

Financial Statements

In this section

- 159** Independent Auditor's Report to the members of Spirax Group plc
- 168** Consolidated Statement of Financial Position
- 169** Consolidated Income Statement
- 169** Consolidated Statement of Comprehensive Income
- 170** Consolidated Statement of Changes in Equity
- 171** Consolidated Statement of Cash Flows
- 172** Notes to the Consolidated Financial Statements
- 208** Appendix: Alternative performance measures
- 215** Company Statement of Financial Position
- 216** Company Statement of Changes in Equity
- 217** Notes to the Company Financial Statements
- 223** Our Global Operations
- IBC** Corporate Information: Officers and advisers

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 2025 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; and
- the related Notes 1 to 26 to the Consolidated Financial Statements and 1 to 12 for the Parent Company Financial Statements

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: <ul style="list-style-type: none"> • 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 which was determined on the basis of 5% of adjusted profit before tax.
Scoping	We completed audits of the entire financial information on 25 reporting entities and audits of specified account balances were performed on 14 reporting entities. Our audits of the entire financial information and specified account balances covered 73% of total Group revenue and 77% of profit before tax.
Significant changes in our approach	There are no significant changes in our approach, as compared to 2024.

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.

To evaluate the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting we performed the following:

- 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;

Report on the audit of the Financial Statements continued

4. Conclusions relating to going concern continued

- recalculated and assessed the amount of headroom in the forecasts (liquidity and covenants);
- evaluated the sensitivity analysis performed by management 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 twelve 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 communicated below 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	<p>The Group holds £663.3m (2024: £669.7m) of goodwill. The value of goodwill for the ETS group of CGUs as at the balance sheet date was £478.7m (2024: £491.3m). The Group performs an impairment review of the carrying value of the ETS group of CGUs on an annual basis in line with the requirements of IAS 36 Impairment of Assets. The impairment assessment involves judgement in considering whether the carrying value of the ETS group of CGUs is recoverable.</p> <p>The Group 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 of CGUs due to the significant growth anticipated in the Group's forecasts. Key judgements include assumptions in estimating future revenue and earnings before interest and tax (EBIT) margins in the short term (2026-2030); alongside setting an appropriate discount rate. We have identified a key audit matter due to sensitivity of the Group's valuation to these assumptions.</p> <p>The Audit Committee Report on page 129 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.</p>
How the scope of our audit responded to the key audit matter	<p>In response to the key audit matter identified, we performed the following procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls relating to the goodwill impairment review process; • assessed the integrity of the Group'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 key facilities within the ETS business (Ogden and Durex) to understand and assess the reasonableness of growth assumptions within the impairment model; • considered external evidence, such as forecast Industrial Production ("IP") and GDP growth, market reports and order intake, and with the support of our industry specialists assessed the accuracy and reasonableness of the Group's forecasts; • compared the change in model assumptions from 2024 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; • 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	<p>From the work performed above we are satisfied that the value in use used in the goodwill impairment review for the ETS group of CGUs supports the carrying value and therefore we are satisfied with the goodwill valuation of the ETS group of CGUs. 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.</p>

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	<p>At 31 December 2025 the gross UK retirement benefit liability recognised in the Consolidated Statement of Financial Position was £272.3m (2024: £280.9m). There is a risk of material misstatement relating to the judgements made by the Group 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. The Group involved third party actuaries to complete valuations of the pension liabilities.</p> <p>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 liability valuations and the financial reporting matters and accounting judgements section of the Audit Committee Report on page 129.</p>
How the scope of our audit responded to the key audit matter	<p>In response to the key audit matter identified, we performed the following procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls relating to the determination and review of the key model input assumptions; • 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 assessed whether the key model input assumptions are reasonable; • for each of the three UK schemes, we challenged the Group's key model input assumptions by reference to illustrative benchmark rates; and • evaluated the competence of management's expert, their capabilities and objectivity.
Key observations	<p>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 model input assumptions applied in respect of the valuation of the UK schemes' liabilities are reasonable.</p>

5.3. Revenue recognition

Key audit matter description	<p>The Group recognised revenue of £1,702.9m (2024: £1,665.2m) through the provision of goods and services accounted for under IFRS 15 Revenue from Contracts with Customers.</p> <p>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.</p> <p>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.</p> <p>Refer to Note 1 for the Group's revenue recognition policy and Note 2 for the Group's segmental reporting showing revenue by operating segment.</p>
How the scope of our audit responded to the key audit matter	<p>Our audit response consisted of a combination of procedures varying depending on the nature of the component, including:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls relating to the revenue cycle; • with the involvement of our data and analytics specialists developed bespoke analytics to assess transactions recorded in the year at a number of in scope components. The analytics automatically reconciled underlying transaction data across key factors such as pricing, quantities, and timing. These data analytical tools allowed us to scrutinise large transactional data sets for unusual trends, and to identify outliers in a revenue population for further investigation and testing; • tested the accuracy and completeness of the data utilised in those analytics through agreeing a sample to supporting documentation; • evaluated the product dispatch cycle and revenue recognition profile across the year-end period; • for the components not subject to bespoke analytics, we evaluated 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 • assessed the appropriateness of the related disclosures.
Key observations	<p>From the procedures performed above, we consider that revenue has been appropriately recognised in the year.</p>

Report on the audit of the Financial Statements continued

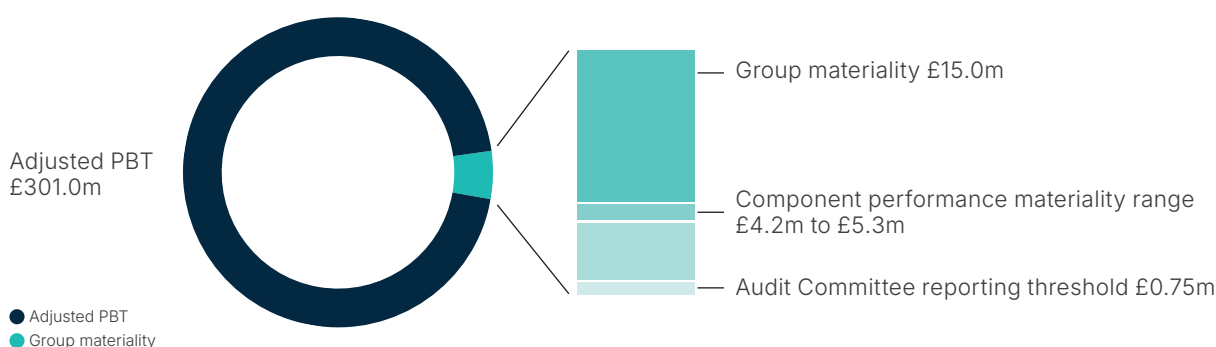
6. Our application of materiality

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 (2024: £15.0m)	£5.3m (2024: £5.6m)
Basis for determining materiality	We determined materiality on the basis of 5% of adjusted profit before tax (2024: 5% of adjusted profit before tax) as disclosed on page 212 of the Annual Report.	Parent Company materiality is set at 3% of net assets (2024: 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% (2024: 70%) of Group materiality	70% (2024: 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 low level of corrected and 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 £0.75m (2024: £0.75m), 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

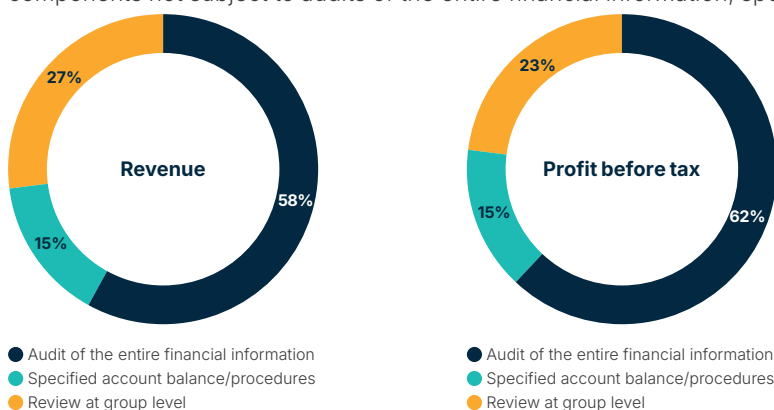
7.1. Identification and scoping of components

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. At the planning stage we used analytical tools, in consideration of trends and relationships as well as significance of different components, in order to determine an appropriate scope.

