right-of-use assets £m
Cost:				
At 1 January 2023	86.2	21.6	3.1	110.9
Exchange adjustments	(3.1)	(0.6)	(0.2)	(3.9)
	83.1	21.0	2.9	107.0
Additions	44.4	7.4	0.3	52.1
Disposals	(7.4)	(4.0)	(0.6)	(12.0)
At 31 December 2023	120.1	24.4	2.6	147.1
Depreciation:				
At 1 January 2023	28.2	13.3	2.2	43.7
Exchange adjustments	(0.9)	(0.4)	(0.1)	(1.4)
	27.3	12.9	2.1	42.3
Charged in the year	11.5	4.5	0.2	16.2
Disposals	(5.9)	(3.3)	(0.6)	(9.8)
At 31 December 2023	32.9	14.1	1.7	48.7
Net book value:				
At 31 December 2023	87.2	10.3	0.9	98.4

The maturity analysis of lease liabilities is presented in Note 26.

Amounts recognised in Consolidated Income Statement

	2024 £m	2023 £m
Depreciation expense on right-of-use assets	**17.6**	16.2
Interest expense on lease liabilities	**3.1**	2.2
Expense relating to short-term leases	**2.1**	1.9
Expense relating to leases of low value assets	**0.6**	0.9
Expense relating to variable lease payments not included in the measurement of the lease liability	**0.2**	0.3
Income from sublease right-of-use assets	**—**	(0.1)
Total impact on profit before tax	**23.6**	21.4

The total cash outflow for leases during 2024 was £22.6m (2023: £21.4m).

The following cash outflows (undiscounted) are those that the Group is potentially exposed to in future periods but are currently not reflected in the measurement of lease liabilities:

- £0.3m relating to variable lease payments not based on an index or rate (2023: £0.1m)
- £5.2m relating to optional extension periods that are not reasonably certain to be exercised as at 31 December 2024 (2023: £10.6m)
- £1.4m relating to leases that the Group is committed to, but have not commenced as at 31 December 2024 (2023: £3.0m)

14 Goodwill and other intangible assets

2024

	Acquired intangibles £m	Development costs £m	Computer software £m	Total other intangibles £m	Goodwill £m
Cost:					
At 1 January 2024	**616.4**	**36.5**	**97.8**	**750.7**	**688.2**
Exchange and other adjustments	**(9.5)**	**(0.4)**	**(1.1)**	**(11.0)**	**(10.9)**
	606.9	**36.1**	**96.7**	**739.7**	**677.3**
Additions	**—**	**3.9**	**14.6**	**18.5**	**—**
Transfers from property, plant and equipment	**—**	**—**	**0.2**	**0.2**	**—**
Disposals	**(24.1)**	**(5.3)**	**(4.6)**	**(34.0)**	**—**
At 31 December 2024	**582.8**	**34.7**	**106.9**	**724.4**	**677.3**
Amortisation:					
At 1 January 2024	**209.9**	**19.3**	**72.7**	**301.9**	**7.7**
Exchange adjustments	**(5.5)**	**(0.1)**	**(1.0)**	**(6.6)**	**(0.1)**
	204.4	**19.2**	**71.7**	**295.3**	**7.6**
Charged in the year	**34.1**	**2.6**	**4.8**	**41.5**	**—**
Transfers from property, plant and equipment	**—**	**—**	**0.1**	**0.1**	**—**
Disposals	**(24.1)**	**(5.3)**	**(3.5)**	**(32.9)**	**—**
At 31 December 2024	**214.4**	**16.5**	**73.1**	**304.0**	**7.6**
Net book value:					
At 31 December 2024	**368.4**	**18.2**	**33.8**	**420.4**	**669.7**

2023

	Acquired intangibles £m	Development costs £m	Computer software £m	Total other intangibles £m	Goodwill £m
Cost:					
At 1 January 2023	632.6	34.9	88.6	756.1	710.8
Exchange and other adjustments	(19.8)	(0.2)	(2.9)	(22.9)	(22.6)
	612.8	34.7	85.7	733.2	688.2
Additions	3.6	7.2	14.2	25.0	—
Transfers from property, plant and equipment	—	1.7	(0.4)	1.3	—
Disposals	—	(7.1)	(1.7)	(8.8)	—
At 31 December 2023	616.4	36.5	97.8	750.7	688.2
Amortisation:					
At 1 January 2023	176.8	22.0	57.0	255.8	7.5
Exchange adjustments	(4.1)	(0.1)	(1.5)	(5.7)	0.2
	172.7	21.9	55.5	250.1	7.7
Charged in the year	37.2	3.0	5.1	45.3	—
Impairment	—	—	13.9	13.9	—
Transfers from property, plant and equipment	—	—	(0.1)	(0.1)	—
Disposals	—	(5.6)	(1.7)	(7.3)	—
At 31 December 2023	209.9	19.3	72.7	301.9	7.7
Net book value:					
At 31 December 2023	406.5	17.2	25.1	448.8	680.5

Since 2018, Steam Thermal Solutions has been engaged in a project to upgrade its ERP systems. Over time the scope of the project expanded substantially to include a wider range of business applications and the external technology market has developed. The Group took the decision to implement consistent ERP solutions across all three Businesses which resulted in a £13.9m impairment in 2023 recognised in computer software.

14 Goodwill and other intangible assets continued

Acquired intangibles

The disclosure by class of acquired intangible assets is shown in the tables below.

2024

	Customer relationships £m	Brand names and trademarks £m	Manufacturing designs and core technology £m	Non-compete undertakings and other £m	Total acquired intangibles £m
Cost:					
At 1 January 2024	**179.6**	**326.7**	**81.9**	**28.2**	**616.4**
Exchange and other adjustments	**(2.2)**	**(4.9)**	**(1.2)**	**(1.2)**	**(9.5)**
	177.4	**321.8**	**80.7**	**27.0**	**606.9**
Disposals	**(0.5)**	**—**	**—**	**(23.6)**	**(24.1)**
At 31 December 2024	**176.9**	**321.8**	**80.7**	**3.4**	**582.8**
Amortisation:					
At 1 January 2024	**62.8**	**81.7**	**38.9**	**26.5**	**209.9**
Exchange adjustments	**(2.2)**	**(1.2)**	**(0.8)**	**(1.3)**	**(5.5)**
	60.6	**80.5**	**38.1**	**25.2**	**204.4**
Charged in the year	**12.3**	**16.6**	**4.6**	**0.6**	**34.1**
Disposals	**(0.5)**	**—**	**—**	**(23.6)**	**(24.1)**
At 31 December 2024	**72.4**	**97.1**	**42.7**	**2.2**	**214.4**
Net book value:					
At 31 December 2024	**104.5**	**224.7**	**38.0**	**1.2**	**368.4**

Customer relationships are amortised over their useful economic lives in line with the accounting policies disclosed in Note 1. Within this balance the individually material balances relate to Durex Industries £69.5m (2023: £73.6m) and Thermocoax £20.7m (2023: £24.0m). The remaining amortisation periods are 12.9 years and 9.4 years respectively.

Brand names and trademark assets are amortised over their useful economic lives in line with the accounting policies disclosed in Note 1. Within this balance individually material balances relate to Vulcanic £89.8m (2023: £99.4m), Durex Industries £18.4m (2023: £19.1m), Chromalox £86.3m (2023: £91.6m) and Gestra £16.4m (2023: £19.6m). The remaining amortisation periods are 17.8 years, 17.9 years, 12.5 years and 7.3 years respectively.

Manufacturing designs and core technology and Non-compete undertakings are amortised over their useful economic lives in line with the accounting policies disclosed in Note 1. There are no individually material items within either of these balances.

2023

	Customer relationships £m	Brand names and trademarks £m	Manufacturing designs and core technology £m	Non-compete undertakings and other £m	Total acquired intangibles £m
Cost:					
At 1 January 2023	181.9	338.1	84.2	28.4	632.6
Exchange and other adjustments	(5.9)	(11.4)	(2.3)	(0.2)	(19.8)
	176.0	326.7	81.9	28.2	612.8
Additions	3.6	—	—	—	3.6
At 31 December 2023	179.6	326.7	81.9	28.2	616.4
Amortisation:					
At 1 January 2023	51.9	67.0	34.8	23.1	176.8
Exchange adjustments	(1.0)	(2.4)	(0.5)	(0.2)	(4.1)
	50.9	64.6	34.3	22.9	172.7
Charged in the year	11.9	17.1	4.6	3.6	37.2
At 31 December 2023	62.8	81.7	38.9	26.5	209.9
Net book value:					
At 31 December 2023	116.8	245.0	43.0	1.7	406.5

14 Goodwill and other intangible assets continued

Impairment

In accordance with the requirements of IAS 36 Impairment of Assets, goodwill is allocated to the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination that gave rise to the goodwill.

Goodwill impairment is considered based on groups of CGUs that represent the lowest level to which goodwill is monitored for internal management purposes, being each operating segment as disclosed in Note 2. The breakdown of the goodwill value at 31 December across these is shown below:

	2024 Goodwill £m	2023 Goodwill £m
Steam Thermal Solutions	**119.5**	125.8
Electric Thermal Solutions	**491.3**	494.7
Watson-Marlow Fluid Technology Solutions	**58.9**	60.0
Total goodwill	**669.7**	680.5

The goodwill balance has been tested for annual impairment on the following basis:

The carrying values of goodwill have been assessed by reference to value in use. These have been estimated using cash flows based on forecast information for the next financial year which have been approved by the Board and then extended by a further four years based on the most recent forecasts prepared by management.

The key assumptions on which the impairment tests are based are the discount rates and forecast cash flows which are driven by growth rates and EBIT margins:

- Pre-tax discount rates are based on estimations of the assumptions that market participants operating in similar sectors to the Group would make, using the Group's economic profile as a starting point and adjusting appropriately, taking into account the size of the business along with specific geographical and industry risk factors. Discount rates are not adjusted for estimated impacts of inflation, which is consistent with the calculation of the future operating cash flows to which they are applied
- Short to medium-term growth rates are based on external market growth rates (where available) and historical experience within each group of CGUs. The short to medium term is defined as not more than five years
- Long-term growth rates are set using the weighted average GDP growth rates (IMF and Oxford Economics) of the group of CGUs' end markets
- EBIT margins are based on historical performance, operational gearing from higher sales and expected improvements from operational efficiency initiatives.

The principal value in use assumptions were as follows:

Operating segment	**2024 Discount rate**	**2024 Short to medium-term growth rate**	**2024 Long-term growth rate**	**Period of annual cashflow forecast (years)**	2023 Discount rate	2023 Short to medium-term growth rate	2023 Long-term growth rate	Period of annual cashflow forecast (years)
Steam Thermal Solutions	**13.7%**	**3.5% – 4.7%**	**3.8%**	**5**	13.7%	5.0% – 6.3%	3.8%	5
Electric Thermal Solutions	**11.7%**	**7.7% – 10.1%**	**3.2%**	**5**	11.3%	6.3% – 17.1%	3.2%	5
Watson-Marlow Fluid Technology Solutions	**12.4%**	**8.0% – 9.0%**	**3.4%**	**5**	12.6%	11.0% – 11.4%	3.5%	5

The results of the Group's impairment tests are dependent upon estimates, particularly in relation to the key assumptions described above. Sensitivity analysis of potential changes in the key assumptions has been undertaken based on the following reasonably possible change sensitivities in isolation for Steam Thermal Solutions and Watson-Marlow Fluid Technology Solutions:

- A 50bps increase in the discount rate applied to each group of CGUs
- A 100bps reduction in the short to medium-term growth rates
- A 100bps reduction in the EBIT margin used in the cash flow projections

14 Goodwill and other intangible assets continued

Impairment continued

For Electric Thermal Solutions, the following combination of sensitivities was applied:

- A 50bps increase in the discount rate
- A range of 0bps – 750bps reduction in the short to medium-term revenue growth rates driven by a delayed ramp-up of the Ogden facility expansion, alongside slower recovery of demand within the semiconductor sector and a global adverse change in macroeconomic conditions
- A range of 110bps to 230bps reduction in the EBIT margin used in the cash flow projections, resulting from the short to medium-term growth rate sensitivities

For each group of CGUs, the Directors do not consider that there are any reasonably possible change sensitivities for the business that could arise in the next 12 months that would result in an impairment charge being recognised.

15 Deferred tax assets and liabilities

Movement in deferred tax during the year 2024

	1 January 2024 £m	Recognised in income £m	Recognised in OCI £m	Recognised in equity £m	31 December 2024 £m
Accelerated capital allowances	**(21.0)**	**(2.3)**	**—**	**—**	**(23.3)**
Provisions	**10.4**	**(0.5)**	**—**	**(0.6)**	**9.3**
Losses	**27.5**	**3.3**	**—**	**—**	**30.8**
Inventory	**6.3**	**1.2**	**—**	**—**	**7.5**
Pensions	**13.3**	**(1.2)**	**(1.1)**	**—**	**11.0**
Acquired intangibles	**(80.3)**	**0.9**	**—**	**1.5**	**(77.9)**
Leases – right-of-use assets	**(21.1)**	**1.1**	**—**	**0.2**	**(19.8)**
Leases – liabilities	**21.6**	**(0.9)**	**—**	**(0.2)**	**20.5**
Other temporary differences	**6.1**	**5.7**	**0.7**	**—**	**12.5**
Group total	**(37.2)**	**7.3**	**(0.4)**	**0.9**	**(29.4)**

Movement in deferred tax during the year 2023

	1 January 2023 £m	Recognised in income £m	Recognised in OCI £m	Recognised in equity £m	Acquisitions £m	31 December 2023 £m
Accelerated capital allowances	(22.8)	1.4	—	0.4	—	(21.0)
Provisions	11.8	(0.7)	—	(0.7)	—	10.4
Losses	16.2	11.3	—	—	—	27.5
Inventory	7.3	(0.9)	—	(0.1)	—	6.3
Pensions	13.2	(0.7)	1.1	(0.3)	—	13.3
Acquired intangibles	(91.0)	9.2	—	2.3	(0.8)	(80.3)
Leases – right-of-use assets*	(14.4)	(7.3)	—	0.6	—	(21.1)
Leases – liabilities*	15.1	7.1	—	(0.6)	—	21.6
Other temporary differences	5.5	4.0	(2.1)	(1.3)	—	6.1
Group total	(59.1)	23.4	(1.0)	0.3	(0.8)	(37.2)

* The Group applied "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (Amendments to IAS 12) from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

Deferred tax assets and liabilities arising in the same tax jurisdiction have been offset where the taxable entity has a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority. Below is the analysis of the deferred tax balances after the offset for 2024.

