

# Spirax Group

## Annual General Meeting

14 May 2025

# Welcome



**Tim Cobbold**  
Chair



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Chair



**Nimesh Patel**  
Group Chief Executive Officer



**Louisa Burdett**  
Chief Financial Officer



**Richard Gillingwater**  
Senior Non-Executive Director



**Angela Archon**  
Non-Executive Director



**Constance Baroude**  
Non-Executive Director



**Peter France**  
Non-Executive Director



**Caroline Johnstone**  
Non-Executive Director



**Jane Kingston**  
Non-Executive Director



**Kevin Thompson**  
Non-Executive Director



**Celine Barroche**  
Group General Counsel  
and Company Secretary

# Chief Executive Officer's Review

**Nimesh Patel**

Group Chief Executive Officer





# A strong Group with a differentiated business model

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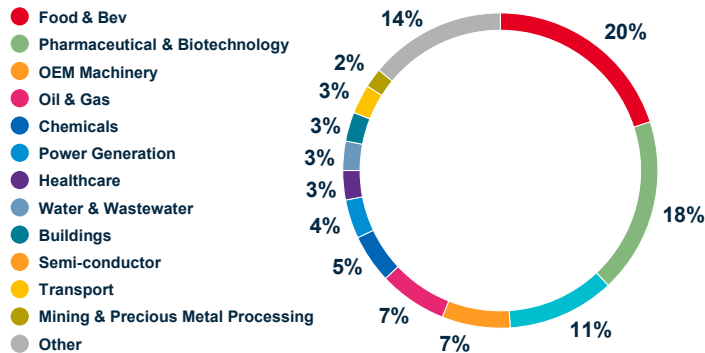
## Direct sales model focused on solution selling...



**2,150**

Direct sales and service engineers

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

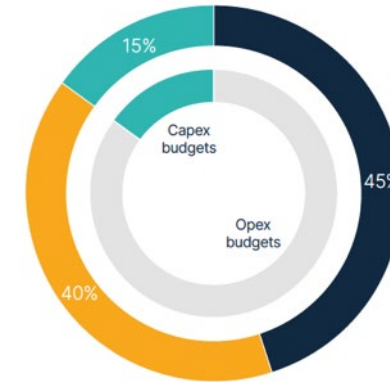


**60%**

sales from defensive sectors

## ...funded primarily from Opex budgets...

- **Maintenance and Repair sales**  
Typical invoice: £1.5k
- **Solution-sales**  
Typical invoice: £10-70k
- **Large project solution**  
Typical invoice: >£100k



**100k+**  
local customers and significant installed base

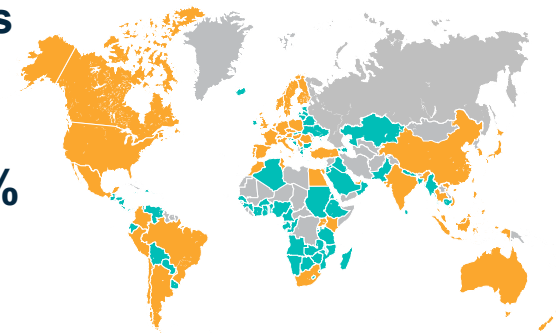
## ...and across the globe

### Global Sales

EMEA: **43%**

AMERICAS: **37%**

APAC: **20%**



**~70**  
countries with a direct sales presence

# Evolving for tomorrow's world

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## By addressing our Operational Priorities



### Commercial Excellence

Driving growth through leveraging our sales capability to better serve customers



### Operational Excellence

Improving margin through delivering operational improvements



### Organisational Fitness

Becoming more effective through simplifying the way we work

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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

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...to deliver on our long-term objectives

# Progress against a challenging macroeconomic backdrop

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2024 Group organic sales growth well ahead of IP

4%

Group organic  
sales growth

1%

Steam Thermal  
Solutions

10%

Electric Thermal  
Solutions

3%

Watson-Marlow  
Fluid Technology  
Solutions

Continued IP  
outperformance

Strong operational  
progress

Well positioned  
for growth

# Focusing on 'controlling the controllables'

## Examples of Operational Excellence and Commercial Excellence

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### STS:

#### Reshaping commercially in China:

- Focusing on our significant installed base in China to drive MRO sales:
  - Base mapped to prioritise opportunities
  - Hired MRO-specialist sales engineers
  - Retrained large-project engineers; realigned incentives
- Strong growth in STS outside China (4% vs. IP excluding China of 0.8%)

### Double-digit

MRO growth in China

**4% growth**

excluding China

### ETS:

#### Improving throughput at our ETS Ogden facility:

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

**~40%**

Increase in Ogden sales in 2024

**20%+**

Reduction in backlog

### WMFTS:

#### Adding value through sectorised focus:

- Process Industries is an IP-linked sector representing ~50% of Watson-Marlow sales
- Focus on high growth sectors, applying our sales model
- Leading to sales higher than IP

**6%**

Growth in Process Industries sales against a weak IP backdrop



# Protecting margins and improving cash conversion

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**20.1%**

**Group Adjusted  
Operating Margin**

**87%**

**Cash conversion**

**£35m**

**In annualised savings**

# Reshaping our organisation...

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- Reduced local and divisional management layers
- Combined technical and service engineering capability to leverage across a wider footprint
- Protected our differentiated local sales presence

- Closed Mexico manufacturing with production moving to the USA
- New Gestra Germany facility on hold



- Established a new divisional sales structure
- Improving collaboration across customer opportunities