Based on that assessment, we focused our Group audit scope primarily on the audit work at 39 components (2024: 42 components). 25 components (2024: 24 components) of these were subject to an audit of the entire financial information and 14 components (2024: 18 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 or audit materiality of the Group's operations at those components. These components represent the principal business units and account for 73% (2024: 73%) of the Group's revenue and 77% (2024: 83%) 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 at the Group level. 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 £4.2m to £5.3m (2024: £4.5m to £5.6m).

At the Group 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.



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 and continuing the audit plan from the prior year, additional audit work on controls was performed on key financial reporting process cycles to inform our risk assessment, and to assess consistency between our knowledge and the other information.

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 page 127, which includes consideration of developments in control in the context of the FRC guidance and changes to the Corporate Governance Code. As the Group 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 86.

In combination with internal sustainability specialists, we have obtained the Group'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 the Group 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 2025 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 transactions, 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 the 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 is approved annually by the board, most recently on 5 March 2026;
- 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, industry 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. 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.

Report on the audit of the Financial Statements continued

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 41;
- 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 41;
- the Directors' statement on fair, balanced and understandable set out on page 131;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 124;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 130; and
- the section describing the work of the Audit Committee set out on page 128.

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 12 years, covering the years ending 31 December 2014 to 31 December 2025.

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 (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
9 March 2026

Consolidated Statement of Financial Position at 31 December 2025

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Property, plant and equipment	12	425.8	433.1
Right-of-use assets	13	89.8	95.6
Goodwill	14	663.3	669.7
Other intangible assets	14	396.1	420.4
Prepayments		2.4	1.8
Investment in Associate	11	3.3	3.3
Deferred tax assets	15	32.8	34.2
		1,613.5	1,658.1
Current assets			
Inventories	16	252.4	253.2
Trade receivables	25	323.2	313.8
Other current assets	17	86.8	75.1
Taxation recoverable		13.1	10.6
Assets classified as held for sale	26	3.1	—
Cash and cash equivalents	23	369.0	334.2
		1,047.6	986.9
Total assets		2,661.1	2,645.0
Equity and liabilities			
Current liabilities			
Trade and other payables	18	268.9	263.0
Provisions	19	12.9	5.4
Bank overdrafts	23	129.3	100.3
Current portion of long-term borrowings	23	107.2	123.9
Short-term lease liabilities	23	17.1	17.2
Current tax payable		30.2	23.3
		565.6	533.1
Net current assets		482.0	453.8
Non-current liabilities			
Long-term borrowings	23	697.2	706.2
Long-term lease liabilities	23	73.1	77.9
Deferred tax liabilities	15	59.6	63.6
Post-retirement benefits	22	30.0	42.5
Provisions	19	8.2	6.3
Long-term payables		5.1	6.2
		873.2	902.7
Total liabilities		1,438.8	1,435.8
Net assets	2	1,222.3	1,209.2
Equity			
Share capital	20	19.9	19.8
Share premium account		92.3	92.0
Translation reserve	20	(126.7)	(86.1)
Other reserves	20	(0.2)	(7.5)
Retained earnings		1,236.8	1,190.6
Equity shareholders' funds		1,222.1	1,208.8
Non-controlling interest		0.2	0.4
Total equity		1,222.3	1,209.2
Total equity and liabilities		2,661.1	2,645.0

These Consolidated Financial Statements of Spirax Group plc, company number 00596337, were approved by the Board of Directors and authorised for issue on 9 March 2026 and signed on its behalf by:

N.B. Patel
Director

L. S. Burdett
Director

Consolidated Income Statement for the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Revenue	2	1,702.9	1,665.2
Operating costs	3	(1,437.5)	(1,360.6)
Operating profit	2	265.4	304.6
Financing expenses		(47.0)	(56.7)
Financing income		8.7	13.0
Net financing expense	2, 5	(38.3)	(43.7)
Share of loss of Associate	11	(0.6)	(2.0)
Profit before taxation	6	226.5	258.9
Taxation	8	(62.9)	(67.5)
Profit for the year		163.6	191.4
Attributable to:			
Equity shareholders		163.4	191.2
Non-controlling interest		0.2	0.2
Profit for the year		163.6	191.4
Earnings per share	9		
Basic earnings per share		221.7p	259.6p
Diluted earnings per share		221.2p	258.9p
Dividends	10		
Dividends per share		170.0p	165.0p
Dividends paid during the year (per share)		166.2p	161.5p

The Notes on pages 172 to 207 form an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Profit for the year		163.6	191.4
Items that will not be reclassified to profit or loss:			
Remeasurement gain on post-retirement benefits	22	7.6	3.6
Deferred tax on remeasurement gain on post-retirement benefits	15, 22	(2.3)	(1.1)
		5.3	2.5
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation and net investment hedges loss	20	(40.6)	(25.7)
Gain/(loss) on cash flow hedges net of tax	20, 25	2.5	(2.3)
		(38.1)	(28.0)
Total comprehensive income for the year		130.8	165.9
Attributable to:			
Equity shareholders		130.6	165.7
Non-controlling interest		0.2	0.2
Total comprehensive income for the year		130.8	165.9

Consolidated Statement of Changes in Equity for the year ended 31 December 2025

	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 2025		19.8	92.0	(86.1)	(7.5)	1,190.6	1,208.8	0.4	1,209.2
Profit for the year		—	—	—	—	163.4	163.4	0.2	163.6
Other comprehensive (expense)/income:									
Foreign exchange translation and net investment hedges loss	20	—	—	(40.6)	—	—	(40.6)	—	(40.6)
Remeasurement gain on post-retirement benefits	22	—	—	—	—	7.6	7.6	—	7.6
Deferred tax on remeasurement gain on post-retirement benefits	15, 22	—	—	—	—	(2.3)	(2.3)	—	(2.3)
Gain on cash flow hedges net of tax	20, 25	—	—	—	2.5	—	2.5	—	2.5
Total other comprehensive (expense)/income for the year		—	—	(40.6)	2.5	5.3	(32.8)	—	(32.8)
Total comprehensive income/(expense) for the year		—	—	(40.6)	2.5	168.7	130.6	0.2	130.8
Contributions by and distributions to owners of the Company:									
Dividends paid	10	—	—	—	—	(122.5)	(122.5)	(0.3)	(122.8)
Purchase of shares from NCI		—	—	—	—	—	—	(0.1)	(0.1)
Issue of share capital	20	0.1	0.3	—	—	—	0.4	—	0.4
Employee Benefit Trust shares	20	—	—	—	4.8	—	4.8	—	4.8
Balance at 31 December 2025		19.9	92.3	(126.7)	(0.2)	1,236.8	1,222.1	0.2	1,222.3

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 1.3% (2024: 1.6%) share of Spirax Sarco Korea Ltd held by employee shareholders.