	2024 £m	2023 £m
Deferred tax asset	**34.2**	31.0
Deferred tax liability	**(63.6)**	(68.2)
Net deferred tax liability	**(29.4)**	(37.2)

15 Deferred tax assets and liabilities continued

Movement in deferred tax during the year 2023 continued

At the Balance Sheet date, the Group has deductible temporary differences, unused tax losses and unused tax credits with a tax value of £149.3m (2023: £113.5m) available for offset against future profits. A deferred tax asset has been recognised in respect of £142.0m (2023: £99.7m). No deferred tax asset has been recognised in respect of the remaining £7.3m (2023: £13.8m) as it is not considered probable that there will be future taxable profits available against which the relevant deduction can be offset. Excluding the losses in Argentina and India, which expire if unused within five years and eight years respectively, the losses may be carried forward indefinitely. The associated unrecognised deferred tax asset in Argentina and India is £3.1m (2023: £8.3m).

A deferred tax debit of £1.1m (2023: £1.1m credit) is recognised in the Consolidated Statement of Comprehensive Income (page 165) associated with the measurement of defined benefit obligations.

UK tax is not expected to arise upon the remittance of earnings of overseas subsidiaries. However, a tax liability may arise due to dividend withholding taxes levied by overseas tax authorities. This tax liability is not expected to exceed £8.4m (2023: £8.1m). As the Group controls the timing of these dividends and it is not expected the tax will arise in the foreseeable future, no associated deferred tax liability has been recognised.

16 Inventories

	2024 £m	2023 £m
Raw materials, consumables and components	**118.6**	130.4
Work in progress	**27.7**	40.2
Finished goods and goods for resale	**106.9**	114.6
Total inventories	**253.2**	285.2

The write-down of inventories recognised as an expense during the year was £6.6m (2023: £15.2m). This comprises a cost of £7.5m (2023: £15.6m) to write down inventory to net realisable value reduced by £0.9m (2023: £0.4m) for reversal of previous write-down reassessed as a result of customer demand.

The value of inventories expected to be recovered after more than 12 months is £14.8m (2023: £15.1m).

There is no material difference between the Statement of Financial Position value of inventories and their replacement cost. None of the inventory has been pledged as security.

17 Other current assets

	2024 £m	2023 £m
Contract assets	**23.2**	17.0
Prepayments	**31.9**	24.9
Other tax related receivables	**12.2**	13.4
Other deposits made	**3.7**	2.9
Derivative assets	**—**	1.8
Other receivables	**4.1**	11.4
Total other current assets	**75.1**	71.4

Contract assets relate to revenue recognised that has not yet been invoiced to the customer.

18 Trade and other payables

	2024 £m	2023 £m
Trade payables	**86.0**	79.2
Contract liabilities	**39.0**	32.9
Social security	**9.9**	9.5
Accruals	**98.9**	95.2
Other tax related payables	**13.9**	14.2
Pension creditors	**3.4**	3.0
Fair value of deferred consideration	**7.3**	4.9
Other payables	**3.3**	12.3
Derivative liabilities	**1.3**	—
Total trade and other payables	**263.0**	251.2

Contract liabilities relate to advance payments received from customers that have not yet been recognised as revenue. £19.0m of the contract liabilities at 31 December 2023 was recognised as revenue during 2024 (2023: £6.8m).

19 Provisions

2024	Product warranty £m	Legal, contractual and other £m	Total £m
At 1 January 2024	**2.0**	**15.1**	**17.1**
Additional provision in the year	**0.6**	**4.8**	**5.4**
Utilised or released during the year	**(0.9)**	**(7.5)**	**(8.4)**
Exchange adjustments	**(0.3)**	**(2.1)**	**(2.4)**
At 31 December 2024	**1.4**	**10.3**	**11.7**

2023	Product warranty £m	Legal, contractual and other £m	Total £m
At 1 January 2023	2.7	15.5	18.2
Additional provision in the year	0.4	9.3	9.7
Utilised or released during the year	(0.5)	(8.5)	(9.0)
Exchange adjustments	(0.6)	(1.2)	(1.8)
At 31 December 2023	2.0	15.1	17.1

	2024 £m	2023 £m
Current provisions	**5.4**	9.5
Non-current provisions	**6.3**	7.6
Total provisions	**11.7**	17.1

Product warranty
Product warranty provisions reflect commitments made to customers on the sale of goods in the ordinary course of business. These are expected to be incurred in the next three years.

Legal, contractual and other
Legal, contractual and other provisions mainly comprise amounts provided against open legal and contractual disputes arising from trade and employment. These costs are based on past experience of similar items and other known factors and represent management's best estimate of the likely outcome. The Group has taken action to enforce its rights and protect its intellectual property rights around the world.

Reflecting the inherent uncertainty within many legal proceedings, the timing and amount of the outflows could differ significantly from the amount provided. Management does not expect that the outcome of such proceedings, either individually or in aggregate, will have a material adverse effect on the Group's financial condition or results of operations. Of the total legal, contractual and other provisions at 31 December 2024 £4.3m (2023: £8.0m) has been included within current and £6.0m (2023: £7.1m) within non-current provisions

20 Called-up share capital and reserves

	2024 £m	2023 £m
Ordinary shares of 26 12/13p (2023: 26 12/13p) each:		
Authorised 111,428,571 (2023: 111,428,571)	**30.0**	30.0
Allotted, called up and fully paid 73,776,048 (2023: 73,776,048)	**19.8**	19.8

49,244 (2023: 35,794) shares with a nominal value of £13,258 (2023: £9,637) were issued in connection with the Group's Employee Share Ownership Plan with external consideration of £1.9m (2023: £2.0m) received by the Group. In 2024, all shares were provided to employees through the Employee Benefit Trust and not through the issue of share capital.

At 31 December 2024, 72,250 shares were held in an Employee Benefit Trust and available for use in connection with the Group's Employee Share Schemes. 124 senior employees of the Group have been granted options on Ordinary shares under the Performance Share Plan (details in Note 22).

20 Called-up share capital and reserves continued

Translation reserve in the Consolidated Statement of Changes in Equity on page 166 is made up as follows:

	1 January 2024 £m	Change in year £m	31 December 2024 £m
Net investment hedge reserve	**5.6**	**4.7**	**10.3**
Translation reserve	**(66.0)**	**(30.4)**	**(96.4)**
Total translation reserve	**(60.4)**	**(25.7)**	**(86.1)**

	1 January 2023 £m	Change in year £m	31 December 2023 £m
Net investment hedge reserve	(2.7)	8.3	5.6
Translation reserve	20.2	(86.2)	(66.0)
Total translation reserve	17.5	(77.9)	(60.4)

Net investment hedge reserve

The reserve records the cumulative gain or loss on hedging instruments designated in net investment hedges. Together with the translation reserve, these are the foreign currency translation reserves of the Group.

Other reserves in the Consolidated Statement of Changes in Equity on page 166 are made up as follows:

	1 January 2024 £m	Change in year £m	31 December 2024 £m
Cash flow hedges reserve	**1.3**	**(2.3)**	**(1.0)**
Capital redemption reserve	**1.8**	**—**	**1.8**
Employee Benefit Trust reserve	**(16.0)**	**7.7**	**(8.3)**
Total other reserves	**(12.9)**	**5.4**	**(7.5)**

	1 January 2023 £m	Change in year £m	31 December 2023 £m
Cash flow hedges reserve	(3.7)	5.0	1.3
Capital redemption reserve	1.8	—	1.8
Employee Benefit Trust reserve	(21.5)	5.5	(16.0)
Total other reserves	(23.4)	10.5	(12.9)

Cash flow hedges reserve

The reserve records the cumulative net change in the fair value of forward exchange contracts where they are designated as effective cash flow hedge relationships.

Capital redemption reserve

This reserve records the historical repurchase of the Group's own shares.

Employee Benefit Trust reserve

The Group has an Employee Benefit Trust which is used to purchase, hold and issue shares in connection with the Group's Employee Share Schemes. The shares held in Trust are recorded in this separate reserve.

21 Capital commitments and contingent liabilities

	2024 £m	2023 £m
Capital expenditure contracted for but not provided	**13.7**	14.5

All capital commitments are related to property, plant and equipment and computer software. The Group has no material contingent liabilities at 31 December 2024 (no material contingent liabilities existed at 31 December 2023).

22 Employee benefits

Retirement benefit obligations

The Group operates a wide range of retirement benefit arrangements, which are established in accordance with local conditions and practices within the countries concerned. These include funded defined contribution and funded and unfunded defined benefit schemes.

Defined contribution arrangements

The majority of the retirement benefit arrangements operated by the Group are of a defined contribution structure, where the employer contribution and resulting Consolidated Income Statement charge are fixed at a set level or are a set percentage of employees' pay. Contributions made to defined contribution schemes and charged to the Consolidated Income Statement totalled £27.2m (2023: £26.7m). In Germany, following the closure of the defined benefit schemes to new entrants in 2021, the main scheme for new employees is a defined contribution scheme.

Defined benefit arrangements

The Group operates several funded defined benefit retirement schemes where the benefits are based on employees' length of service. Whilst the Group's primary schemes are in the UK, it also operates other material benefit schemes in the USA as well as less material schemes elsewhere. In funded arrangements, the assets of defined benefit schemes are held in separate trustee-administered funds or similar structures in the countries concerned.

UK defined benefit arrangements

The defined benefit schemes in the UK account for 61% (2023: 55%) of the Group's net liability for defined retirement benefit schemes. Spirax Group operates three UK schemes: the Spirax-Sarco Employees' Pension Fund, the Spirax-Sarco Executives' Retirement Benefits Scheme and the WMFTS Pension Fund. These are all final salary pension schemes and are closed to new members. There is a mix of different inflation-dependent pension increases (in payment and deferment) which vary from member to member according to their membership history and which scheme they are a member of.

All three schemes have been set up under UK law and are governed by a Trustee committee, which is responsible for the scheme's investments, administration and management. A funding valuation is carried out for the Trustees of each scheme every three years by an independent firm of actuaries. Depending on the outcome of that valuation a schedule of future contributions is negotiated with Spirax Group. Further information on the contribution commitments is shown in the Financial Review on pages 32 to 37.

US defined benefit schemes

The Group operates a pension scheme in the USA, which is closed to new entrants and frozen to future accrual. The pension scheme defines the pension in terms of the highest average pensionable pay for any five consecutive years prior to retirement. No pension increases (in payment and deferment) are offered by this scheme. It also operates a post-retirement medical plan in the USA, which is unfunded, as is typical for these plans.

Other matters

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. The Court of Appeal upheld the 2023 High Court ruling in July 2024 and the Group subsequently kicked-off the process of determining any potential impact for the Schemes. An investigation was undertaken by the Group and Trustees of the Schemes to review the amendments and minutes during the relevant period. From this review, the Group are satisfied that this ruling would not have any impact on the Defined Benefit Obligation of the Schemes.

In December 2024, the Company agreed to a buy-in of the Spirax-Sarco Executives' Retirement Benefits Scheme. The change has been treated as a change in investment strategy, with the impact coming through as part of the actuarial gain/(loss) on asset in OCI. The income from the policies exactly matches the amount and timing of all benefits payable to all members of the UK Scheme.

Principal Risks

The pension schemes create a number of risk exposures. Annual increases in benefits are, to a varying extent from scheme to scheme, dependent on inflation so the main uncertainties affecting the level of benefits payable are future inflation levels and the actual longevity of the membership. Benefits payable will also be influenced by a range of other factors including member decisions on matters such as when to retire and the possibility to draw benefits in different forms. A key risk is that additional contributions are required if the investment returns fall short of those anticipated when setting the contributions to the pension schemes. All pension schemes are regulated by the relevant jurisdictions. These include extensive legislation and regulatory mechanisms that are subject to change and may impact on the Group's pension schemes. The IAS 19 liability measurement known as defined benefit obligation (DBO) and the service cost are sensitive to the actuarial assumptions made on a range of demographic and financial matters that are used to project the expected benefit payments, the most important of these assumptions being the future inflation levels and the assumptions made about life expectation. The DBO and service cost are also very sensitive to the IAS 19 discount rate, which determines the discounted value of the projected benefit payments. The discount rate depends on market yields on high quality corporate bonds. Investment strategies are set with funding rather than IAS 19 considerations in mind and do not seek to provide a specific hedge against the IAS 19 measurement of DBO. As a result the difference between the market value of the assets and the IAS 19 DBO may be volatile. Further information on the investment strategy for the UK schemes can be found in the Financial Review on pages 32 to 37. Sensitivity analysis to changes in discount rate and inflation are included on page 196.

22 Employee benefits continued

Principal Risks continued

The financial assumptions used at 31 December were:

	Assumptions weighted by value of liabilities % per annum			
	UK pensions		Overseas pensions and medical	
	2024 %	2023 %	**2024 %**	2023 %
Rate of increase in salaries	**n/a**	n/a	**2.6**	2.7
Rate of increase in pensions	**3.0**	2.9	**2.0**	2.3
Rate of price inflation	**3.2**	3.0	**2.0**	2.2
Discount rate	**5.4**	4.5	**4.8**	4.4
Medical trend rate	**n/a**	n/a	**7.5**	7.5

The UK pensions are closed to future accrual; therefore, the rate of increase in salaries is not applicable.

The weighted average duration of the defined benefit obligation at 31 December 2024 was approximately 13 years (2023: 13 years) for the Spirax-Sarco Employees' Pension Fund, 8 years (2023: 8 years) for the Spirax-Sarco Executives' Retirement Benefits Scheme and 13 years (2023: 18 years) for the WMFTS Pension Fund.

The mortality assumptions for the material defined benefit schemes at 31 December 2024 and 31 December 2023 were:

Spirax-Sarco Employees' Pension Fund	At 31 December 2024: 100% of the SAPS 3 normal tables, CMI 2023 future improvements, 1% long-term trend, smoothing factor of 7 and weights parameter of 100%. At 31 December 2023: 100% of the SAPS 3 normal tables, CMI 2022 future improvements, 1% long-term trend, smoothing factor of 7 and a w parameter of 10 above the core.
Spirax-Sarco Executives' Retirement Benefits Scheme	At 31 December 2024: 84%/87% (male/female) of SAPS 3 light normal, CMI 2023 future improvements, 1% long-term trend, smoothing factor of 7 and weights parameter of 100%. At 31 December 2023: 84%/87% (male/female) of SAPS 3 light normal, CMI 2022 future improvements, 1% long-term trend, smoothing factor of 7 and a w parameter of 10 above the core.
WMFTS Pension Fund	At 31 December 2024: 102% of the SAPS 3 pensioner tables, CMI 2023 future improvements, 1% long-term trend, smoothing factor of 7 and weights parameter of 100%. At 31 December 2023: 102% of the SAPS 3 pensioner tables, CMI 2022 future improvements, 1% long-term trend, smoothing factor of 7 and a w parameter of 10 above the core.
US Pension Scheme	At 31 December 2024: SOA Pri-2012 Amount-Weighted Blue Collar Mortality Tables with MP2021 – Retiree/Disabled/Contingent Survivor tables At 31 December 2023: SOA Pri-2012 Amount-Weighted Blue Collar Mortality Tables projected generationally with MP2021.