- Consolidation of US manufacturing with smaller sites closing



- Moved to a sector-based sales model from a geographic focus
- Deepening our technical and process expertise
- Strengthening our self-generated solution-selling capability

- Consolidation of US manufacturing with smaller sites closing

...for a simpler and more customer-focused Group

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# Continued progress in 2025

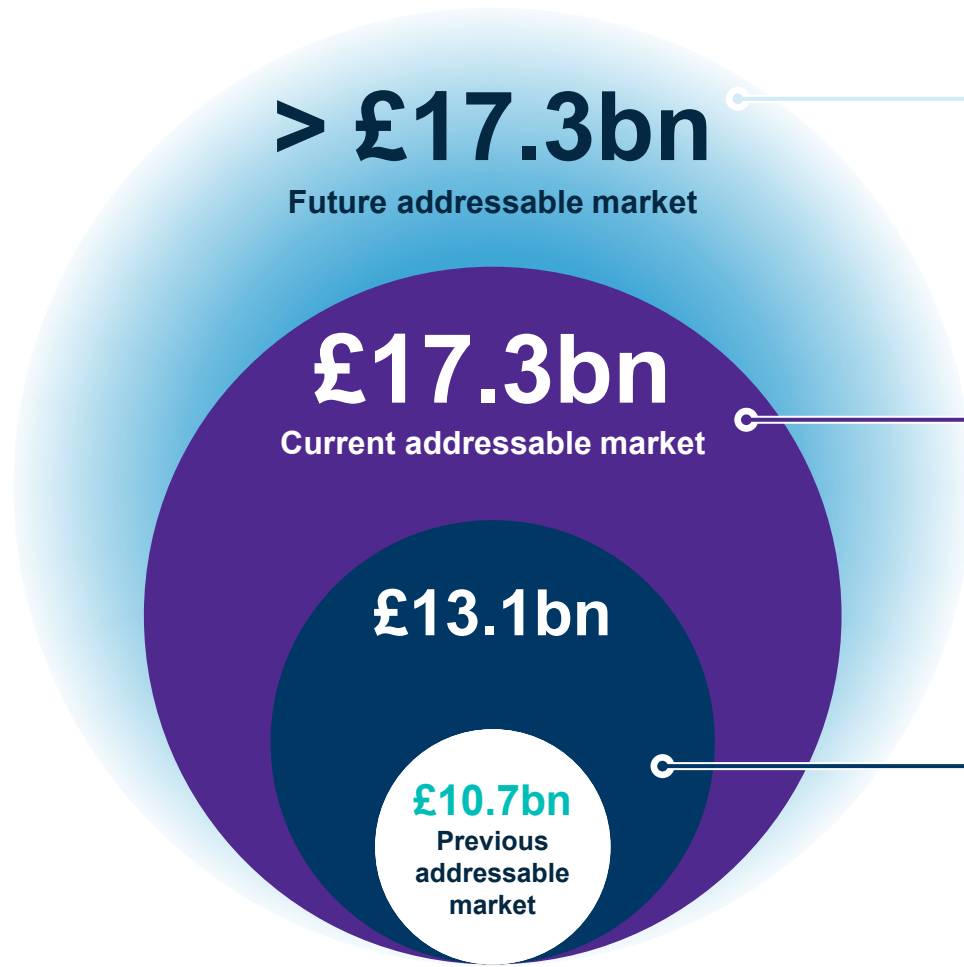
## Good demand growth; full-year guidance maintained

- Good demand growth in ETS and WMFTS; higher demand for STS MRO, offset by lower large projects demand
- Delivered low single-digit organic sales growth
- Adjusted operating profit and margin slightly lower compared to 2024, reflecting phasing of customer shipments
- Final dividend of 117.5 pence per share represents a 3% increase over 2023
- Maintained our outlook for 2025, while recognising the broader macroeconomic impact of US tariffs is uncertain
- Direct exposure to the tariffs is mitigated by local manufacturing; impacts managed through price

# Significant market potential underpins future growth

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



## Future expansion of addressable market:

- IP-related growth
- Pricing
- Biopharm and Semicon demand recovery
- New target, high growth sectors

## +£4.2bn

### Decarbonisation of thermal energy beyond steam generation:

- Current industrial thermal energy needs in target sectors and regions
- Assumes adoption over multiple years

## +£2.4bn

### Electrification of steam generation:

- Current installed base of boilers in target sectors and regions
- Assumes adoption over multiple years



# Together for Growth

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Three engines of growth with a common business model

Capturing opportunity through our strategy

For long term, compounding growth



**2,150** direct sales engineers

**60%** sales to defensive sectors

**~70** countries with direct sales presence

**100k** customers and large installed base

**85%** revenues from Opex budgets

**£17bn**  
market  
opportunity



Commercial  
Excellence



Operational  
Excellence



Organisational  
Fitness



Digital  
and Services



Decarbonising  
Thermal Energy

**Growth > 2x IP**

**Margins > 23%**

**Strong EPS  
growth**

**Improving  
returns**

● Key Operational Priority ● Investing for Growth



# In summary

## 2024

- Met the considerable external headwinds we faced
- Focused on controlling the controllables to deliver organic growth ahead of IP
- Margins in all three Businesses in line with expectations

## 2025

- The macroeconomic situation remains challenging; US tariffs create additional uncertainty
  - Continuing to control the controllables and are making progress
  - Maintained guidance for the full year
- 
- Thank colleagues across the world for their resilience and effort
  - Acknowledge contribution of the leadership team as we align the Group behind our strategic priorities