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, 25	—	—	—	(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

Consolidated Statement of Cash Flows for the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
Profit before taxation		226.5	258.9
Depreciation, amortisation and impairment	2, 3	102.2	103.7
Profit on disposal of property, plant and equipment	6	(1.1)	(3.8)
Share of loss of Associate	11	0.6	2.0
Contributions to pension schemes	22	(7.1)	(6.4)
Profit on disposal of Associate		—	(3.2)
Acquisition-related items		—	(7.3)
Restructuring-related provisions and current asset impairments		14.9	(2.4)
Equity settled share plans	22	6.4	3.1
Net financing expense	5	38.3	43.7
Operating cash flow before changes in working capital and provisions		380.7	388.3
(Increase)/decrease in trade and other receivables		(26.0)	(34.5)
(Increase)/decrease in inventories		(6.1)	21.9
Increase/(decrease) in provisions		0.1	(2.5)
Increase/(decrease) in trade and other payables		13.4	16.1
Cash generated from operations		362.1	389.3
Income taxes paid		(65.9)	(76.5)
Net cash from operating activities		296.2	312.8
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(47.8)	(74.3)
Proceeds from sale of non-current assets		3.3	9.2
Purchase of software and other intangibles	14	(16.0)	(14.6)
Development expenditure capitalised	14	(4.2)	(3.9)
Disposal of Associate		—	5.6
Acquisition of businesses net of cash acquired		(10.6)	(4.5)
Acquisition of businesses reimbursed consideration		—	4.2
Interest received	5	8.7	13.0
Net cash used in investing activities		(66.6)	(65.3)
Cash flows from financing activities			
Proceeds from issue of share capital	20	0.3	1.9
Repaid borrowings	23	(37.5)	(103.0)
New borrowings	23	—	76.8
Interest paid and interest on lease liabilities	5	(45.3)	(54.8)
Repayment of lease liabilities	23	(18.0)	(16.6)
Dividends paid (including minorities)		(122.8)	(119.3)
Net cash used in financing activities		(223.3)	(215.0)
Net change in cash and cash equivalents	23	6.3	32.5
Net cash and cash equivalents at beginning of the year	23	233.9	212.8
Exchange movement	23	(0.5)	(11.4)
Net cash and cash equivalents at end of the year	23	239.7	233.9
Borrowings	23	(804.4)	(830.1)
Net debt at end of the year	23	(564.7)	(596.2)
Lease liabilities	23	(90.2)	(95.1)
Net debt including lease liabilities at end of the year	23	(654.9)	(691.3)

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 Consolidated 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 an emerging global risk. The Group contributes to limiting global warming by improving energy efficiency, reducing emissions and supporting customers to do the same. Growing climate awareness and customer sustainability targets also present opportunities for business growth through our efficiency-enhancing products and solutions.

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 92 to 100. 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

The assessment performed did not identify any material climate-related risks that would give rise to adjustments to the carrying amounts of assets or liabilities, nor to additional disclosures. The Directors recognise that climate-related risks continue to develop and will reassess these risks regularly, taking into account their possible implications for the key judgements, estimates and assumptions underpinning the preparation of the Consolidated 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 100. In addition, Note 25 to the Consolidated 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 2025. Adoption has not had a material impact on the disclosures or on the amounts reported in these Consolidated Financial Statements:

- Amendments to IAS 21: The effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

New standards and interpretations not yet applied

At the date of authorisation of these Consolidated Financial Statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed below will have a material impact on the Consolidated Financial Statements of the Group in future periods.

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (1 January 2026)
- Amendments to IFRS 9 and IFRS 7: Contracts referencing Nature-dependent Electricity (1 January 2026)
- IFRS 19: Subsidiaries without Public Accounting Accountability – Disclosures (1 January 2027)
- IFRS 18: Presentation and Disclosures in Financial Statements (1 January 2027)

The Group has performed an initial assessment of IFRS 18, which is effective for annual reporting periods beginning on or after 1 January 2027. Based on the review to date, the standard is not expected to have a material impact on the Consolidated Financial Statements. The Group will continue to monitor developments and assess the implications as part of its ongoing reporting processes.

At 31 December 2025 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 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 results 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 Consolidated 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 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 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 Consolidated 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 Consolidated Statement of 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, 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 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.

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 estimated useful lives are as follows:

Freehold buildings	25 – 67 years
Leasehold buildings	Over life of lease
Plant and machinery	5 – 25 years
Fixtures, fittings, tools and equipment	3 – 10 years

The estimated useful lives are reassessed annually.

Assets under construction

Assets under construction are carried at cost and are not depreciated until they are available for use. Once the asset is ready for its intended use, it is transferred to the appropriate category of property, plant and equipment and depreciated in accordance with the Group's estimated useful lives.

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 Consolidated Financial Statements from 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 is the excess of the cost of an acquisition over the fair value of the identifiable net assets acquired. It is carried at cost less accumulated impairment losses, allocated to cash-generating units, and tested annually for impairment. Impairment testing compares the carrying amount with the recoverable amount, being the higher of fair value less costs to sell and value in use, based on discounted future cash flows for the relevant cash-generating unit (see Note 14).

(ii) Research and development

Expenditure on research and development is charged to the Consolidated Income Statement in the period in which it is incurred except when the development expenditure meets 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 cloud based software 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 estimated useful lives are as follows:

Development costs	5 - 10 years
Computer software	3 - 10 years
Customer relationships	3 - 16 years
Brand names and trademarks	3 - 20 years
Manufacturing designs and core technology	2 - 16 years
Non-compete undertakings and other	1 - 5 years

The Group has reviewed the useful lives and has determined a change for development costs from 5 years to 5 – 10 years, to reflect the extended usage of capitalised Development costs around the Group. The 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 Consolidated 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 2025 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 the factors that might cause the Group to require additional liquidity and to form a view as to the probability of these occurring.

The Group's financial position remains robust, with the next maturities of our committed debt facilities being €120m US Private Placement Notes which mature in May 2026 and €90m Bank Term Loan which matures in August 2026. 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 covenants. At 31 December 2025 leverage (net debt excluding lease liabilities divided by adjusted earnings before interest, tax, depreciation and amortisation) was 1.5x (2024: 1.6x) and interest cover (adjusted earnings before interest, tax, depreciation and amortisation divided by net bank interest) was 12x (2024: 10x).

'Reverse stress testing' was performed to assess the level of business underperformance that would be required for a breach of the covenants to occur. 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 on pages 87 to 91); the potential impact of any climate change related risks (as outlined within the Task Force on Climate-related Financial Disclosures on pages 92 to 100); and the liquidity and covenant headroom available under several alternative scenarios (as set out in the Viability Assessment on pages 41 to 43), the Directors consider it appropriate to continue to adopt the Going Concern basis in preparing the Consolidated 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 that users of the Consolidated 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. 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.

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 Consolidated 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 Consolidated 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 Consolidated 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
- 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

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 the performance obligation is satisfied. Contract assets at 31 December 2025 were £38.4m (2.3% of total revenue) (2024: £23.2m (1.4% of total revenue)).

All revenue recognised by the Group is generated through contracts with customers.

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.

1 Accounting policies continued

Revenue continued

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 2025 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 Group under residual value guarantees
- The exercise price of purchase options, if the Group 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 includes both current and deferred taxation. Income tax expense is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In those cases, the tax is recognised within 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 Consolidated 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 Consolidated 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 or prior year.

Analysis by operating segment 2025

	Revenue £m	Total operating profit £m	Operating margin
Steam Thermal Solutions	853.4	167.8	19.7%
Electric Thermal Solutions	441.3	40.4	9.2%
Watson-Marlow Fluid Technology Solutions	408.2	96.9	23.7%
Corporate	—	(39.7)	
Total	1,702.9	265.4	15.6%
Net financing expense		(38.3)	
Share of loss of Associate		(0.6)	
Profit before taxation		226.5	

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 taxation		258.9	

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

	2025 £m	2024 £m
Europe, Middle East and Africa	752.6	721.3
Asia Pacific	311.5	338.2
Americas	638.8	605.7
Total revenue	1,702.9	1,665.2

Revenue generated by Group companies based in the USA is £491.0m (2024: £455.5m), in China £147.6m (2024: £160.8m), in Germany £155.5m (2024: £147.8m), in France £133.6m (2024: £130.7m), in the UK £117.1m (2024: £116.7m) and in the rest of the world £658.1m (2024: £653.7m).