By way of example the mortality tables indicate the following life expectancy across the UK schemes:

	2024 life expectancy at 65		2023 life expectancy at 65	
Current age	**Male**	**Female**	Male	Female
65	**21.0**	**23.8**	21.9	24.5
50	**21.7**	**24.5**	22.8	25.5

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

22 Employee benefits continued

Principal Risks continued

The amounts recognised in the Consolidated Statement of Financial Position are determined as follows:

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Fair value of schemes' assets	**254.8**	285.8	**55.2**	51.7	**310.0**	337.5
Present value of funded schemes' liabilities	**(280.9)**	(313.6)	**(54.4)**	(56.9)	**(335.3)**	(370.5)
(Deficit)/Surplus in the funded schemes	**(26.1)**	(27.8)	**0.8**	(5.2)	**(25.3)**	(33.0)
Present value of unfunded schemes' liabilities	**—**	—	**(17.2)**	(18.4)	**(17.2)**	(18.4)
Retirement benefit liability recognised in the Consolidated Statement of Financial Position	**(26.1)**	(27.8)	**(16.4)**	(23.6)	**(42.5)**	(51.4)
Related deferred tax asset	**6.5**	6.9	**4.5**	6.4	**11.0**	13.3
Net pension liability	**(19.6)**	(20.9)	**(11.9)**	(17.2)	**(31.5)**	(38.1)

Fair value of scheme assets

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Quoted equities	**53.9**	44.6	**7.7**	29.7	**61.6**	74.3
Quoted bonds	**77.8**	109.0	**39.6**	15.4	**117.4**	124.4
Other	**69.4**	45.0	**0.8**	0.5	**70.2**	45.5
Total with quoted market price	**201.1**	198.6	**48.1**	45.6	**249.2**	244.2
Cash and cash equivalents	**26.3**	43.8	**1.2**	0.7	**27.5**	44.5
Unquoted equities	**1.3**	2.7	**—**	—	**1.3**	2.7
Unquoted bonds	**0.3**	0.7	**—**	—	**0.3**	0.7
Real estate	**12.6**	14.4	**—**	—	**12.6**	14.4
Derivatives	**—**	12.2	**—**	—	**—**	12.2
Other	**13.2**	13.4	**5.9**	5.4	**19.1**	18.8
Total other securities	**53.7**	87.2	**7.1**	6.1	**60.8**	93.3
Total market value in aggregate	**254.8**	285.8	**55.2**	51.7	**310.0**	337.5

The actual return on plan assets was a decrease of £12.2m (2023: an increase of £20.8m).

The UK pensions assets include investments in Liability Driven Investment (LDI) funds. LDI funds allow the schemes to hedge a larger proportion of the underlying interest rate exposure that exists within the schemes liabilities. As a result of the structure of LDI funds the schemes may be required to provide additional cash collateral to the LDI funds in order to maintain the current level of hedging should market interest rates increase materially. The LDI funds of £57.4m (2023: £71.5m) are included within the quoted bonds in the table above.

The movements in the defined benefit obligation recognised in the Consolidated Statement of Financial Position during the year were:

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Defined benefit obligation at beginning of year	**(313.6)**	(309.2)	**(75.3)**	(84.5)	**(388.9)**	(393.7)
Current service cost	**—**	—	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Past service credit	**—**	—	**0.2**	—	**0.2**	—
Interest cost	**(13.7)**	(14.1)	**(3.2)**	(3.8)	**(16.9)**	(17.9)
Administration costs	**—**	—	**(0.5)**	(0.6)	**(0.5)**	(0.6)
Remeasurement gain/(loss)	**28.1**	2.7	**4.0**	(1.5)	**32.1**	1.2
Actual benefit payments	**17.7**	17.4	**4.8**	5.3	**22.5**	22.7
Experience gain/(loss)	**0.6**	(10.4)	**(1.9)**	0.4	**(1.3)**	(10.0)
Settlements	**—**	—	**—**	5.9	**—**	5.9
Currency gain	**—**	—	**0.4**	3.6	**0.4**	3.6
Defined benefit obligation at end of year	**(280.9)**	(313.6)	**(71.6)**	(75.3)	**(352.5)**	(388.9)

22 Employee benefits continued

Fair value of scheme assets continued

The movements in the fair value of plan assets during the year were:

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Value of assets at beginning of year	**285.8**	284.6	**51.7**	57.0	**337.5**	341.6
Expected return on assets	**12.6**	13.1	**2.4**	2.7	**15.0**	15.8
Remeasurement (loss)/gain	**(30.6)**	1.0	**3.4**	4.0	**(27.2)**	5.0
Contributions paid by employer	**6.8**	5.3	**2.1**	2.0	**8.9**	7.3
Actual benefit payments	**(17.7)**	(17.3)	**(4.8)**	(5.4)	**(22.5)**	(22.7)
Administration costs	**(2.1)**	(0.9)	**—**	(6.0)	**(2.1)**	(6.9)
Currency gain/(loss)	**—**	—	**0.4**	(2.6)	**0.4**	(2.6)
Value of assets at end of year	**254.8**	285.8	**55.2**	51.7	**310.0**	337.5

The estimated employer contributions to be made in 2025 are £7.5m.

The history of experience adjustments is as follows:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Defined benefit obligation at end of year	**(352.5)**	(388.9)	(393.7)	(605.4)	(630.3)
Fair value of schemes' assets	**310.0**	337.5	341.6	560.7	531.7
Retirement benefit liability recognised in the Statement of Financial Position	**(42.5)**	(51.4)	(52.1)	(44.7)	(98.6)
Experience adjustment on schemes' liabilities	**(1.3)**	(10.0)	(16.0)	(2.9)	11.4
As a percentage of schemes' liabilities	**0.4%**	2.6%	4.1%	0.5%	1.8%
Experience adjustment on schemes' assets	**(27.2)**	5.0	(222.4)	35.7	46.5
As a percentage of schemes' assets	**8.8%**	1.5%	65.1%	6.4%	8.7%

The expense recognised in the Consolidated Income Statement was as follows:

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Current service cost	**—**	—	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Administration costs	**(2.1)**	(0.9)	**(0.5)**	(0.6)	**(2.6)**	(1.5)
Past service credit	**—**	—	**0.2**	—	**0.2**	—
Net interest on schemes' liabilities	**(1.1)**	(1.1)	**(0.8)**	(1.0)	**(1.9)**	(2.1)
Total expense recognised in Consolidated Income Statement	**(3.2)**	(2.0)	**(1.2)**	(1.7)	**(4.4)**	(3.7)

The expense is recognised in the following line items in the Consolidated Income Statement:

	2024 £m	2023 £m
Operating costs	**(2.5)**	(1.6)
Net financing expense	**(1.9)**	(2.1)
Total expense recognised in Consolidated Income Statement	**(4.4)**	(3.7)

22 Employee benefits continued

Fair value of scheme assets continued

The gain or loss recognised in the Statement of Comprehensive Income (OCI) was as follows:

	UK pensions		Overseas pensions and medical		Total	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Remeasurement effects recognised in OCI:						
Due to experience on DBO	**0.6**	(10.4)	**(1.9)**	0.4	**(1.3)**	(10.0)
Due to demographic assumption changes in DBO	**(0.3)**	10.2	**—**	—	**(0.3)**	10.2
Due to financial assumption changes in DBO	**28.4**	(7.5)	**4.0**	(1.5)	**32.4**	(9.0)
Return on assets	**(30.6)**	1.0	**3.4**	4.0	**(27.2)**	5.0
Total remeasurement (loss)/gain recognised in OCI	**(1.9)**	(6.7)	**5.5**	2.9	**3.6**	(3.8)
Deferred tax on remeasurement (loss)/gain and change in rate recognised in OCI	**0.5**	1.7	**(1.6)**	(0.6)	**(1.1)**	1.1
Cumulative loss recognised in OCI at beginning of year	**(59.1)**	(54.1)	**(10.8)**	(13.1)	**(69.9)**	(67.2)
Cumulative loss recognised in OCI at end of year	**(60.5)**	(59.1)	**(6.9)**	(10.8)	**(67.4)**	(69.9)

Sensitivity analysis

The effect on the defined benefit obligation at 31 December 2024 of an increase or decrease in key assumptions is as follows:

	UK pensions £m	**Overseas pensions and medical £m**	**Total £m**
(Decrease)/increase in pension deficit:			
Discount rate assumption being 1.0% higher	**(30.6)**	**(6.6)**	**(37.2)**
Discount rate assumption being 1.0% lower	**34.8**	**7.9**	**42.7**
Inflation assumption being 1.0% higher	**21.4**	**1.3**	**22.7**
Inflation assumption being 1.0% lower	**(20.0)**	**(1.1)**	**(21.1)**
Mortality assumption life expectancy at age 65 being one year higher	**9.2**	**2.3**	**11.5**

The above sensitivities reflect reasonable possible changes in the assumptions and therefore have been selected on this basis.

The average age of active participants in the UK schemes at 31 December 2024 was 55 years (2023: 55 years) and in the overseas schemes 46 years (2023: 47 years).

Additional contributions to pension schemes

	2024 £m	2023 £m
Defined benefit arrangements	**(2.5)**	(1.6)
Defined contribution arrangements	**(27.2)**	(26.7)
Total expense recognised in operating costs	**(29.7)**	(28.3)
Defined benefit arrangements	**8.9**	7.3
Defined contribution arrangements	**27.2**	26.7
Total contributions paid by employer	**36.1**	34.0
Additional contributions to pension schemes	**6.4**	5.7

Share-based payments

Disclosures of the share-based payments offered to employees are set out below. More detail on each scheme is given in the Annual Report on Remuneration 2024 on pages 135 to 144. The charge to the Consolidated Income Statement in respect of share-based payments is made up as follows:

	2024 £m	2023 £m
Performance Share Plan	**1.3**	4.3
Employee Share Ownership Plan	**1.8**	1.8
Total expense recognised in Consolidated Income Statement	**3.1**	6.1

22 Employee benefits continued

Performance Share Plan

Awards under the Performance Share Plan are made to Executive Directors and other senior managers and take the form of contingent rights to acquire shares, subject to the satisfaction of a performance target. To the extent that they vest, awards may be satisfied in cash, in shares or in an option over shares. For the 2022 grant onwards, the performance criteria is split into three separate parts.

30% of the award is based on a TSR measure where the performance target is based on the Company's total shareholder return (TSR) relative to the TSR of other companies included in the FTSE 350 Industrial Goods and Services Supersector (changed to the FTSE 100, excluding companies in the Mining, Oil & Gas and Financial Services sectors from the 2023 grant onwards) over a three-year performance period where awards will vest on a sliding scale. All shares within an award will vest if the Company's TSR is at or above the upper quartile. 18% will vest if the TSR is at the median and the number of shares that will vest will be calculated pro rata on a straight-line basis between 18% and 100% if the Company's TSR falls between the median and the upper quartile. No shares will vest if the Company's TSR is below the median.

The second part, amounting to 50% of the award, is subject to achievement of a target based on aggregate adjusted EPS over a three-year performance period. 18% will vest if the compound growth in adjusted EPS is equal to the growth in global industrial production (IP) plus 2% as published by CHR Economics and 100% will vest if the compound growth in adjusted EPS is equal to or exceeds the growth in global IP plus 8% (changed to IP plus 7% from the 2023 grant onwards); there is pro rata vesting for actual growth between these rates.

The final 20% of the award compares greenhouse gas intensity emission in the base year of the three-year performance period to the final year. Performance will be measured relative to £m of sales at base year prices to ensure that efficiency savings are not distorted by inflation. 18% will vest if there is 24% reduction in GHG intensity emission and 100% will vest if there is a reduction in GHG intensity emissions equal to or exceeding 31%; there is pro rata vesting for actual reduction between these rates.

Shares awarded under the Performance Share Plan have been valued using the Monte Carlo simulation valuation methodology. The relevant disclosures in respect of the Performance Share Plan grants are set out below.

	2020 Grant	2021 Grant	2022 Grant	2023 Grant	**2024 Grant**
Grant date	12 March	4 May	14 March	13 March	**21 March**
Mid-market share price at grant date	7,775.0p	11,770.0p	11,910.0p	10,880p	**10,377p**
Number of employees	104	106	108	138	**124**
Shares under scheme	140,934	89,806	92,951	145,505	**142,275**
Vesting period	3 years	3 years	3 years	3 years	**3 years**
Probability of vesting	74.3%	73.9%	76.1%	81.2%	**79.7%**
Fair value	5,779.2p	8,698.0p	9,057.6p	8,829.1p	**8,273.6p**

Employee Share Ownership Plan

UK employees are eligible to participate in the Employee Share Ownership Plan (ESOP). The aim of the ESOP is to encourage increased shareholding in the Company by all UK employees and so there are no performance conditions. Employees are invited to join the ESOP when an offer is made each year. Individuals save for 12 months during the accumulation period under HMRC rules. The Company provides a matching share for each share purchased by the individual.

Shares issued under the ESOP have been measured using the Present Economic Value (PEV) valuation methodology. The relevant disclosures in respect of the Employee Share Ownership Plans are set out below.

	2020 Grant	2021 Grant	2022 Grant	2023 Grant	**2024 Grant**
Grant date	1 October	1 October	1 October	1 October	**1 October**
Exercise price	11,102.0p	15,043.3p	10,348.3p	9,413.0p	**6,855.0p**
Number of employees	1,373	1,400	1,671	1,644	**1,539**
Shares under scheme	12,480	9,429	16,832	19,256	**23,863**
Vesting period	3 years	3 years	3 years	3 years	**3 years**
Expected volatility	25%	26.5%	28.7%	26.5%	**N/A**
Risk-free interest rate	0.1%	0.2%	4.0%	4.9%	**N/A**
Expected dividend yield	1.5%	1.0%	1.0%	1.2%	**N/A**
Fair value	11,956.9p	16,382.2p	11,579.7p	10,486.4p	**6,855.0p**

The accumulation period for the 2024 ESOP ends in September 2025; therefore, some figures are projections.

23 Analysis of changes in net debt, including changes in liabilities arising from financing activities

2024

	1 January 2024 £m	Cash flow £m	Acquired debt* £m	Exchange movement £m	31 December 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 disposals of existing leases

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

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

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

See Note 26 for further information on net debt and lease liabilities.

2023

	1 January 2023 £m	Cash flow £m	Acquired debt* £m	Exchange movement £m	31 December 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 and lease liability	(755.6)	28.1	(49.9)	14.0	(763.4)
Net debt excluding lease liability	(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 disposals of existing leases

24 Related party transactions

Transactions with Directors are disclosed separately in Note 7 and are shown in the Annual Report on Remuneration 2024 on pages 135 to 144.

There were no other related party transactions in either 2023 or 2024.

25 Purchase of businesses

2024

No subsidiaries were acquired during 2024.

2023

During the prior year the Group acquired distributors resulting in a total cash outflow of £5.2m and creating acquired intangibles of £3.6m. No other subsidiaries were acquired during 2023. Additionally, the fair value of the assets acquired as part of the 2022 acquisition of Vulcanic (and its related companies) as well as Durex Industries were reassessed. The outcome of this reassessment was an immaterial decrease in goodwill for Durex Industries and an offsetting immaterial increase in goodwill for Vulcanic.

26 Derivatives and other financial instruments

The Group does not enter into significant derivative transactions. The Group's principal financial instruments comprise borrowings, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group sells products and services to customers around the world and its customer base is extremely varied in size and industry sector. The Group operates credit control policies to assess customers' credit ratings and provides for any debt that is identified as non-collectable.

Interest rate risk

The Group's policy is to hold a mixture of fixed and floating rate debt. When new debt facilities are entered into, the Group assesses if this should be fixed or floating depending on the specific circumstances at the time. In addition the Group aims to achieve a spread of maturity dates in order to avoid the concentration of funding requirements at any one time. The ratio of fixed to floating rate debt and debt maturity profile is kept under review by the Chief Financial Officer in conjunction with the Board.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans, facilities and leases as appropriate.

Capital management

The Group's objective is to ensure support of the Group's operations and maximise shareholder value. The Group uses cash generated from operations to invest organically or to finance acquisitions. The Group manages its capital structure and makes adjustments to it as required where changes in economic or market conditions are identified. The capital structure comprises debt and borrowings (see Note 23), cash and cash equivalents (see Note 23) and equity as disclosed in the Consolidated Statement of Changes in Equity. The Group is not subject to externally imposed capital requirements, other than financial covenant requirements on external borrowing.

Foreign currency risk

The Group has operations around the world and therefore its Consolidated Statement of Financial Position can be affected significantly by movements in the rate of exchange between sterling and various other currencies particularly the US dollar and euro. The Group seeks to mitigate the effect of this structural currency exposure by borrowing in these currencies where appropriate while maintaining a low cost of debt. In addition the Group employs net investment hedge accounting where appropriate to mitigate these exposures, with such hedges being designated in both 2024 and 2023. The gain on net investment hedges during 2024 included in the Consolidated Statement of Comprehensive Income was £4.7m (2023: £8.3m gain). This is included within translation reserves in the Consolidated Statement of Changes in Equity (see Note 20).

The Group also has transactional currency exposures principally as a result of trading between Group companies. Such exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group operates a programme to manage this risk on a Group-wide net basis, through the entering into of both forward contracts and non-deliverable forward contracts with a range of bank counterparties.

Fair values of financial assets and financial liabilities

Fair values of financial assets and liabilities at 31 December 2024 are not materially different from book values due to their size or the fact that they were at short-term rates of interest. Fair values have been assessed as follows:

- **Derivatives**
  Forward exchange contracts are marked to market by discounting the future contracted cash flows using readily available market data.
- **Interest-bearing loans and borrowings**
  Fair value is calculated based on discounted expected future principal and interest cash flows.
- **Lease liabilities**
  The fair value is estimated as the present value of future cash flows, discounted at the incremental borrowing rate for the related geographical location unless the rate implicit in the lease is readily determinable.
- **Trade and other receivables/payables**
  For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

26 Derivatives and other financial instruments continued

Fair values of financial assets and financial liabilities continued

The following table compares amounts and fair values of the Group's financial assets and liabilities:

	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Financial assets:				
Cash and cash equivalents	**334.2**	**334.2**	359.7	359.7
Trade, other receivables and contract assets	**357.0**	**357.0**	346.3	346.3
Total financial assets	**691.2**	**691.2**	706.0	706.0

	2024 Carrying value £m	2024 Fair value £m	2023 Carrying value £m	2023 Fair value £m
Financial liabilities:				
Borrowings	**830.1**	**822.8**	879.5	888.5
Lease liabilities	**95.1**	**95.1**	96.7	96.7
Bank overdrafts	**100.3**	**100.3**	146.9	146.9
Trade payables	**86.0**	**86.0**	79.2	79.2
Other payables and contract liabilities	**68.2**	**68.2**	67.3	67.3
Long-term payables	**6.2**	**6.2**	11.4	11.4
Accruals	**98.9**	**98.9**	95.2	95.2
Total financial liabilities	**1,284.8**	**1,277.5**	1,376.2	1,385.2

There are no other assets or liabilities measured at fair value on a recurring or non-recurring basis for which fair value is disclosed.

Derivative financial instruments are measured at fair value. Fair value of derivative financial instruments is calculated based on discounted cash flow analysis using appropriate market information for the duration of the instruments.

Financial instruments fair value disclosure

Fair value measurements are classified into three levels, depending on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets and liabilities
- Level 2 fair value measurements are those derived from other observable inputs for the asset or liability
- Level 3 fair value measurements are those derived from valuation techniques using inputs that are not based on observable market data

With the exception of the Group's private placement borrowings, there were no significant differences between the carrying value and the fair value of the Group's financial assets and liabilities. The fair value of private placement borrowings is estimated by discounting the future contracted cash flows using readily available market data and represents a Level 2 measurement in the fair value hierarchy.

The Group considers that the derivative financial instruments also fall into Level 2.

Interest rate risk profile of financial liabilities

The interest rate profile of the financial liabilities of the Group as at 31 December was as follows:

2024	Total £m	Fixed rate financial liabilities £m	Floating rate financial liabilities £m	Financial liabilities on which no interest is paid £m
Euro	**694.7**	**507.4**	**120.0**	**67.3**
US dollar	**370.8**	**181.9**	**127.6**	**61.3**
Sterling	**113.3**	**4.2**	**47.1**	**62.0**
Renminbi	**34.0**	**1.4**	**—**	**32.6**
Other	**72.0**	**14.4**	**0.4**	**57.2**
Group total	**1,284.8**	**709.3**	**295.1**	**280.4**

26 Derivatives and other financial instruments continued

Interest rate risk profile of financial liabilities continued

2023	Total £m	Fixed rate financial liabilities £m	Floating rate financial liabilities £m	Financial liabilities on which no interest is paid £m
Euro	758.8	628.8	66.7	63.3
US dollar	363.2	310.7	1.8	50.7
Sterling	149.0	20.7	90.1	38.2
Renminbi	39.5	5.1	—	34.4
Other	65.7	16.2	1.2	48.3
Group total	1,376.2	981.5	159.8	234.9

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings were as follows:

	Currency	Nominal interest rate	Year of maturity	**2024 Carrying value £m**	2023 Carrying value £m
Unsecured private placement – $185.0m	$	5.3%	2028	**147.9**	145.3
Unsecured bank facility – $150.0m	$	5.7%	2025	**119.9**	117.8
Unsecured private placement – €140.0m	€	3.9%	2027	**119.2**	124.7
Unsecured private placement – €125.0m	€	4.2%	2029	**103.5**	108.4
Unsecured private placement – €120.0m	€	2.4%	2026	**99.6**	104.4
Unsecured private placement – €110.0m	€	4.4%	2030	**91.0**	95.4
Unsecured private placement – €90.0m	€	3.9%	2031	**74.5**	—
Unsecured bank facility – €90.0m	€	3.8%	2026	**74.5**	78.0
Unsecured bank facility*	£	5.5%	2025	**49.2**	81.7
Unsecured bank facility*	€	2.9%	2025	**45.4**	64.4
Unsecured bank facility*	$	7.0%	2025	**5.6**	0.1
Unsecured bank facility*	€	2.9%	2025	**0.1**	0.2
Unsecured bank facility*	€	4.6%	2029	**—**	95.5
Unsecured bank facility*	£	5.9%	2029	**—**	10.0
Unsecured bank facility*	€	3.9%	2024	**—**	0.5
Total outstanding borrowings				**930.4**	1,026.4

*These items relate to bank overdraft facilities which are evaluated annually

The weighted average interest rate paid during the year was 4.3% (2023: 4.6%).

26 Derivatives and other financial instruments continued

Interest rate risk profile of financial assets

The interest rate profile of the financial assets of the Group as at 31 December was as follows:

2024	Total £m	Fixed rate financial assets £m	Floating rate financial assets £m	Financial assets on which no interest is earned £m
Euro	221.4	8.6	55.1	157.7
US dollar	203.1	0.3	84.2	118.6
Sterling	44.0	—	17.6	26.4
Renminbi	55.7	3.5	11.0	41.2
Other	167.0	6.1	24.8	136.1
Group total	**691.2**	**18.5**	**192.7**	**480.0**

2023	Total £m	Fixed rate financial assets £m	Floating rate financial assets £m	Financial assets on which no interest is earned £m
Euro	211.6	7.9	76.5	127.2
US dollar	193.5	1.1	1.7	190.7
Sterling	41.8	0.1	16.4	25.3
Renminbi	67.6	2.8	23.4	41.4
Other	191.5	11.3	41.4	138.8
Group total	706.0	23.2	159.4	523.4

Financial assets on which no interest is earned comprise trade and other receivables and cash at bank. Floating and fixed rate financial assets comprise cash at bank or cash placed on deposit.

Currency exposures

As explained on page 199, the Group's objectives in managing the currency exposures arising from its net investment overseas (in other words, its structural currency exposures) are to maintain a low cost of debt while partially hedging against currency depreciation. All gains and losses arising from these structural currency exposures are recognised in the Consolidated Statement of Comprehensive Income. In addition the Group employs net investment hedge accounting in order to mitigate these impacts where appropriate.

Transactional (or non-structural) exposures give rise to net currency gains and losses that are recognised in the Consolidated Income Statement. Such exposures include the monetary assets and monetary liabilities in the Consolidated Statement of Financial Position that are not denominated in the operating (or functional) currency of the operating unit involved. At 31 December 2024 the currency exposure in respect of the Euro was a net monetary liability of £87.6m (2023: £69.2m net monetary liability) and in respect of the US dollar a net monetary liability of £222.9m (2023: £254.2m net monetary liability).

At 31 December 2024, the percentage of debt to net assets, excluding debt, was 57% (2023: 56%) for the Euro and 8% (2023: 8%) for the US dollar.

Maturity of financial liabilities

The Group's financial liabilities at 31 December mature in the following periods:

2024	Trade, other payables, accruals and contract liabilities £m	Overdrafts £m	Lease liabilities £m	Long-term borrowings	Total £m
In six months or less, or on demand	227.0	100.3	9.9	17.4	354.6
In more than six months but no more than twelve	26.1	—	9.3	141.5	176.9
In more than one year but no more than two	3.2	—	16.9	199.8	219.9
In more than two years but no more than three	2.1	—	13.2	285.2	300.5
In more than three years but no more than four	0.4	—	9.2	11.2	20.8
In more than four years but no more than five	—	—	6.6	113.9	120.5
In more than five years	0.5	—	54.9	173.8	229.2
Total contractual cash flows	**259.3**	**100.3**	**120.0**	**942.8**	**1,422.4**
Statement of Financial Position values	**259.3**	**100.3**	**95.1**	**830.1**	**1,284.8**

26 Derivatives and other financial instruments continued

Maturity of financial liabilities continued

2023	Trade, other payables and contract liabilities £m	Overdrafts £m	Lease liabilities £m	Long-term borrowings	Total £m
In six months or less, or on demand	233.4	146.9	9.6	2.7	392.6
In more than six months but no more than twelve	9.0	—	9.1	1.2	19.3
In more than one year but no more than two	2.1	—	16.3	119.8	138.2
In more than two years but no more than three	6.2	—	13.8	183.4	203.4
In more than three years but no more than four	1.5	—	11.2	122.9	135.6
In more than four years but no more than five	0.2	—	7.9	145.3	153.4
In more than five years	0.7	—	56.4	310.0	367.1
Total contractual cash flows	253.1	146.9	124.3	885.3	1,409.6
Statement of Financial Position values	253.1	146.9	96.7	879.5	1,376.2

The Group did not employ any supply chain or similar forms of financing during 2024 or 2023.

Cash flow hedges

The Group uses forward currency contracts to manage its exposure to movements in foreign exchange rates. The forward contracts are designated as hedging instruments in a cash flow hedging relationship. At 31 December 2024 the Group had contracts outstanding to economically hedge or to purchase £35.8m (2023: £18.6m) and €23.3m (2023: €16.1m) with US dollars, £59.0m (2023: £67.6m) with euros, £17.2m (2023: £24.0m) and €9.9m (2023: €8.8m) with Chinese renminbi, £7.9m (2023: £8.5m) and €3.3m (2023: €3.4m) with Korean won, £4.4m (2023: £3.7m) with Singapore dollars and $14.3m (2023: $nil) with Mexican pesos. The fair values at the end of the reporting period were a liability of £1.3m (2023: £1.8m asset), included within trade and other payables on the Consolidated Statement of Financial Position. The fair value of cash flow hedges falls into the Level 2 category of the fair value hierarchy in accordance with IFRS 13. The fair value of derivative financial instruments is estimated by discounting the future contracted cash flow using readily available market data.

The contractual cash flows on forward currency contracts at the reporting date are shown below, classified by maturity. The cash flows shown are on a gross basis and are not discounted.

2024	Less than 6 months £m	6 to 12 months £m	More than 12 months £m	Total £m
Contracted cash in/(out):				
Sterling	**64.1**	**60.2**	**—**	**124.3**
Euro	**(16.7)**	**(9.6)**	**—**	**(26.3)**
US dollar	**(36.0)**	**(32.5)**	**—**	**(68.5)**
Other	**(21.5)**	**(11.9)**	**—**	**(33.4)**
Total contractual cash flows	**(10.1)**	**6.2**	**—**	**(3.9)**

2023	Less than 6 months £m	6 to 12 months £m	More than 12 months £m	Total £m
Contracted cash in/(out):				
Sterling	54.9	67.5	—	122.4
Euro	(20.5)	(22.3)	—	(42.8)
US dollar	(13.6)	(18.8)	—	(32.4)
Other	(19.6)	(24.9)	—	(44.5)
Total contractual cash flows	1.2	1.5	—	2.7

It is anticipated that the cash flows will take place at the same time as the corresponding forward contract matures. At this time the amount deferred in equity will be reclassified to profit or loss.