2 Segmental reporting continued

Net financing income and expense

	2025 Income £m	2025 Expense £m	2025 Net £m	2024 Income £m	2024 Expense £m	2024 Net £m
Steam Thermal Solutions	2.0	(3.1)	(1.1)	3.1	(3.5)	(0.4)
Electric Thermal Solutions	1.2	(0.6)	0.6	1.1	(1.4)	(0.3)
Watson-Marlow Fluid Technology Solutions	1.1	(1.6)	(0.5)	1.6	(1.6)	—
Corporate	4.4	(41.7)	(37.3)	7.2	(50.2)	(43.0)
Total net financing expense	8.7	(47.0)	(38.3)	13.0	(56.7)	(43.7)

Net assets

	2025 Assets £m	2025 Liabilities £m	2024 Assets £m	2024 Liabilities £m
Steam Thermal Solutions	711.8	(194.3)	693.9	(190.8)
Electric Thermal Solutions	1,095.2	(70.9)	1,139.9	(84.4)
Watson-Marlow Fluid Technology Solutions	398.7	(48.5)	403.9	(38.8)
Corporate	37.4	(11.4)	28.3	(9.4)
	2,243.1	(325.1)	2,266.0	(323.4)
Liabilities		(325.1)	(323.4)	
Net deferred tax		(26.8)	(29.4)	
Assets classified as held for sale	3.1		—	
Net tax payable	(17.1)		(12.7)	
Net debt including lease liabilities	(654.9)		(691.3)	
Net assets	1,222.3		1,209.2	

Non-current assets in the USA were £634.4m (2024: £684.1m), in France £362.2m (2024: £353.2m), in the UK £286.5m (2024: £276.3m), in Germany £163.5m (2024: £151.2m) and in the rest of the world £166.9m (2024: £193.3m).

Capital additions, depreciation, amortisation and impairment

	2025 Capital additions £m	2025 Depreciation, amortisation and impairment £m	2024 Capital additions £m	2024 Depreciation, amortisation and impairment £m
Steam Thermal Solutions	42.1	36.7	37.7	33.0
Electric Thermal Solutions	19.9	39.6	48.4	37.7
Watson-Marlow Fluid Technology Solutions	13.9	24.4	18.9	31.0
Corporate	10.3	1.5	4.6	2.0
Group total	86.2	102.2	109.6	103.7

Capital additions include property, plant and equipment of £47.8m (2024: £74.3m), intangible assets of £23.3m (2024: £18.5m) and right-of-use asset additions of £15.1m (2024: £16.8m). Capital additions are split between the USA £17.0m (2024: £49.5m), UK £29.3m (2024: £22.9m) and rest of the world £39.9m (2024: £37.2m).

3 Operating costs

	2025 £m	2024 £m
Cost of inventories recognised as an expense	394.6	396.5
Staff costs (Note 4)	669.3	640.5
Depreciation, amortisation and impairment	102.2	103.7
Other operating charges	271.4	219.9
Total operating costs	1,437.5	1,360.6

Total staff costs include a credit of £3.7m (2024: £2.7m) relating to amounts capitalised during the year. Excluding this credit, total staff costs were £673.0m (2024: £643.2m).

4 Staff costs and numbers

The aggregate payroll costs of persons employed by the Group were as follows:

	2025 £m	2024 £m
Wages and salaries	554.1	528.4
Social security costs	90.2	85.1
Pension costs	28.7	29.7
Total payroll costs	673.0	643.2

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2025 £m	2024 £m
Production and engineering	4,806	4,630
Sales and support services	3,023	3,125
Administrative	2,122	2,155
Group average	9,951	9,910

5 Net financing income and expense

	2025 £m	2024 £m
Financing expenses		
Bank and other borrowing interest payable	(42.1)	(51.7)
Interest expense on lease liabilities	(3.2)	(3.1)
Net interest on pension scheme liabilities	(1.7)	(1.9)
	(47.0)	(56.7)
Financing income		
Bank interest receivable	8.7	13.0
Net financing expense	(38.3)	(43.7)
Net bank interest	(33.4)	(38.7)
Interest expense on lease liabilities	(3.2)	(3.1)
Net interest on pension scheme liabilities	(1.7)	(1.9)
Net financing expense	(38.3)	(43.7)

6 Profit before taxation

Profit before taxation is shown after charging:

	2025 £m	2024 £m
Depreciation of property, plant and equipment	(37.7)	(38.9)
Depreciation of right-of-use assets	(18.7)	(17.6)
Amortisation of acquired intangibles	(34.6)	(34.1)
Amortisation of other intangibles	(8.3)	(7.4)
Non-current asset impairment	(2.9)	(5.7)
Leases exempt from IFRS 16 (short-term, low-value or variable lease payments)	(3.1)	(2.9)
Exchange difference gains	4.1	1.1
Profit on disposal of non-current assets	1.1	3.8
Research and directly expensed development costs	(8.6)	(11.3)
Auditor's remuneration	2025 £m	2024 £m
Audit of these Consolidated 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	2.3	2.2
Total audit fees	3.0	2.9
Audit-related assurance services	0.2	0.4
Total non-audit fees	0.2	0.4
Total Auditor's remuneration	3.2	3.3

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 2025 on pages 138 to 146. 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).

	2025 £m	2024 £m
Salaries and short-term benefits	3.7	2.6
Pension costs	0.1	0.1
Share-based payments	0.2	0.1
Total Directors' remuneration	4.0	2.8

8 Taxation

	2025 £m	2024 £m
Analysis of charge in the year		
UK corporation tax:		
Current tax on income for the year	7.4	7.7
Adjustments in respect of prior years	0.3	(0.3)
	7.7	7.4
Foreign tax:		
Current tax on income for the year	63.2	68.1
Adjustments in respect of prior years	(1.3)	(0.7)
	61.9	67.4
Total current tax charge	69.6	74.8
UK deferred tax:		
Origination and reversal of timing differences	(1.8)	(3.3)
Adjustment in respect of prior years	(1.3)	(0.3)
	(3.1)	(3.6)
Foreign deferred tax:		
Origination and reversal of timing differences	(1.5)	(3.2)
Adjustment in respect of prior years	(2.1)	(0.5)
	(3.6)	(3.7)
Total deferred tax credit	(6.7)	(7.3)
Tax on profit on ordinary activities	62.9	67.5

Reconciliation of effective tax rate

	2025 £m	2024 £m
Profit before taxation	226.5	258.9
Expected tax at blended rate of 26.3% (2024: 26.7%)	59.5	69.2
Increased withholding tax on overseas dividends	7.0	6.8
Non-deductible expenditure and incentives	1.9	(2.2)
Over provided in prior years	(4.4)	(1.8)
Other reconciling items	(1.1)	(4.5)
Total tax in Consolidated Income Statement	62.9	67.5
Effective tax rate	27.8%	26.1%

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.

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. This adjustment gave a reduction in the Group's effective tax rate in the year of 90bps being £2.0m on a statutory basis (2024: 110bps being £2.8m), included within 'Other reconciling items' in the reconciliation above. Whilst the expected impact of this adjustment is included in guidance for the effective tax rate, this is difficult to accurately forecast.

The Group benefited from non-recurring investment tax incentives in the USA of £2.3m in 2024 (included in 'Non-deductible expenditure'), with no such credits received in 2025.

The Group monitors income tax developments in the territories in which it operates.

The Group is subject to Pillar Two income taxes and is required to pay top-up tax on profits in the countries where it operates which 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 £1.1m on a statutory basis (2024: 50 bps being £1.3m). 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.

In March 2025, the Group received a refund from HM Revenue & Customs of £4.9m, the amount having previously recognised as a receivable. The amount was originally paid in 2021 following the European Commission's 2019 decision that certain aspects of the UK's Controlled Foreign Company regime constituted State Aid, a decision subsequently annulled by the European Court of Justice in September 2024.

The Group's tax charge has increased by 80bps being £1.9m on a statutory basis (2024: nil), for tax expected to be paid on the future remittance of retained earnings of overseas subsidiaries. No further tax is expected to be paid on such remittances.

9 Earnings per share

	2025	2024
Profit attributable to equity shareholders (£m)	163.4	191.2
Weighted average shares (million)	73.7	73.7
Dilution (million)	0.2	0.2
Diluted weighted average shares (million)	73.9	73.9
Basic earnings per share	221.7p	259.6p
Diluted earnings per share	221.2p	258.9p

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

	2025 £m	2024 £m
Amounts paid in the year:		
Final dividend for the year ended 31 December 2024 of 117.5p (2023: 114.0p) per share	86.6	84.0
Interim dividend for the year ended 31 December 2025 of 48.9p (2024: 47.5p) per share	35.9	35.0
Total dividends paid	122.5	119.0
Amounts arising in respect of the year:		
Interim dividend for the year ended 31 December 2025 of 48.9p (2024: 47.5p) per share	35.9	35.0
Proposed final dividend for the year ended 31 December 2025 of 121.1p (2024: 117.5p) per share	89.3	86.6
Total dividends arising	125.2	121.6

The proposed dividend is subject to approval in 2026 and is therefore not included as a liability in these Consolidated 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 2025.

11 Investment in Associate

Summarised financial information in respect of the Group's immaterial Associate is set out below.

	Associate 2025 £m	Associate 2024 £m
Cost of investment	3.9	3.3
Share of equity	(0.6)	—
Total investment in Associate	3.3	3.3

Details of the Group's Associate at 31 December 2025 and 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

The Group's share of Sustainable Process Heat GmbH's loss is £0.6m (2024: £nil).

In the prior year, the Group's share of Kyoto Group AS loss was £2.0m. The investment was disposed of during 2024.

12 Property, plant and equipment 2025

	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 2025	206.5	53.3	272.3	125.1	58.9	716.1
Exchange adjustments	(2.8)	(2.3)	(0.9)	(0.6)	(2.6)	(9.2)
	203.7	51.0	271.4	124.5	56.3	706.9
Additions	11.0	0.6	10.6	8.8	16.8	47.8
Transfers	38.0	4.1	2.5	(7.9)	(36.2)	0.5
Disposals	(4.1)	(0.5)	(19.3)	(4.7)	(5.4)	(34.0)
At 31 December 2025	248.6	55.2	265.2	120.7	31.5	721.2
Depreciation:						
At 1 January 2025	44.5	14.2	151.8	67.5	5.0	283.0
Exchange adjustments	(0.3)	(0.5)	(0.3)	(0.1)	—	(1.2)
	44.2	13.7	151.5	67.4	5.0	281.8
Charged in year	5.8	2.0	18.8	11.1	—	37.7
Impairment	0.4	—	1.0	1.0	—	2.4
Transfers	4.0	1.8	(2.6)	(1.0)	—	2.2
Disposals	(0.8)	(0.3)	(18.3)	(4.3)	(5.0)	(28.7)
At 31 December 2025	53.6	17.2	150.4	74.2	—	295.4
Net book value:						
At 31 December 2025	195.0	38.0	114.8	46.5	31.5	425.8

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

All impaired assets have been impaired to a recoverable amount of £nil. In 2025, the Group identified indicators of impairment regarding specific assets as a result of the Group restructuring programme. A total of £2.9m was recognised within Group operating profit in relation to this; £2.4m within property, plant and equipment and £0.5m within leased assets. 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.

Included in transfers is £26.1m in relation to ETS' Ogden manufacturing facility expansion. The remaining transfers relate to reclassifications between asset categories.

No borrowing costs were capitalised during either year.

13 Leases

Right-of-use assets 2025

	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 2025	123.3	27.5	1.8	152.6
Exchange adjustments	(1.8)	0.8	0.1	(0.9)
	121.5	28.3	1.9	151.7
Additions	6.8	8.1	0.2	15.1
Disposals	(3.3)	(5.3)	—	(8.6)
At 31 December 2025	125.0	31.1	2.1	158.2
Depreciation:				
At 1 January 2025	40.4	15.4	1.2	57.0
Exchange adjustments	(0.2)	0.5	0.1	0.4
	40.2	15.9	1.3	57.4
Charged in the year	12.7	5.8	0.2	18.7
Impairment	0.5	—	—	0.5
Transfers	0.1	(0.1)	—	—
Disposals	(3.2)	(5.0)	—	(8.2)
At 31 December 2025	50.3	16.6	1.5	68.4
Net book value:				
At 31 December 2025	74.7	14.5	0.6	89.8

The majority of the right-of-use asset value relates to leased property where the Group leases office and warehouse sites in a number of geographical locations. The remaining leases are largely made up of leased motor vehicles, where the Group provides cars for sales and service engineers at a number of operating company locations. The average lease term is 4.2 years (2024: 4.3 years).

13 Leases continued

Right-of-use assets continued 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 maturity analysis of lease liabilities is presented in Note 25.

Amounts recognised in Consolidated Income Statement

	2025 £m	2024 £m
Depreciation expense on right-of-use assets	18.7	17.6
Interest expense on lease liabilities	3.2	3.1
Expense relating to short-term leases	2.5	2.1
Expense relating to leases of low-value assets	0.4	0.6
Expense relating to variable lease payments not included in the measurement of the lease liability	0.2	0.2
Total impact on profit before taxation	25.0	23.6

The total cash outflow for leases during 2025 was £24.3m (2024: £22.6m).

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:

- £0.4m relating to variable lease payments not based on an index or rate (2024: £0.3m)
- £29.9m relating to optional extension periods that are not reasonably certain to be exercised as at 31 December 2025 (2024: £28.9m). The 2024 comparative figure reflects an updated assessment consistent with the current year
- £1.5m relating to leases that the Group is committed to, but have not commenced as at 31 December 2025 (2024: £1.4m)

14 Goodwill and other intangible assets

2025

	Acquired intangibles £m	Development costs £m	Computer software £m	Total other intangibles £m	Goodwill £m
Cost:					
At 1 January 2025	582.8	34.7	106.9	724.4	677.3
Exchange and other adjustments	(7.3)	0.2	(1.2)	(8.3)	(6.6)
	575.5	34.9	105.7	716.1	670.7
Additions					
Transfers from property, plant and equipment	3.1	4.2	16.0	23.3	—
Disposals	—	—	1.7	1.7	—
	(2.0)	—	(2.1)	(4.1)	—
At 31 December 2025	576.6	39.1	121.3	737.0	670.7
Amortisation:					
At 1 January 2025	214.4	16.5	73.1	304.0	7.6
Exchange adjustments	(1.6)	0.1	(0.4)	(1.9)	(0.2)
	212.8	16.6	72.7	302.1	7.4
Charged in the year					
Transfers from property, plant and equipment	34.6	2.0	6.3	42.9	—
Disposals	—	—	—	—	—
	(2.0)	—	(2.1)	(4.1)	—
At 31 December 2025	245.4	18.6	76.9	340.9	7.4
Net book value:					
At 31 December 2025	331.2	20.5	44.4	396.1	663.3

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					
Transfers from property, plant and equipment	—	3.9	14.6	18.5	—
Disposals	—	—	0.2	0.2	—
	(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					
Transfers from property, plant and equipment	34.1	2.6	4.8	41.5	—
Disposals	—	—	0.1	0.1	—
	(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

14 Goodwill and other intangible assets continued

Acquired intangibles

The disclosure by class of acquired intangible assets is shown in the tables below.