All forecast transactions which have been subject to hedge accounting during the year have occurred or are still expected to occur.

A loss on derivative financial instruments of £2.3m (2023: £5.0m gain) was recognised in other comprehensive income during the period.

As at 31 December 2024 no ineffectiveness has been recognised in profit or loss arising from hedging foreign currency transactions.

26 Derivatives and other financial instruments continued

Borrowing facilities

The Group has various borrowing facilities available to it. The undrawn committed facilities available at 31 December in respect of which all conditions precedent had been met at that date were as follows:

	2024 £m	2023 £m
Expiring in one year or less	—	—
Expiring in more than one year but no more than two years	—	—
Expiring in more than two years but no more than three years	—	—
Expiring in more than three years	400.0	294.5
Total Group undrawn committed facilities	**400.0**	294.5

At 31 December 2024, the Group had available £400.0m (2023: £294.5m) of undrawn committed borrowing facilities in respect of its £400.0m (2023: £400.0m) pound sterling revolving credit facility, of which all conditions precedent had been met. This facility expires on 13 April 2029.

Sensitivity analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings. At the year end borrowings totalled £930.4m (2023: £1,026.4m). At 31 December 2024, it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit after tax and equity by approximately £1.5m (2023: £2.3m).

For the year ended 31 December 2024, it is estimated that a decrease of five percentage points in the value of sterling weighted in relation to the Group's profit and trading flows would have decreased the Group's profit before tax by approximately £17.5m (2023: decreased by £18.5m). The effect can be very different between years due to the weighting of different currency movements. Forward exchange contracts have been included in this calculation.

The credit risk profile of trade receivables

The ageing of trade receivables at the reporting date was:

	Gross 2024 £m	Impairment 2024 £m	Net 2024 £m	Gross 2023 £m	Impairment 2023 £m	Net 2023 £m
Not past due date	250.2	(0.2)	250.0	236.6	(1.0)	235.6
0–30 days past due date	36.2	—	36.2	35.0	(0.2)	34.8
31–90 days past due date	16.5	(0.1)	16.4	17.3	(0.1)	17.2
91 days to one year past due date	12.2	(1.0)	11.2	13.9	(1.7)	12.2
More than one year	7.1	(7.1)	—	7.3	(7.3)	—
Group total	**322.2**	**(8.4)**	**313.8**	310.1	(10.3)	299.8

Other than those disclosed above no other impairment losses on receivables and contract assets arising from contracts with customers have been recognised. Other than trade receivables there are no financial assets that are past their due date at 31 December 2024.

Payment terms across the Group vary depending on the geographic location of each operating company. Payment is typically due between 20 and 90 days after the invoice is issued.

No contracts with customers contain a significant financing component.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2024 £m	2023 £m
Balance at 1 January	10.3	13.7
Additional impairment	4.4	3.0
Amounts written off as uncollectable	(1.9)	(0.4)
Amounts recovered	(0.5)	(0.4)
Impairment losses reversed	(3.4)	(5.1)
Exchange differences	(0.5)	(0.5)
Balance at 31 December	**8.4**	10.3

27 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 £40m. This is expected to be included as an adjusting item in the 2025 results.

Appendix

In this section

The Group reports under International Financial Reporting Standards (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. Please see the Annual Report on Remuneration 2024 on pages 135 to 144 for further detail. A definition of the alternative performance measures 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 all our 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
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

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 are defined as adjusted profit for the period attributable to equity holders divided by the weighted average number of shares. Diluted adjusted earnings per share are 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 9.

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. The adjusted cash flow is included in the Financial Review on page 34.

The impact of adjustments to operating profit as reported under IFRS of £29.3m (2023: £64.7m) on net change in cash and cash equivalents is a total inflow of £7.4m (2023: £5.6m outflow). Included within cash generated from operations is acquisition-related items inflow of £4.2m (2023: £0.8m outflow) and restructuring costs of £nil (2023: £5.2m). Included within net cash used in investing activities is profit on disposal of businesses of £3.2m (2023: £0.4m).

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 calculated as adjusted operating profit after adding back depreciation and amortisation, less cash payments to pension schemes in excess of the charge to 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 in the table 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 Group. 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. More information on ROCE can be found in the Financial Review on page 34.

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 on page 206)	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%

Return on capital employed (ROCE) continued

A reconciliation of capital employed to net assets as reported under IFRS and disclosed in 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 23. 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 and external borrowings (excluding 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
Earnings before interest, tax, depreciation and amortisation	**376.4**	393.3
Net debt	**596.2**	666.7
Net debt to EBITDA	**1.6**	1.7

The components of net debt are disclosed in Note 23.

Organic measures

As we are a multi-national Group of companies, who trade in a large number of currencies and also acquire and sometimes dispose of companies, we also refer to organic performance measures throughout the Annual Report. These strip out the effects of the movement in 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 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.

Organic measures continued

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%**
Corporate	(27.8)	—	(6.1)	**(33.9)**		
Total	349.1	(28.1)	12.9	**333.9**	**4%**	**(4)%**
Adjusted operating margin	20.7%			**20.1%**	**10bps**	**(60)bps**

The term 'sales' is used interchangeably with 'revenue' when describing the financial performance of the business. Drop through is calculated as the organic increase in adjusted operating profit divided by the organic increase in revenue.

Analysis by operating segment

2024

	Revenue £m	**Adjusted operating profit £m**	**Adjusted operating 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 financing expense		**(43.7)**	
Share of loss of Associate		**(2.0)**	
Profit before tax		**288.2**	

2023

	Revenue £m	Adjusted operating profit £m	Adjusted operating 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 financing expense		(39.9)	
Share of (loss)/profit of Associate		—	
Profit before tax		309.2	

Operating costs

	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m	2023 Adjusted £m	2023 Adjustments £m	2023 Total £m
Cost of inventories recognised as an expense	**396.5**	**—**	**396.5**	401.2	1.3	402.5
Staff costs (Note 4)	**643.2**	**—**	**643.2**	630.4	—	630.4
Depreciation, amortisation and impairment	**63.9**	**39.8**	**103.7**	60.4	52.3	112.7
Other operating charges	**227.7**	**(10.5)**	**217.2**	241.5	11.1	252.6
Total operating costs	**1,331.3**	**29.3**	**1,360.6**	1,333.5	64.7	1,398.2

Total cost of inventories recognised as an expense includes the reversal of acquisition-related fair value adjustments to inventory £nil (2023: £1.3m).

Total depreciation, amortisation and impairment includes amortisation of acquisition-related intangible assets of £34.1m (2023: £37.2m) and an impairment of assets within Watson-Marlow Fluid Technology Solutions of £5.7m. In the previous period it included an impairment of software related assets of £13.9m and an impairment of assets within Watson-Marlow Fluid Technology Solutions as a result of the restructure in the business of £1.8m as well as profit on the sale of the Chromalox's manufacturing operations in Soissons of £0.6m which had been fully impaired in the prior year.

Total other operating charges include acquisition-related income of £7.3m relating to the acquisition of Vulcanic and Durex Industries and profits on the disposal of Kyoto Group AS, an associate investment, of £3.2m. In the previous period, other operating charges included restructuring costs of £7.5m in Watson-Marlow Fluid Technology Solutions to right-size manufacturing capacity as well as a credit of £1.7m for the release of restructuring costs booked in the previous period for the closure of Chromalox's manufacturing operations in Soissons (France). Total operating charges also included acquisition-related items of £5.7m relating to the acquisitions of Vulcanic and Gestra Malaysia and profits on the disposal of Econotherms (UK) Ltd, an associate investment, of £0.4m.

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

2024

	Amortisation of acquisition-related intangible assets £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 acquisition-related intangible assets £m	Reversal of acquisition-related 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)

Electric Thermal Solutions restructuring costs credit of £2.3m is made up of a £1.7m release of restructuring costs booked in the previous period and £0.6m in relation to the sale of a previously fully impaired asset.

Tax on adjusting items

	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m	2023 Adjusted £m	2023 Adjustments £m	2023 Total £m
Analysis of charge in year						
UK corporation tax:						
Current tax on income for the year	**7.7**	**—**	**7.7**	9.4	—	9.4
Adjustments in respect of prior years	**(0.3)**	**—**	**(0.3)**	(0.1)	—	(0.1)
	7.4	**—**	**7.4**	9.3	—	9.3
Foreign tax:						
Current tax on income for the year	**71.8**	**(3.7)**	**68.1**	81.4	(6.1)	75.3
Adjustments in respect of prior years	**(0.7)**	**—**	**(0.7)**	(0.7)	—	(0.7)
	71.1	**(3.7)**	**67.4**	80.7	(6.1)	74.6
Total current tax charge/(credit)	**78.5**	**(3.7)**	**74.8**	90.0	(6.1)	83.9
UK deferred tax:						
Origination and reversal of timing differences	**(2.6)**	**(0.7)**	**(3.3)**	(6.5)	(4.9)	(11.4)
Adjustment in respect of prior years	**(0.3)**	**—**	**(0.3)**	(0.4)	1.1	0.7
	(2.9)	**(0.7)**	**(3.6)**	(6.9)	(3.8)	(10.7)
Foreign deferred tax:						
Origination and reversal of timing differences	**0.4**	**(3.6)**	**(3.2)**	(4.7)	(3.9)	(8.6)
Adjustment in respect of prior years	**1.0**	**(1.5)**	**(0.5)**	0.4	(4.5)	(4.1)
	1.4	**(5.1)**	**(3.7)**	(4.3)	(8.4)	(12.7)
Total deferred tax credit	**(1.5)**	**(5.8)**	**(7.3)**	(11.2)	(12.2)	(23.4)
Tax on profit on ordinary activities	**77.0**	**(9.5)**	**67.5**	78.8	(18.3)	60.5

Reconciliation of effective tax rate

	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m	2023 Adjusted £m	2023 Adjustments £m	2023 Total £m
Profit before tax and share of profit/(loss) of Associate	**290.1**	**(31.2)**	**258.9**	309.2	(64.7)	244.5
Expected tax at blended rate	**76.4**	**(7.2)**	**69.2**	80.5	(15.5)	65.0
Increased withholding tax on overseas dividends	**6.8**	**—**	**6.8**	7.6	—	7.6
Non-deductible expenditure and incentives	**(1.6)**	**(0.6)**	**(2.2)**	0.2	0.6	0.8
Over provided in prior years	**(0.3)**	**(1.5)**	**(1.8)**	(0.8)	(3.4)	(4.2)
Other reconciling items	**(4.3)**	**(0.2)**	**(4.5)**	(8.7)	—	(8.7)
Total tax in Consolidated Income Statement	**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%

The effective tax rate on an adjusted profits basis is calculated as a percentage of profit before tax and share of profit/(loss) of Associates.

Company Financial Statements

In this section

Financial Statements

Company Statement of Financial Position
at 31 December 2024

	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**23.4**	20.7
Loans to subsidiaries	3,9	**99.3**	104.0
Investment in subsidiaries	2	**759.5**	758.8
Investment in Associate	2	**—**	3.0
Deferred tax assets	6	**14.5**	8.2
Post-retirement benefits	7	**1.2**	5.5
		897.9	900.2
Current assets			
Loans to subsidiaries	3,9	**0.4**	0.4
Due from subsidiaries	9	**53.0**	68.5
Other current assets	4	**7.0**	7.8
Cash and cash equivalents		**10.1**	39.2
		70.5	115.9
Total assets		**968.4**	1,016.1
Equity and liabilities			
Current liabilities			
Trade and other payables	5	**11.5**	5.8
Due to subsidiaries	9	**99.0**	90.4
Current portion of long-term borrowings	10	**0.3**	0.3
Short-term borrowings		**49.2**	81.8
		160.0	178.3
Net current (liabilities)/assets		**(89.5)**	(62.4)
Non-current liabilities			
Long-term borrowings	10	**99.3**	112.5
Deferred tax liabilities	6	**0.2**	0.2
Due to subsidiaries	9	**6.3**	7.0
		105.8	119.7
Total liabilities		**265.8**	298.0
Net assets		**702.6**	718.1
Equity			
Share capital	8	**19.8**	19.8
Share premium account		**92.0**	90.1
Other reserves	8	**20.9**	14.7
Retained earnings		**569.9**	593.5
Total equity		**702.6**	718.1
Total equity and liabilities		**968.4**	1,016.1

The loss before dividends received was £25.1m (2023: £28.4m). Dividends from subsidiary undertakings of £129.2m (2023: £169.1m) are excluded from this amount. Total profit recognised during the year was £104.1m (2023: £140.7m).

These Financial Statements of Spirax Group plc, company number 00596337, were approved by the Board of Directors and authorised for issue on 10 March 2025 and signed on its behalf by:

N.B. Patel
Director

L. S. Burdett
Director

Company Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	**19.8**	**90.1**	**14.7**	**593.5**	**718.1**
Profit for the year	—	—	—	104.1	104.1
Other comprehensive income:					
Cash flow hedges net of tax	—	—	(2.3)	—	(2.3)
Remeasurement loss on post-retirement benefits	—	—	—	(4.1)	(4.1)
Deferred tax on remeasurement loss on post-retirement benefits	—	—	—	1.0	1.0
Total other comprehensive income for the year	—	—	(2.3)	(3.1)	(5.4)
Total comprehensive income for the year	—	—	(2.3)	101.0	98.7
Contributions by and distributions to owners of the Company:					
Dividends paid	—	—	—	(119.0)	(119.0)
Equity settled share plans net of tax	—	—	—	(5.5)	(5.5)
Issue of share capital	—	1.9	—	—	1.9
Employee Benefit Trust shares	—	—	7.7	—	7.7
Investment in subsidiaries in relation to share options granted	—	—	0.7	—	0.7
Balance at 31 December 2024	**19.8**	**92.0**	**20.8**	**570.0**	**702.6**

for the year ended 31 December 2023

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023	19.8	88.1	2.0	581.8	691.7
Profit for the year	—	—	—	140.7	140.7
Other comprehensive income:					
Cash flow hedges net of tax	—	—	5.0	(0.9)	4.1
Remeasurement gain on post-retirement benefits	—	—	—	1.6	1.6
Deferred tax on remeasurement gain on post-retirement benefits	—	—	—	(0.4)	(0.4)
Total other comprehensive income for the year	—	—	5.0	0.3	5.3
Total comprehensive income for the year	—	—	5.0	141.0	146.0
Contributions by and distributions to owners of the Company:					
Dividends paid	—	—	—	(114.5)	(114.5)
Equity settled share plans net of tax	—	—	—	(14.8)	(14.8)
Issue of share capital	—	2.0	—	—	2.0
Employee Benefit Trust shares	—	—	5.5	—	5.5
Investment in subsidiaries in relation to share options granted	—	—	2.2	—	2.2
Balance at 31 December 2023	19.8	90.1	14.7	593.5	718.1

Other reserves represent the Company's share-based payments, capital redemption and Employee Benefit Trust reserves (see Note 8).