2025

	Customer relationships £m	Brand names and trademarks £m	Manufacturing designs and core technology £m	Non-competes undertakings and other £m	Total acquired intangibles £m
Cost:					
At 1 January 2025	176.9	321.8	80.7	3.4	582.8
Exchange and other adjustments	(3.3)	(3.2)	(1.0)	0.2	(7.3)
	173.6	318.6	79.7	3.6	575.5
Additions	0.5	—	2.6	—	3.1
Disposals	(1.7)	—	—	(0.3)	(2.0)
At 31 December 2025	172.4	318.6	82.3	3.3	576.6
Amortisation:					
At 1 January 2025	72.4	97.1	42.7	2.2	214.4
Exchange adjustments	0.3	(1.9)	(0.1)	0.1	(1.6)
	72.7	95.2	42.6	2.3	212.8
Charged in the year	12.3	16.4	5.1	0.8	34.6
Disposals	(1.7)	—	—	(0.3)	(2.0)
At 31 December 2025	83.3	111.6	47.7	2.8	245.4
Net book value:					
At 31 December 2025	89.1	207.0	34.6	0.5	331.2

All acquired intangibles are amortised over their useful economic lives in line with the accounting policies disclosed in Note 1.

Within customer relationships the individually material balances are Durex Industries £59.6m (2024: £69.5m) and Thermocoax £19.5m (2024: £20.7m). The remaining amortisation periods are 11.9 years and 8.4 years respectively.

Within brand names and trademarks the individually material balances are Vulcanic £89.3m (2024: £89.8m), Durex Industries £16.1m (2024: £18.4m), Chromalox £73.7m (2024: £86.3m) and Gestra £15.0m (2024: £16.4m). The remaining amortisation periods are 16.8 years, 16.9 years, 11.5 years and 6.3 years respectively.

There are no individually material items within either manufacturing designs and core technology and non-competes undertakings.

2024

	Customer relationships £m	Brand names and trademarks £m	Manufacturing designs and core technology £m	Non-competes 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

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 the 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:

	2025 Goodwill £m	2024 Goodwill £m
Steam Thermal Solutions	124.8	119.5
Electric Thermal Solutions	478.8	491.3
Watson-Marlow Fluid Technology Solutions	59.7	58.9
Total goodwill	663.3	669.7

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	2025 Discount rate	2025 Short to medium-term growth rate	2025 Long-term growth rate	Period of annual cash flow forecast (years)	2024			Period of annual cash flow forecast (years)
					Discount rate	Short to medium-term growth rate	2024 Long-term growth rate	
Steam Thermal Solutions	13.4%	3.0% – 5.0%	3.7%	5	13.7%	3.5% – 4.7%	3.8%	5
Electric Thermal Solutions	12.0%	7.5% – 9.5%	3.2%	5	11.7%	7.7% – 10.1%	3.2%	5
Watson-Marlow Fluid Technology Solutions	12.4%	9.2% – 10.8%	3.4%	5	12.4%	8.0% – 9.0%	3.4%	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
- 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
- Average reduction of 60bps per year in the short to medium-term revenue growth rates driven by reduced demand within the Data Centre sector, alongside slower recovery of demand within the semiconductor sector, and an adverse change in global macroeconomic conditions
- A range of 90bps to 210bps 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 combination of changes in 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 2025

	1 January 2025 £m	Recognised in income £m	Recognised in OCI £m	Recognised in equity £m	31 December 2025 £m
Accelerated capital allowances	(23.3)	(1.8)	—	0.5	(24.6)
Provisions	9.3	1.1	—	(0.1)	10.3
Losses	30.8	4.0	—	—	34.8
Inventory	7.5	0.9	—	(0.1)	8.3
Pensions	11.0	1.9	(2.3)	(3.2)	7.4
Acquired intangibles	(77.9)	2.1	—	3.2	(72.6)
Leases – right-of-use assets	(19.8)	(0.3)	—	—	(20.1)
Leases – liabilities	20.5	1.0	—	(0.4)	21.1
Other temporary differences	12.5	(2.2)	(0.9)	(0.8)	8.6
Net deferred tax	(29.4)	6.7	(3.2)	(0.9)	(26.8)

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
Net deferred tax	(37.2)	7.3	(0.4)	0.9	(29.4)

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.

	2025 £m	2024 £m
Deferred tax asset	32.8	34.2
Deferred tax liability	(59.6)	(63.6)
Net deferred tax liability	(26.8)	(29.4)

15 Deferred tax assets and liabilities continued

Movement in deferred tax during the year 2024 continued

At 31 December 2025, the Group has deductible temporary differences, unused taxable losses and unused tax credits with a tax value of £106.7m (2024: £104.7m) available for offset against future profits, of which a deferred tax asset has been recognised in respect of £100.8m (2024: £97.4m). The prior year comparators has been updated to align to current year methodology.

No deferred tax asset has been recognised in respect of the remaining £5.9m (2024: £7.3m) 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 assets in Argentina and India is £1.9m (2024: £3.1m).

A deferred tax debit of £2.3m (2024: £1.1m debit) is recognised in the Consolidated Statement of Comprehensive Income (page 169) associated with the measurement of defined benefit pension 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. The Group controls the timing of these dividends. The total potential tax liability is not expected to exceed £8.2m (2024: £8.4m), and whilst this liability is not expected to arise in full in the foreseeable future, £1.9m (2024: nil) has been recognised at 31 December 2025.

16 Inventories

	2025 £m	2024 £m
Raw materials, consumables and components	119.8	118.6
Work in progress	29.9	27.7
Finished goods and goods for resale	102.7	106.9
Total inventories	252.4	253.2

The write-down of inventories recognised as an expense during the year was £5.5m (2024: £6.6m). This comprises a cost of £9.6m (2024: £7.5m) to write down inventory to net realisable value reduced by £4.1m (2024: £0.9m) 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 £13.2m (2024: £14.8m).

There is no material difference between the Consolidated Statement of Financial Position value of inventories and their replacement cost. None of the inventory has been pledged as security.

17 Other current assets

	2025 £m	2024 £m
Contract assets	38.4	23.2
Prepayments	27.2	31.9
Other tax related receivables	10.6	12.2
Other deposits made	3.7	3.7
Derivative assets	2.9	—
Other receivables	4.0	4.1
Total other current assets	86.8	75.1

Contract assets relate to revenue recognised that has not yet been invoiced to the customer.

18 Trade and other payables

	2025 £m	2024 £m
Trade payables	91.9	86.0
Contract liabilities	24.1	39.0
Social security	13.0	9.9
Accruals	118.7	98.9
Other tax related payables	13.6	13.9
Pension creditors	3.2	3.4
Fair value of deferred consideration	0.7	7.3
Other payables	2.9	3.3
Derivative liabilities	0.8	1.3
Total trade and other payables	268.9	263.0

Contract liabilities relate to advance payments received from customers that have not yet been recognised as revenue. £22.4m of the contract liabilities at 31 December 2024 were recognised as revenue during 2025 (2024: £19.0m).

19 Provisions

	Product warranty £m	Legal, contractual and other £m	Total £m
2025			
At 1 January 2025	1.4	10.3	11.7
Additional provision in the year	0.7	10.8	11.5
Utilised or released during the year	(0.8)	(1.7)	(2.5)
Exchange adjustments	—	0.4	0.4
At 31 December 2025	1.3	19.8	21.1

	Product warranty £m	Legal, contractual and other £m	Total £m
2024			
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

	2025 £m	2024 £m
Current provisions	12.9	5.4
Non-current provisions	8.2	6.3
Total provisions	21.1	11.7

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 comprise amounts provided against open legal and contractual disputes, environmental provisions as well as provisions in relation to the Group restructuring programme. Provision values are based on past experience of similar items and other known factors and represent management's best estimate of the likely outcome.

Reflecting the inherent uncertainty within many provisions, the timing and amount of the outflows could differ from the amount provided. Of the total legal, contractual and other provisions at 31 December 2025 £11.9m (2024: £4.3m) has been included within current and £7.9m (2024: £6.0m) within non-current provisions.

20 Called-up share capital and reserves

	2025 £m	2024 £m
Ordinary shares of 26 12/13p (2024: 26 12/13p) each:		
Allotted, called up and fully paid 73,776,048 (2024: 73,776,048)	19.9	19.8

21,871 (2024: 49,244) shares with a nominal value of £5,888 (2024: £13,258) were issued in connection with the Group's Employee Share Ownership Plan with external consideration of £nil (2024: £1.9m) received by the Group. During the year, 6,115 shares were repatriated and immediately sold with external consideration of £0.3m (2024: £nil) received by the Group.

At 31 December 2025, 30,167 shares (2024: 72,250) were held in an Employee Benefit Trust and available for use in connection with the Group's Employee Share Schemes. 116 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**

	1 January 2025 £m	Change in year £m	31 December 2025 £m
Net investment hedge reserve	10.3	(5.3)	5.0
Translation reserve	(96.4)	(35.3)	(131.7)
Total translation reserve	(86.1)	(40.6)	(126.7)

	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)

The net investment hedge reserve records the cumulative gain or loss on hedging instruments designated as net investment hedges. Together with the translation reserve, these are the foreign currency translation reserves of the Group.

Other reserves

	1 January 2025 £m	Change in year £m	31 December 2025 £m
Cash flow hedges reserve	(1.0)	2.5	1.5
Capital redemption reserve	1.8	—	1.8
Employee Benefit Trust reserve	(8.3)	4.8	(3.5)
Total other reserves	(7.5)	7.3	(0.2)

	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)

The cash flow hedges reserve records the cumulative net change in the fair value of forward exchange contracts where they are designated as effective cash flow hedge relationships.

The capital redemption reserve records the historical repurchase of the Group's own shares.

The Employee Benefit Trust reserve record the shares held in the Group's Employee Benefit Trust. This is used to purchase, hold and issue shares in connection with the Group's Employee Share Schemes.

21 Capital commitments and contingent liabilities

	2025 £m	2024 £m
Capital expenditure contracted for but not provided	2.0	13.7

All capital commitments are related to property, plant and equipment and computer software. The Group has no material contingent liabilities at 31 December 2025 (no material contingent liabilities existed at 31 December 2024).

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 both funded and unfunded defined benefit schemes.

Defined contribution arrangements

The majority of the retirement benefit arrangements operated by the Group are defined contribution schemes, 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 £27.0m (2024: £27.2m).

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 52% (2024: 61%) of the Group's net liability for defined benefit retirement 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 closed to new members and future accrual.

All three schemes are established under UK law and governed by a Trustee Committee, which is responsible for overseeing the schemes' investments, administration, and overall 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.

US defined benefit schemes

The Group operates one defined benefit scheme in the USA, which is closed both to new entrants and future accrual. The US 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.

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 necessary associated Section 37 certificate. The Court of Appeal upheld the 2023 High Court ruling in July 2024. In the prior year, 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.

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.

Sensitivity analysis to changes in discount rate and inflation are included on page 199.

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	
	2025 %	2024 %	2025 %	2024 %
Rate of increase in salaries	n/a	n/a	2.5	2.6
Rate of increase in pensions	2.8	3.0	2.0	2.0
Rate of price inflation	2.8	3.2	2.0	2.0
Discount rate	5.5	5.4	4.6	4.8
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 2025 was approximately 13 years (2024: 13 years) for the Spirax-Sarco Employees' Pension Fund, 8 years (2024: 8 years) for the Spirax-Sarco Executives' Retirement Benefits Scheme and 13 years (2024: 13 years) for the WMFTS Pension Fund.

The mortality assumptions for the material defined benefit schemes at 31 December 2025 and 31 December 2024 were:

Spirax-Sarco Employees' Pension Fund	At 31 December 2025: 100% of the SAPS 3 normal tables, CMI 2024 future improvements, 1% long-term trend, smoothing factor of 7 and half-life parameter of 0.5. 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%.
Spirax-Sarco Executives' Retirement Benefits Scheme	At 31 December 2025: 84%/87% (male/female) of SAPS 3 light normal, CMI 2024 future improvements, 1% long-term trend, smoothing factor of 7 and half-life parameter of 0.5. 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%.
WMFTS Pension Fund	At 31 December 2025: 102% of the SAPS 3 pensioner tables, CMI 2024 future improvements, 1% long-term trend, smoothing factor of 7 and half-life parameter of 0.5. 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%.
US Pension Scheme	At 31 December 2025: SOA Pri-2012 Amount-Weighted Blue Collar Mortality Tables with MP2021 – Retiree/Disabled/Contingent Survivor tables. At 31 December 2024: SOA Pri-2012 Amount-Weighted Blue Collar Mortality Tables with MP2021 – Retiree/Disabled/Contingent Survivor tables.

By way of example the mortality tables indicate the following life expectancy across the UK schemes:

Current age	2025 life expectancy at 65		2024 life expectancy at 65	
	Male	Female	Male	Female
65	21.2	23.8	21.0	23.8
50	21.7	24.6	21.7	24.5

All 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

Net pension liability

The amounts recognised in the Consolidated Statement of Financial Position are as follows:

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Fair value of schemes' assets	256.6	254.8	53.0	55.2	309.6	310.0
Present value of funded schemes' liabilities	(272.3)	(280.9)	(51.5)	(54.4)	(323.8)	(335.3)
(Deficit)/Surplus in the funded schemes	(15.7)	(26.1)	1.5	0.8	(14.2)	(25.3)
Present value of unfunded schemes' liabilities	—	—	(15.8)	(17.2)	(15.8)	(17.2)
Retirement benefit liability recognised in the Consolidated Statement of Financial Position	(15.7)	(26.1)	(14.3)	(16.4)	(30.0)	(42.5)
Related deferred tax asset	3.9	6.5	3.5	4.5	7.4	11.0
Net pension liability	(11.8)	(19.6)	(10.8)	(11.9)	(22.6)	(31.5)

Fair value of scheme assets

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Quoted equities	57.3	53.9	5.5	7.7	62.8	61.6
Quoted bonds	89.7	77.8	31.8	39.6	121.5	117.4
Other	65.8	69.4	9.7	0.8	75.5	70.2
Total with quoted market price	212.8	201.1	47.0	48.1	259.8	249.2
Cash and cash equivalents	20.0	26.3	1.2	1.2	21.2	27.5
Unquoted equities	—	1.3	—	—	—	1.3
Unquoted bonds	—	0.3	—	—	—	0.3
Real estate	11.7	12.6	—	—	11.7	12.6
Derivatives	—	—	—	—	—	—
Other	12.1	13.2	4.8	5.9	16.9	19.1
Total other securities	43.8	53.7	6.0	7.1	49.8	60.8
Total market value in aggregate	256.6	254.8	53.0	55.2	309.6	310.0

The actual return on plan assets was an increase of £16.8m (2024: a decrease of £12.2m).