The Notes on pages 216 to 221 form an integral part of the Financial Statements.

1 Accounting policies

Spirax Group plc (the Company) is a public limited company incorporated and domiciled in England, United Kingdom (registration number 00596337) and is limited by shares. The Company is the ultimate parent of Spirax Group and is included in the Consolidated Financial Statements of Spirax Group. The Company's principal activity is to manage corporate costs and activities. The registered address of the Company is Charlton House Cirencester Road, Charlton Kings, Cheltenham, Gloucestershire, United Kingdom, GL53 8ER.

The Company meets the definition of a qualifying entity under FRS 100. The separate Company Financial Statements are presented as required by the Companies Act 2006 and have been prepared on the historical cost and going concern basis, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has applied the exemptions available in respect of the following:

- share-based payments;
- financial instruments;
- a Cash Flow Statement and related notes;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- international tax reform – Pillar Two model rules

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Income Statement. As permitted by the audit fee disclosure regulations, disclosure of non-audit fees information is not included in respect of the Company.

The Company's accounting policies are the same as those set out in Note 1 of the Consolidated Financial Statements, except as noted below.

The Directors have concluded that no critical judgements or key sources of estimation uncertainty have been made in the process of applying the Company's accounting policies.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Loans to or from other Group undertakings and all other payables and receivables are initially recorded at fair value, which is generally the proceeds received. They are then subsequently carried at amortised cost.

2 Investments in subsidiaries and associates

2a Investment in subsidiaries

	2024 £m	2023 £m
Cost:		
At 1 January	**758.8**	756.6
Share options issued to subsidiary company employees	**0.7**	2.2
At 31 December	**759.5**	758.8

Investments are stated at cost less provisions for any impairment in value.

Details relating to subsidiary undertakings are given on pages 223 to 228. Except where stated, all classes of shares were 100% owned by the Group at 31 December 2024. The country of incorporation of the principal Group companies is the same as the country of operation with the exception of companies operating in the United Kingdom which are incorporated in Great Britain. All operate in steam, electrical thermal energy solutions, fluid path technologies or peristaltic pumping markets except those companies identified as a holding company on pages 223 to 228.

2b Investment in associates

During the year, the Company increased its ownership of Kyoto Group AS (Kyoto) from 15.0% to 18.9% and then subsequently disposed of its investment in Kyoto for 80.2m NOK (£5.6m) which resulted in a profit on disposal of £3.2m. In line with prior year, the Company reports the share of profit/(loss) for the year on a 6 month time lag, therefore 18 months of results have been recognised in the current year, this does not have a material impact on the Company's results. The Company's share of loss recognised during the year in relation to Kyoto is £2.0m.

3 Loans to subsidiaries

	2024 £m	2023 £m
Cost:		
At 1 January	**104.4**	306.4
Interest	**2.5**	3.9
Repayments	**(2.5)**	(200.3)
Exchange adjustment	**(4.7)**	(5.6)
At 31 December	**99.7**	104.4

The terms and conditions of loans to subsidiaries at 31 December 2024 were as follows:

	Currency	Nominal interest rate	Year of maturity	2024 £m	2023 £m
Spirax-Sarco Overseas Limited	€	2.4%	2026	**99.7**	104.4
Total loans to subsidiaries				**99.7**	104.4
Due within one year				**0.4**	0.4
Due after more than one year				**99.3**	104.0

4 Other current assets

	2024 £m	2023 £m
Prepayments and accrued income	**7.0**	6.0
Derivative assets	**—**	1.8
Total other current assets	**7.0**	7.8

5 Trade and other payables

	2024 £m	2023 £m
Accruals	**10.2**	5.8
Derivative liabilities	**1.3**	—
Total trade and other payables	**11.5**	5.8

Trade and other payables are due within one year.

6 Deferred tax assets and liabilities

Movement in deferred tax during the year 2024

	1 January 2024 £m	Recognised in income £m	Recognised in OCI £m	31 December 2024 £m
Other temporary differences	**9.3**	**4.5**	**0.8**	**14.6**
Pensions liability	**(1.3)**	**—**	**1.0**	**(0.3)**
Company total	**8.0**	**4.5**	**1.8**	**14.3**

Movement in deferred tax during the year 2023

	1 January 2023 £m	Recognised in income £m	Recognised in OCI £m	31 December 2023 £m
Other temporary differences	10.5	0.2	(1.4)	9.3
Pensions liability	(1.4)	0.5	(0.4)	(1.3)
Company total	9.1	0.7	(1.8)	8.0

Deferred tax assets and liabilities arising in the same tax jurisdiction have been offset where there is a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same taxation authority. Below is the analysis of the deferred tax balances after the offset for 2024.

	2024 £m	2023 £m
Deferred tax asset	**14.5**	8.2
Deferred tax liability	**(0.2)**	(0.2)
Net deferred tax asset	**14.3**	8.0

7 Employee benefits

Pension plans

The Company is accounting for pension costs in accordance with International Accounting Standard 19.

In December 2024, the Company agreed to a buy-in of the Spirax-Sarco Executives' Retirement Benefits Scheme. The change has been treated as a change in investment strategy, with the impact coming through as part of the actuarial gain/(loss) on asset in OCI. The income from the policies exactly matches the amount and timing of all benefits payable to all members of the UK Scheme.

The disclosures shown here are in respect of the Company's defined benefit obligations. Other plans operated by the Company were defined contribution plans.

The total expense relating to the Company's defined contribution pension plans in the current year was £1.2m (2023: £1.2m).

At 31 December 2024 the post-retirement mortality assumptions in respect of the Company defined benefit scheme follows 84%/87% (male/female) of SAPS S3 light normal, CMI 2022 future improvements, 1.0% long-term trend, smoothing factor of 7, w parameter of 10% above the core. At 31 December 2023 the post-retirement mortality assumptions in respect of the Company defined benefit scheme follows 84%/87% (male/female) of SAPS S3 light, CMI 2021 future improvements, 1.25% long-term trend, smoothing factor of 7, 0.25% initial addition and a w parameter of 10%.

These assumptions are regularly reviewed in light of scheme-specific experience and more widely available statistics.

The financial assumptions used at 31 December were:

	Weighted average assumptions used to define the benefit obligations	
	2024 %	2023 %
Rate of increase in pensions	**3.0%**	2.9%
Rate of price inflation	**3.2%**	3.0%
Discount rate	**5.4%**	4.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice.

Fair value of scheme assets:

	2024 £m	2023 £m
Equities	**—**	6.3
Bonds	**—**	17.1
Other	**1.2**	19.3
Insurance contracts	**33.5**	—
Total market value in aggregate	**34.7**	42.7

£nil (2023: £27.6m) of scheme assets have a quoted market price in an active market.

The actual return on plan assets was a loss of £4.6m (2023: a gain of £3.2m).

The amounts recognised in the Company Statement of Financial Position are determined as follows:

	2024 £m	2023 £m
Fair value of scheme's assets	**34.7**	42.7
Present value of funded scheme's liabilities	**(33.5)**	(37.2)
Retirement benefit asset recognised in the Statement of Financial Position	**1.2**	5.5
Related deferred tax	**(0.3)**	(1.3)
Net pension asset	**0.9**	4.2

The movements in the defined benefit obligation (DBO) recognised in the Statement of Financial Position during the year were:

	2024 £m	2023 £m
Defined benefit obligation at beginning of year	**(37.2)**	(38.6)
Interest cost	**(1.6)**	(1.7)
Remeasurement gain	**2.3**	0.3
Actual benefit payments	**3.0**	2.8
Defined benefit obligation at end of year	**(33.5)**	(37.2)

7 Employee benefits continued

Pension plans continued

The movements in the fair value of plan assets during the year were:

	2024 £m	2023 £m
Value of assets at beginning of year	**42.7**	42.5
Expected return on assets	**1.8**	1.9
Remeasurement (loss)/gain	**(6.4)**	1.3
Administration costs	**(0.4)**	(0.2)
Actual benefit payments	**(3.0)**	(2.8)
Value of assets at end of year	**34.7**	42.7

The estimated employer contributions to be made in 2025 are £nil.

The history of experience adjustments is as follows:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Defined benefit obligation at end of year	**(33.5)**	(37.2)	(38.6)	(55.2)	(55.2)
Fair value of scheme's assets	**34.7**	42.7	42.5	60.3	60.8
Retirement benefit recognised in the Statement of Financial Position	**1.2**	5.5	3.9	5.1	5.6
Experience adjustment on scheme's liabilities	**(0.2)**	0.1	0.9	3.5	(5.0)
As a percentage of scheme's liabilities	**0.6%**	0.3%	2.3%	6.3%	9.1%
Experience adjustment on scheme's assets	**(6.4)**	1.3	(16.1)	2.4	2.6
As a percentage of scheme's assets	**18.4%**	3.0%	37.9%	4.0%	4.3%

The expense recognised in the Company Income Statement was as follows:

	2024 £m	2023 £m
Current service and administration cost	**(0.4)**	(0.2)
Net interest on scheme's assets and liabilities	**0.2**	0.2
Total expense recognised in Income Statement	**(0.2)**	—

Statement of Comprehensive Income (OCI):

	2024 £m	2023 £m
Remeasurement effects recognised in OCI:		
Due to experience on DBO	**0.2**	(0.1)
Due to demographic assumption changes in DBO	**0.1**	1.0
Due to financial assumption changes in DBO	**2.0**	(0.6)
Return on assets	**(6.4)**	1.3
Total remeasurement (loss)/gain recognised in OCI	**(4.1)**	1.6
Deferred tax on remeasurement amount recognised in OCI	**1.0**	(0.4)
Cumulative loss recognised in OCI at beginning of year	**(10.3)**	(11.5)
Cumulative loss recognised in OCI at end of year	**(13.4)**	(10.3)

Sensitivity analysis

The effect on the defined benefit obligation at 31 December 2024 of an increase or decrease in key assumptions is as follows:

Increase/(decrease) in pension defined benefit obligation	£m
Discount rate assumption being 1.00% higher	**(2.4)**
Discount rate assumption being 1.00% lower	**2.6**
Inflation assumption being 1.00% higher	**1.7**
Inflation assumption being 1.00% lower	**(1.7)**
Mortality assumption life expectancy at age 65 being one year higher	**1.1**

The above sensitivities reflect reasonable possible changes in the assumptions and therefore have been selected on this basis.

Share-based payments

Disclosures of the share-based payments offered to employees of the Company are set out below. The description and operation of each scheme is the same as outlined in the Group disclosure.

7 Employee benefits continued

Performance Share Plan

The relevant disclosures in respect of the Performance Share Plan grants are set out below.

	2020 Grant	2021 Grant	2022 Grant	2023 Grant	**2024 Grant**
Grant date	12 March	4 May	14 March	13 March	**21 March**
Mid-market share price at grant date	7,775.0p	11,770.0p	11,910.0p	10,880.0p	**10,377p**
Number of employees	19	15	13	15	**16**
Shares under scheme	82,607	45,815	42,573	52,259	**66,713**
Vesting period	3 years	3 years	3 years	3 years	**3 years**
Probability of vesting	74.3%	73.9%	76.1%	81.2%	**79.7%**
Fair value	5,779.2p	8,698.0p	9,057.6p	8,829.1p	**8,273.6p**

8 Called-up share capital and reserves

	2024 £m	2023 £m
Ordinary shares of 26 12/13p (2023: 26 12/13p) each		
Authorised 111,428,571 (2023: 111,428,571)	**30.0**	30.0
Allotted, called up and fully paid 73,776,048 (2023: 73,776,048)	**19.8**	19.8

49,244 (2023: 35,794) shares with a nominal value of £13,258 (2023: £9,637) were issued in connection with the Group's Employee Share Ownership Plan with external consideration of £1.9m (2023: £2.0m) received by the Company.

In 2024 no shares were purchased into an Employee Benefit Trust (EBT). In the prior year, the Parent Company purchased 114,000 shares representing 0.15% of called-up share capital with a nominal value of £30,692 for a consideration of £12,749,424. The shares were placed in an EBT to be used in connection with the Group's Employee Share Scheme.

At 31 December 2024 72,250 shares (2023: 139,907) were held in an Employee Benefit Trust and available for use in connection with the Group's Employee Share Schemes. 16 senior employees of the Company have been granted options on ordinary shares under the Performance Share Plan (details in Note 7).

Other reserves in the Company Statement of Changes in Equity on page 215 are made up as follows:

	1 January 2024 £m	**Change in year £m**	**31 December 2024 £m**
Share-based payments reserve	**27.6**	**0.7**	**28.3**
Cash flow hedges reserve	**1.3**	**(2.3)**	**(1.0)**
Capital redemption reserve	**1.8**	**—**	**1.8**
Employee Benefit Trust reserve	**(16.0)**	**7.7**	**(8.3)**
Total other reserves	**14.7**	**6.1**	**20.8**

Share-based payments reserve

This reserve records the Company's share-based payment charge that is recognised in reserves.

Cash flow hedges reserve

This reserve records the Company's cumulative net change in the fair value of forward exchange contracts where they are designated as effective cash flow hedge relationships

Capital redemption reserve

This reserve records the historical repurchase of the Company's own shares.

Employee Benefit Trust reserve

The Company has an Employee Benefit Trust which is used to purchase, hold and issue shares in connection with the Group's Employee Share Schemes. The shares held in Trust are recorded in this separate reserve.

9 Related party transactions

	2024 £m	2023 £m
Dividends received from subsidiaries	**129.2**	169.1
Current loans due from subsidiaries at 31 December	**0.4**	0.4
Non-current loans due from subsidiaries at 31 December	**99.3**	104.0
Current amounts due from subsidiaries at 31 December	**53.0**	68.5
Current amounts due to subsidiaries at 31 December	**99.0**	90.4
Non-current amounts due to subsidiaries at 31 December	**6.3**	7.0

Amounts due to and from Group undertakings are unsecured and have various repayment terms depending on the loan agreement.

10 Financial instruments

The terms and conditions of outstanding loans at 31 December 2024 are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying value £m
Unsecured private placement – €120m	**€**	**2.4%**	**2026**	**99.7**
Total outstanding loans				**99.7**
Current portion of long-term borrowings due before 31 December 2025				**0.4**
Long-term borrowings payable after 31 December 2025				**99.3**
Total outstanding loans				**99.7**

	Currency	Nominal interest rate	Year of maturity	Carrying value £m
Unsecured private placement – €120.0m	€	2.4%	2026	104.3
Revolving Credit Facility – Drawdown £10.0m	£	5.9%	2028	8.5
Total outstanding loans				112.8
Current portion of long-term borrowings due before 31 December 2024				0.3
Long-term borrowings payable after 31 December 2024				112.5
Total outstanding loans				112.8

At 31 December 2024, the Company had available a revolving credit facility which was undrawn at the end of the year (2023: £10.0m drawn), of which all conditions precedent had been met.

The Company participates in a number of Group cash pooling arrangements. The sterling zero balance account pool, for which the Company holds the header account, is presented gross within cash and cash equivalents or short-term borrowings, with the accounts relating to subsidiaries being shown within amounts due to or from subsidiaries.

11 Other information

Dividends

Dividends paid by the Company are disclosed in Note 10 of the Consolidated Financial Statements.

Property, plant and equipment

The Company holds freehold property with a cost of £27.3m (2023: £23.6m), accumulated depreciation of £3.9m (2023: £2.9m) and a net book value of £23.4m (2023: £20.7m).

Employees

The average number of employees of the Company during the year was 140 (2023: 129).

Directors' remuneration

The remuneration of the Directors of the Company is shown in the Annual Report on Remuneration 2024 on pages 135 to 144.

Auditor's remuneration

Auditor's remuneration in respect of the Company's annual audit has been disclosed on a consolidated basis in the Company's Consolidated Financial Statements as required by Section 494(4)(a) of the Companies Act 2006.

Contingent liabilities and capital commitments

The Company has no contingent liabilities. No capital commitments exist at 31 December 2024 in respect of the completion of the Group Head Office building in Cheltenham (UK) (2023: £3.9m).

Corporate Information

In this section

Steam Thermal Solutions – EMEA

Country/Territory	Company name	Registered office address
Belgium	Spirax Sarco NV	Industriepark 5, B-9052 Zwijnaarde, Belgium
Czech Republic	Spirax Sarco spol sro	Prazska 1455, 102 00 Praha, Hostivar, Czech Republic
Egypt	Spirax Sarco Egypt LLC	19 Farid Street, Heliopolis, Cairo, Egypt
	Spirax Sarco Energy Solutions LLC (H)	19 Farid Street, Heliopolis, Cairo, Egypt
Finland	Spirax Oy	Niittytie 25 A 24, 01300 Vantaa, Helsinki, Finland
France	Spirax Sarco SAS	Zone Industrielle des Bruyères 8 Avenue le Verrier, 78190 Trappes, France
	Spirax-Sarco France HoldCo SAS (H)	23 Route de Château-Thierry, 02200 Noyant-et-Aconin, Soissons, France
	Gestra France SAS	Zone Industrielle des Bruyères, 8 Avenue Le Verrier 78190 Trappes, France
	Spirax Sarco North and West Africa SAS	Zone Industrielle des Bruyères, 8 Avenue Le Verrier, 78190 Trappes, France
Germany	Spirax Sarco GmbH Regelapparate	Reichenaustr. 210, 78467 Konstanz, Germany
	Spirax-Sarco Germany Holdings GmbH (H)	Reichenaustr. 210, 78467, Konstanz, Germany
	Gestra AG	Muenchener Str. 77, 28215, Bremen, Germany
	Gestra HoldCo GmbH (H)	Muenchener Str. 77, 28215, Bremen, Germany
Hungary	Spirax-Sarco Kft	1103 Budapest Koér utca 2/A, Hungary
Italy	Spirax Sarco Srl	Via Per Cinisello 18, 20834 Nova Milanese, Italy
	Italgestra Srl	Via Per Cinisello 18, 20834 Nova Milanese, Italy
Kenya	Spirax Sarco East Africa Limited	Clifton Park, Mombasa Road, Nairobi, Kenya
Morocco	Spirax Sarco Maghreb	Secteur 3, Lot 146, Rue Arfoud, Bureaux 5 et 6, commerce 2-12000 Temara, Morocco
Netherlands	Spirax-Sarco Netherlands BV	Industrieweg 130A, 3044 AT, Rotterdam, Netherlands
	Spirax-Sarco Engineering BV (H)	Industrieweg 130A, 3044 AT, Rotterdam, Netherlands
	Spirax-Sarco Investments BV (H)	Industrieweg 130A, 3044 AT, Rotterdam, Netherlands
	Spirax-Sarco Netherlands Holdings Coöperative WA (H)	Sluisstraat 7, 7491 GA Delden, Delden, Netherlands
Norway	Spirax Sarco AS	Vestvollveien 14A, N-2019 Skedsmokorset, Norway
Poland	Spirax Sarco Sp Zoo	Jutrzenki 98, 02-230, Warszawa, Poland
	Gestra Polonia Sp Zoo	ul Ku Ujściu 19, PL 80-172, Gdansk, Poland
Portugal	Spirax Sarco Equipamentos Ind Lda	Rua Quinta do Pinheiro, No 8 and 8A, 2794-058 Carnaxide, Portugal
	Gestra Portugal, Lda	Avenida Dr Antunes Guimaraes, Numero 1159, Porto 4100-082, Portugal
Romania	Spirax-Sarco SRL	2-4 Traian Street, Cluj-Napoca Municipality, Cluj County, Romania
South Africa	Spirax Sarco Investments (Pty) Limited (H)	Corner Brine Avenue and Horn Street, Chloorkop Ext 23, Gauteng 1624, South Africa
	Spirax Sarco South Africa (Pty) Limited	Corner Brine Avenue and Horn Street, Chloorkop Ext 23, Gauteng 1624, South Africa
Spain	Spirax-Sarco SAU	C/ Sant Josep, 130 08980 Sant Feliu de Llobregat, Barcelona, Spain
	Spirax-Sarco Engineering SLU (H)	C/ Sant Josep, 130 08980 Sant Feliu de Llobregat, Barcelona, Spain
	Gestra Espanloa SA	Calle Luis Cabrera 86-88, 28002, Madrid, Spain
Sweden	Spirax Sarco AB	Evenemansgatan 40, 169 56 Solna, Sweden
Switzerland	Spirax Sarco AG	Gustav-Maurer-Strasse 9, 8702 Zollikon, Switzerland
Turkey	Spirax Sarco Valf Sanayi ve Ticaret A.S	Serifali Mevkii, Edep Sok No 27, 34775 Yukari Dudullu – Ümraniye, Istanbul, Turkey
United Arab Emirates	Spirax Sarco Trading LLC	38-0, R338 Um Hurair Second, Dubai, United Arab Emirates
United Kingdom	Spirax-Sarco Limited*	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco America Limited (H)	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco America Investments Limited* (H)	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco Investments Limited* (H)	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco Overseas Limited* (H)	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Gestra Holdings Limited* (H)	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Gestra UK Limited	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Cotopaxi Limited	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom

Key:

* Direct subsidiary owned by Spirax Group plc

(H) Holding company.

Steam Thermal Solutions – Asia Pacific

Country/Territory	Company name	Registered office address
Australia	Spirax Sarco Pty Limited	14 Forge St., Blacktown, NSW 2148, Australia
China	Spirax Sarco Company Limited	6F-3, No. 12, Lane 270, Sec. 3, Pei Shen Road, Shen Keng District, New Taipei City 22205, Taiwan, Greater China Zone
	Cotopaxi Energy Technology Development (Beijing) Co. Ltd	Room 506, Unit 101 Floor 2-7, Building No. 1, 3 Chuangda Road, Chaoyang District, Beijing, China 100102
	Spirax-Sarco Engineering (China) Limited	No 800 XinJun Ring Road, Pujiang Hi Tech Park, Shanghai, China
	Spirax Sarco Hong Kong Company Limited	Unit 1507, 15th Floor, Prosperity Center, 25 Chin Yip Street, Kwun Tong, Kowloon, Hong Kong, Greater China Zone
	Spirax Sarco Trading (Shanghai) Co Limited	No 800 XinJun Ring Road, Pujiang Hi Tech Park, Shanghai, China
	Gestra (Shanghai) Fluid Control Technology Co Limited	Room 333 3rd Floor of 4th Area Building 1, No.2001 North Yanggao Road China (Shanghai) Free Trade Pilot Zone, Shanghai, China
India	Spirax-Sarco India Private Limited	Plot No. 6, Central Avenue, Mahindra World City, Chengalpattu Taluk, Kancheepuram District 603004, India
Indonesia	PT Spirax Sarco Indonesia	Kawasan Infinia Park Blok C-99, Jl. Dr Sahardjo No. 45, Manggarai Tebet, Jakarta Selatan 12850, Indonesia
Japan	Spirax Sarco Godo Gaisha	261-0025, 2-37 Hamada, Mihama-ku, Chiba, Japan
Malaysia	Gestra Steam Solutions Sdn Bhd	18 Tidak Melebihi Baru Ditubuhkan, Malaysia
	Spirax-Sarco Sdn Bhd	No 10, Temasya 18, Jalan Pelukis U1/46A, 40150 Shah Alam, Selangor, Malaysia
New Zealand	Spirax Sarco Limited	6 Nandina Avenue, East Tamaki, Auckland 2013, New Zealand
Philippines	Spirax-Sarco Philippines Inc	2308 Natividad Building, Chino Roces Avenue Extension, Makati City, Philippines
Singapore	Spirax Sarco Pte Limited	21 Changi South Avenue 2, #01-01 Singapore 486630, Singapore
	Spirax-Sarco APAC Investments Pte Limited	21 Changi South Avenue 2, #01-01 Singapore 486630, Singapore
	Gestra Singapore Private Limited	21 Changi South Avenue 2, #01-01 Singapore 486630, Singapore
South Korea	Spirax Sarco Korea Limited	Steam People House, 99 Sadangro 30gil, Dongjak-gu, Seoul, Republic of Korea
Thailand	Spirax Sarco (Thailand) Limited	38 Krungthepkreeta Road, Khlong Song Ton Nun, Lat Krabang, Bangkok 10520, Thailand
Vietnam	Spirax Sarco Vietnam Co Limited	4th Floor, 180 Nguyen Van Troi Street, Ward 8, Phu Nhuan District, Ho Chi Minh City, Vietnam

Steam Thermal Solutions – Americas

Country/Territory	Company name	Registered office address
Argentina	Spirax Sarco SA	Av. del Libertador 498, 12th Floor, Buenos Aires C1001ABR, Argentina
Brazil	Spirax Sarco Ind e Com Limiteda	Avenida Manoel Lages do Chão, 268, Bairro Portão, Cotia, São Paulo, 06705-050, Brazil
	Hiter Controls Engenharia Limiteda	Avenida Manoel Lages do Chão, 268, Bairro Portão, Cotia, São Paulo, 06705-050, Brazil
Canada	Spirax Sarco Canada Limited	383 Applewood Crescent, Concord, ON L4K 4J3, Canada
Chile	Spirax-Sarco Chile Limiteda	Las Garzas 930, Galpón E, Quilicura, Santiago de Chile, Chile
	Inversiones Spirax-Sarco Chile Limiteda (H)	Las Garzas 930, Galpón D, Quilicura, Santiago de Chile, Chile
Colombia	Spirax Sarco Colombia SAS	Carretera Panamericana No 3-150, Jamundi, Valle del Cauca, Cali, Colombia
Mexico	Spirax Sarco Mexicana, SAPI DE CV	Boulevard Alianza 30B, Parque Industrial CPA, Ciénega de Flores Nuevo León, CP 65550, Mexico
Peru	Spirax Sarco Peru SAC	Av. Guillermo Dansey 2124, Lima, Lima, Perú
United States	Spirax Sarco Inc	1209 Orange Street, Wilmington, DE 19801, United States
	Sarco International Corp (H)	1209 Orange Street, Wilmington, DE 19801, United States
	Spirax Sarco Investments, Inc (H)	251 Little Falls Drive, Wilmington, DE 19808-1674, United States
	Gestra USA, Inc	1209 Orange Street, Wilmington, DE 19801, United States

Key:
* Direct subsidiary owned by Spirax Group plc

(H) Holding company.

Electric Thermal Solutions

Country/Territory	Company name	Registered office address
Australia	Vulcanic TEE Pty Limited	7 Buckman Cl, Toormina NSW 2452, Australia
Belgium	Vulcanic SA	Uitbreidingstraat 60-62, 2600 Berchem, Belgium
Brazil	Chromalox Engenharia Limiteda	Avenida Manoel Lages do Chão, 268, Bairro Portão, Cotia, São Paulo, 06705-050, Brazil
Canada	Canadian Heat Acquisition Corp (H)	7051 68th Ave NW, Edmonton, Alberta, T6B 3E3, Canada
China	Chromalox Precision Heat Control (Shanghai) Co Limited	88 Taigu Road, Suite A2, 4th Floor – Fenggu Building, Shanghai, 200131, China
	Chromalox Precision Heat Control (Suzhou) Co Limited	T02, No 1801, Pangjin Road, Pangjin Industrial Park, Wujiang, Suzhou, 215200, China
France	Constructions Electro-Thermiques D'Alsace SAS	42 Rue des Aviateurs, 67500 Haguenau, France
	Etirex SAS	23 Route de Château Thierry, Noyant-et-Aconin, Soissons, Cedex, F 02203, France
	Loreme SAS	12 Rue des Potiers d'Etain, 57070 Metz, France
	RS Isolec SAS	45 Avenue des Acacias, 45120 Cepoy, France
	Thermocoax Developpement SAS	40 Boulevard Henri Sellier, 92150 Suresnes, France
	Thermocoax SAS	Usine de Planquivon, Athis-de-l'Orne, 61430 Athis-Val de Rouvre, France
	Vulcanic Assets SAS (H)	48 Rue Louis Ampère, 93330 Neuilly-sur-Marne, France
	Vulcanic Group Holding SAS (H)	48 Rue Louis Ampère, 93330 Neuilly-sur-Marne, France
	Vulcanic SAS	48 Rue Louis Ampère, 93330 Neuilly-sur-Marne, France
Germany	Chromalox Isopad GmbH	Englerstraße 11, 69126 Heidelberg, Germany
	Vulcanic GmbH	Donaustraße 21, 63452 Hanau, Germany
	Vulcanic Triatherm GmbH	Flurstraße 9, 96515 Sonneberg, Germany
India	Chromalox India Precision Heat and Control Private Limited	1st Floor, 6 Unicom House, A-3 Commercial Complex, New Delhi, Janakpuri, 110058, India
Mexico	ELW Industrial S. de R. L. de C.V.	Carretera Nacional, K.M. 8.5, Modulo Industrial de America, Lote #5, Nuevo Laredo, Tamaulipas, 88277, Mexico
Singapore	Chromalox Precision Heat and Control (Singapore) Pte Limited	No 11 Woodlands Close, #05-34, Singapore, 737854, Singapore
Spain	Vulcanic Termoelectrica SLU	Carretera de Viernoles no.32, 39300 Torrelavega, Cantabria, Spain
	RSI Spain SLU	5 Avenida Nogent, Montornes del Valle, Bercelona
Thailand	Chromalox (Asia Pacific) Limited	383/2, The Village Business Centre, Unit D16-A, Moo 12, Sukhumvit Road, Nongprue, Banglamung, Chon Buri, 20151, Thailand
United Arab Emirates	Chromalox Gulf DWC, LLC	PO Box 390012, Office No: E-2-0226, Business Park, Dubai Aviation City, United Arab Emirates
United Kingdom	Chromalox (UK) Limited	AMP House, 2nd Floor, Dingwall Road, Croydon, Surrey CR0 2LX, United Kingdom
	Thermocoax UK Limited	Tower House, Lucy Tower Street, Lincoln LN1 1XW, United Kingdom
	Vulcanic UK Limited	Windward Barn, Honningham Thorpe Business Park Norwich Road, Colton, Norwich NR9 5BZ, United Kingdom
United States	190 Detroit Street, LLC	2280 Hicks Rd., STE 500 Rolling Meadows, IL 60008, United States
	305 Cary Point, LLC	190 Detroit Street, Cary, IL 60013, United States
	325 Cary Point, LLC	190 Detroit Street, Cary, IL 60013, United States
	Cary Detroit, LLC	190 Detroit Street, Cary, IL 60013, United States
	Chromalox, Inc.	2711 Centerville Rd., Suite 400, Wilmington, DE 19808, United States
	Durex HoldCo Corp (H)	1209 Orange Street, Wilmington, DE 19801, United States
	Durex International, LLC	251 Little Falls Drive, Wilmington, DE 19808-1674, United States
	Heat Acquisition Corp (H)	2711 Centerville Rd., Suite 400, Wilmington, DE 19808, United States
	Thermocoax, Inc	1209 Orange Street, Wilmington, DE 19801, United States
	Vulcanic EML, LLC	5907 Breen Drive, Houston, TX 77086, United States
	Vulcanic US, Inc (H)	Capitol Services, Inc., 108 Lakeland Ave., Dover, DE 19901, United States

Key:

* Direct subsidiary owned by Spirax Group plc

(H) Holding company.

Watson-Marlow Fluid Technology Solutions

Country/Territory	Company name	Registered office address
Australia	Watson-Marlow Pty Limited	Unit 15, 19-26 Durian Place, Wetherill Park, NSW 2164, Australia
Austria	Watson-Marlow Austria GmbH	Rathaus Viertel 3/1 OG/TOP 311, Guntramsdorf A 2353, Wien, Austria
Belgium	Watson-Marlow NV	Industriepark 5, B-9052 Zwijnaarde, Belgium
Brazil	Watson-Marlow Bredel Ind e Com de Bombas Limiteda	Alameda Oceania, 63, Polo Empresarial Tamboré, Santana de Parnaiba, São Paulo, CEP 06543-308, Brazil
Canada	Watson-Marlow Canada Inc	383 Applewood Crescent, Concord, ON L4K 4J3, Canada
Chile	Watson-Marlow Bombas Chile Limiteda	Las Garzas 930, Galpón E, Quilicura, Santiago de Chile, Chile
China	Shanghai Watson-Marlow Limited	No. 211, Wenjing Road, Shanghai Minhang District, China
	Watson-Marlow Co Limited	No.9 Lane 270 Sec. Beishen Road, Shenkeng District, New Taipei City 222, Taiwan, Greater China Zone
Colombia	Watson-Marlow Colombia SAS	Carretera Panamericana No 3-150, Jamundi, Valle del Cauca, Cali, Colombia
Czech Republic	Watson-Marlow sro	Pražská 1455/18a, 102 00 Praha 10, Czech Republic
Denmark	Watson-Marlow Flexicon A/S	Frejasvej 2, 4100 Ringsted, Denmark
Finland	Watson-Marlow Finland Oy	Niittytie 25 A 24, 01300 Vantaa, Helsinki, Finland
France	Watson-Marlow SAS	9 Route De Galluis, Zi Les Croix, 78940 La Queue Lez Yvelines, France
Germany	Watson-Marlow GmbH	Kurt-Alder-Str. 1, 41569 Rommerskirchen, Germany
Hungary	Watson-Marlow Kft	Lajos ucta 30, Budapest 1023, Hungary
India	Watson-Marlow India Private Limited	Mahalaxmi Icon, S. No. 132/2A-3A, Near Sai HP Petrol Pump, Pune-Mumbai Bypass Road, Tathawade, Pune, Maharashtra, 411 033, India
Ireland	Watson-Marlow Limited	Unit 1013, Gateway Business Park, New Mallow Rd., Cork, Ireland
Italy	Watson-Marlow Srl	Via Padana Superiore 74/D, 25080 Mazzano, Brescia, Italy
Japan	Watson-Marlow Co Limited	4-23-21 Ukima Kita-ku, Tokyo 115-0051, Japan
Malaysia	Watson-Marlow SDN BHD	6th Floor, Akademi Etiqa No. 23 Jalan Melaka, 50100 Kuala Lumpur W.P., Malaysia
Mexico	Watson-Marlow S de RL de CV	Boulevard Alianza 30B, Parque Industrial CPA, Ciénega de Flores Nuevo León, CP 65550, Mexico
Netherlands	Watson-Marlow BV	Oslo 9 – 11, 2993LD Barendrecht, Netherlands
	Watson-Marlow Bredel BV	Sluisstraat 7, 7491 GA, Delden, Netherlands
	Watson-Marlow Bredel Holdings BV (H)	Sluisstraat 7, 7491 GA, Delden, Netherlands
New Zealand	Watson-Marlow Limited	Unit F, 6 Polaris Place, East Tamaki, Auckland 2013, New Zealand
Norway	Watson-Marlow Norge AS	Vestvollveien 14A, 2019 Skedsmokorset, Norway
Philippines	Watson-Marlow Inc	10th Floor EGI Rufino Plaza, Sen. Gil Puyat Avenue, Corner Taft Avenue, Barangay, 38 Pasay City, Fourth District, Philippines
Poland	Watson-Marlow Sp Zoo	Al. Jerzego Waszyngtona 146, 04-076 Warszawa, Poland
Singapore	Watson-Marlow Pte Limited	421 Tagore Industrial Avenue, #01-13, Singapore 787805, Singapore
South Africa	Watson-Marlow Bredel SA (Pty) Limited	Unit 6 Cradleview Industrial Park, Cnr Beyers Naude Drive and Johan Street, Laser Park, South Africa
Spain	Watson-Marlow SLU	Tuset, 20 3 – 08006, Barcelona, Spain
Sweden	W-M Alitea AB	Hammarby Fabriksväg 29-31, SE-120 30 Stockholm, Sweden
Switzerland	Watson-Marlow AG	Gustav-Maurer-Strasse 9, 8702 Zollikon
United Arab Emirates	Watson Marlow FZCO	Office Number FZJOA2005, Jafza One, Jebel Ali Free Zone, Dubai, United Arab Emirates
United Kingdom	Aflex Hose Limited	Dyson Wood Way, Bradley, Huddersfield HD2 1GZ, United Kingdom
	BioPure Technology Limited	Bickland Water Road, Falmouth, Cornwall TR11 4RU, United Kingdom
	Watson-Marlow Limited*	Bickland Water Road, Falmouth, Cornwall TR11 4RU, United Kingdom
United States	Watson-Marlow America Manufacturing Inc	37 Upton Drive, Wilmington, MA 01887, United States
	Watson Marlow Inc	37 Upton Technology Park, Wilmington, MA 01887, United States
	Watson-Marlow Flow Smart Inc	1675 South State St., Suite B, Dover, DE 19901, United States

Key:

* Direct subsidiary owned by Spirax Group plc

(H) Holding company.

Dormant companies

Country/Territory	Company name	Registered office address
Canada	Canadian Heat Holding Corp	6600-100 King Street W., 1 First Canadian Place, Toronto, Ontario M5X 1B6, Canada
France	Heat Holding France SAS	23 Route de Château-Thierry, 02200 Noyant-et-Aconin, Soissons, France
Hong Kong	Chromalox Hong Kong Holdings Limited (H)	33/F, Shui On Centre, Nos 6-8 Harbour Road, Wanchai, Hong Kong
United Kingdom	Gervase Instruments Limited*	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Heat Holding (UK) Limited	Lansdowne Building, 2 Lansdowne Road, Croydon CR9 2ER, United Kingdom
	SARCO Limited*	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Sarco Thermostats Limited	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco Engineering Limited	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax Manufacturing Company Limited	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco Europe Limited*	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
	Spirax-Sarco International Limited*	Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom
United States	Heat Asset Acquisition Corp.	251 Little Falls Drive, Wilmington, DE 19808-1674, United States
	Mexican Heat Holding Corp.	c/o RA PO Box 20380, Carson City, Nevada 89706, United States
	Mexican Heat Holding, LLC	160 Greentree Dr., Suite 101, Dover, Delaware 19904, United States
	Ogden Manufacturing Co.	2711 Centerville Rd., Suite 400, Wilmington, DE 19808, United States

The global operations listed on pages 223 to 227 are registered companies. All shares unless otherwise indicated are ordinary shares.

In addition to these operations, we have a number of other operating units, including an Associate company; a company that is part owned with a third-party trust; branches of Spirax Sarco steam or WMFTS companies; and several WMFTS businesses that operate via Spirax Sarco steam business companies. The Spirax Group Education Fund, established in 2021, is not included in the Consolidated Financial Statements as under IFRS 10 the Group does not have control of this fund.

Details of these operations can be found on page 228.

Key:

* Direct subsidiary owned by Spirax Group plc

(H) Holding company.

Notes

1. All subsidiaries in the tables on pages 223 to 227 are indirect subsidiaries of Spirax Group plc, unless indicated*. All subsidiaries listed are ultimately 100% owned by the Group, except as follows:

Company	% owned by the Group
Spirax Sarco Egypt	98.867%
Spirax Sarco Energy Solutions LLC, Egypt	98.992%
Spirax Sarco Korea Ltd	98.4%
Spirax-Sarco Philippines Inc	99.998%
Spirax Sarco Services SA PTY Limited	48.51%. (51.49% is owned by a third-party trust, The Tomorrow Trust). The Group has control of the company and exposure, or rights, to variable returns from its investment in the investee.
Spirax Sarco (Thailand) Ltd	99.995%

2. In addition to the subsidiaries in the tables on pages 223 to 227, we have the following operations:

Steam Technology Solutions:

Country	Operating as a branch of
Cambodia	Spirax Sarco Pte Limited, Singapore
Denmark	Spirax-Sarco Limited, UK
Ghana	Spirax-Sarco Limited, UK
Greece	Spirax-Sarco Limited, UK
Ireland	Spirax-Sarco Limited, UK
Pakistan	Spirax-Sarco Limited, UK
Saudi Arabia	Spirax-Sarco Limited, UK
Slovakia	Spirax Sarco Spol. s.r.o.
Sri Lanka	Spirax-Sarco India Private Limited, India
Tanzania	Spirax-Sarco Limited, UK
Uganda	Spirax-Sarco Limited, UK
Zambia	Spirax Sarco South Africa (Pty) Limited, South Africa

Watson-Marlow Fluid Technology Solutions:

Country	Operating as a branch of
Serbia	Watson-Marlow Austria GmbH
	Operating via
Argentina	Spirax Sarco SA, Argentina
China	Spirax-Sarco Engineering (China) Limited
Indonesia	PT Spirax-Sarco Indonesia
South Korea	Spirax Sarco Korea Limited
Thailand	Spirax Sarco (Thailand) Limited
Vietnam	Spirax Sarco Vietnam Co Limited

This complete list of our global operations, including subsidiaries, forms part of the audited Financial Statements. For more information see Note 2 in the Company Financial Statements.

3. UK registered subsidiaries exempt from audit:

Company name	Company number
BioPure Technology Limited	03665190
Chromalox (UK) Limited	04325451
Cotopaxi Limited	07038605
Gestra UK Limited	10639879
Spirax-Sarco America Limited	07829847
Spirax-Sarco Investments Limited	00100995
Spirax-Sarco Overseas Limited	01472201
Gestra Holdings Limited	11612492
Spirax-Sarco America Investments Limited	11639451
Heat Holding (UK) Limited	04325456
Aflex Hose Limited	01088141
Thermocoax U.K. Limited	03504380
Vulcanic UK Limited	07194498

The companies listed above qualify to take the statutory audit exemption as set out within Section 479A of the Companies Act 2006 for the period ended 31 December 2024. Spirax Group plc will guarantee the debts and liabilities of the companies claiming the statutory audit exemption at the balance sheet date in accordance with Section 479C of the Companies Act 2006.

4. Spirax Group plc indirectly holds 12% of the Ordinary shares of Sustainable Process Heat GmbH (registered office: Zur Kaule 1, 51491 Overath, Germany) via Spirax-Sarco Germany Holdings GmbH.

Secretary and registered office

C. Barroche
Group General Counsel and Company Secretary
Spirax Group plc
Charlton House
Cirencester Road
Cheltenham
Gloucestershire GL53 8ER

Tel: +44 (0)1242 535000

Email: group.legal@spiraxgroup.com

Web: spiraxgroup.com

Auditor

Deloitte LLP

Financial advisers

Rothschild

JPMorgan Securities plc (JPMorgan Cazenove)

Financial PR

Teneo

Bankers

Barclays Bank PLC HSBC Bank PLC

BNP Paribas Citibank, N.A.

Crédit Industriel et Commercial ING Bank, N.V.

UniCredit Bank AG Wells Fargo Bank, N.A.

Corporate brokers

JPMorgan Securities plc (JPMorgan Cazenove)
Morgan Stanley & Co. International plc

Registrars

The Company's Registrar is Equiniti Limited.

Equiniti provide a range of services to shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for free at www.shareview.co.uk

Equiniti's registered address is:
Aspect House, Spencer Road, Lancing,
West Sussex BN99 6DA

Solicitors

Baker & McKenzie LLP

Important dates

Annual General Meeting	14 May 2025
2025 Half Year Results	12 August 2025

Final dividend**

Ordinary shares quoted ex-dividend	24 April 2025
Record date for final dividend	25 April 2025
Final dividend payable	23 May 2025

** Subject to shareholder approval at the AGM

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