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 £59.1m (2024: £57.4m) are included within the quoted bonds in the table above.

The movements in the fair value of plan assets during the year were:

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Value of assets at beginning of year	254.8	285.8	55.2	51.7	310.0	337.5
Expected return on assets	13.4	12.6	2.7	2.4	16.1	15.0
Remeasurement (loss)/gain	(0.3)	(30.6)	1.0	3.4	0.7	(27.2)
Contributions paid by employer	6.2	6.8	2.4	2.1	8.6	8.9
Actual benefit payments	(16.4)	(17.7)	(4.9)	(4.8)	(21.3)	(22.5)
Administration costs	(1.1)	(2.1)	—	—	(1.1)	(2.1)
Currency (loss)/gain	—	—	(3.4)	0.4	(3.4)	0.4
Value of assets at end of year	256.6	254.8	53.0	55.2	309.6	310.0

The estimated employer contributions to be made in 2026 are £7.3m.

22 Employee benefits continued

Defined benefit obligation

The movements in the total defined benefit obligation during the year were:

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Defined benefit obligation at beginning of year	(280.9)	(313.6)	(71.6)	(75.3)	(352.5)	(388.9)
Current service cost	—	—	(0.1)	(0.1)	(0.1)	(0.1)
Past service credit	—	—	—	0.2	—	0.2
Interest cost	(14.7)	(13.7)	(3.1)	(3.2)	(17.8)	(16.9)
Administration costs	—	—	(0.3)	(0.5)	(0.3)	(0.5)
Remeasurement gain	9.8	28.1	0.3	4.0	10.1	32.1
Actual benefit payments	16.4	17.7	4.9	4.8	21.3	22.5
Experience (loss)/gain	(2.9)	0.6	(0.3)	(1.9)	(3.2)	(1.3)
Currency gain	—	—	2.9	0.4	2.9	0.4
Total defined benefit obligation at end of year	(272.3)	(280.9)	(67.3)	(71.6)	(339.6)	(352.5)

The history of experience adjustments is as follows:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Defined benefit obligation at end of year	(339.6)	(352.5)	(388.9)	(393.7)	(605.4)
Fair value of schemes' assets	309.6	310.0	337.5	341.6	560.7
Retirement benefit liability recognised in the Consolidated Statement of Financial Position	(30.0)	(42.5)	(51.4)	(52.1)	(44.7)
Experience adjustment on schemes' liabilities	(3.2)	(1.3)	(10.0)	(16.0)	(2.9)
As a percentage of schemes' liabilities	0.9%	0.4%	2.6%	4.1%	0.5%
Experience adjustment on schemes' assets	0.7	(27.2)	5.0	(222.4)	35.7
As a percentage of schemes' assets	0.3%	8.8%	1.5%	65.1%	6.4%

The expense recognised in the Consolidated Income Statement was as follows:

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Current service cost	—	—	(0.1)	(0.1)	(0.1)	(0.1)
Administration costs	(1.1)	(2.1)	(0.3)	(0.5)	(1.4)	(2.6)
Past service credit	—	—	—	0.2	—	0.2
Net interest on schemes' liabilities	(1.3)	(1.1)	(0.4)	(0.8)	(1.7)	(1.9)
Total expense recognised in Consolidated Income Statement	(2.4)	(3.2)	(0.8)	(1.2)	(3.2)	(4.4)

The expense is recognised in the following line items in the Consolidated Income Statement:

	2025 £m	2024 £m
Operating costs	(1.5)	(2.5)
Net financing expense	(1.7)	(1.9)
Total expense recognised in Consolidated Income Statement	(3.2)	(4.4)

22 Employee benefits continued

Defined benefit obligation continued

The gain or loss recognised in the Consolidated Statement of Comprehensive Income (OCI) was as follows:

	UK pensions		Overseas pensions and medical		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Remeasurement effects recognised in OCI:						
Due to experience on DBO	(2.9)	0.6	(0.3)	(1.9)	(3.2)	(1.3)
Due to demographic assumption changes in DBO	0.6	(0.3)	—	—	0.6	(0.3)
Due to financial assumption changes in DBO	9.2	28.4	0.3	4.0	9.5	32.4
Return on assets	(0.3)	(30.6)	1.0	3.4	0.7	(27.2)
Total remeasurement gain/(loss) recognised in OCI	6.6	(1.9)	1.0	5.5	7.6	3.6
Deferred tax on remeasurement (loss)/gain and change in rate recognised in OCI	(1.7)	0.5	(0.6)	(1.6)	(2.3)	(1.1)
Cumulative loss recognised in OCI at beginning of year	(60.5)	(59.1)	(6.9)	(10.8)	(67.4)	(69.9)
Cumulative loss recognised in OCI at end of year	(55.6)	(60.5)	(6.5)	(6.9)	(62.1)	(67.4)

Sensitivity analysis

The effect on the defined benefit obligation at 31 December 2025 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	(29.9)	(6.0)	(35.9)
Discount rate assumption being 1.0% lower	33.9	7.2	41.1
Inflation assumption being 1.0% higher	22.2	1.2	23.4
Inflation assumption being 1.0% lower	(20.7)	(1.0)	(21.7)
Mortality assumption life expectancy at age 65 being one year higher	8.7	2.2	10.9

The above sensitivities reflect reasonable possible changes in the assumptions and therefore have been selected on this basis.

The average age of deferred participants in the UK schemes at 31 December 2025 was 55 years (2024: 55 years).

Additional contributions to pension schemes

	2025 £m	2024 £m
Defined benefit arrangements	(1.5)	(2.5)
Defined contribution arrangements	(27.2)	(27.2)
Total expense recognised in operating costs	(28.7)	(29.7)
Defined benefit arrangements	8.6	8.9
Defined contribution arrangements	27.2	27.2
Total contributions paid by employer	35.8	36.1
Additional contributions to pension schemes	7.1	6.4

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 2025 on pages 138 to 146. The charge to the Consolidated Income Statement in respect of share-based payments is made up as follows:

	2025 £m	2024 £m
Performance Share Plan	4.8	1.3
Employee Share Ownership Plan	1.6	1.8
Total expense	6.4	3.1

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 are satisfied in shares or in an option over shares. 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 Spirax Group plc's (the Company) total shareholder return (TSR) relative to the TSR of other companies included in the FTSE 100, excluding companies in the Mining, Oil & Gas and Financial Services sectors 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% (1.25x for the 2025 grant) 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 7% (3.5x for the 2025 grant); there is pro-rata vesting for actual growth between these rates.

The final 20% of the award compares greenhouse gas (GHG) 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. GHG emission targets decrease annually and vary for each grant to align with the Group's **One Planet** Sustainability Strategy. Achievement of the GHG emission threshold reduction results in 18% vesting, rising to a maximum payout of 100% for full performance.

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.

	2021 Grant	2022 Grant	2023 Grant	2024 Grant	2025 Grant
Grant date	4 May	14 March	13 March	21 March	25 March
Mid-market share price at grant date	11,770.0p	11,910.0p	10,880p	10,377p	6,738p
Number of employees	106	108	138	124	116
Shares under scheme	89,806	92,951	145,505	142,275	207,913
Vesting period	3 years	3 years	3 years	3 years	3 years
Probability of vesting	73.9%	76.1%	81.2%	79.7%	77.8%
Fair value	8,698.0p	9,057.6p	8,829.1p	8,273.6p	5,240.1p

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 Group 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 Group 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.

	2021 Grant	2022 Grant	2023 Grant	2024 Grant	2025 Grant
Grant date	1 October	1 October	1 October	1 October	1 October
Exercise price	15,043.3p	10,348.3p	9,413.0p	6,855.0p	7,705.0p
Number of employees	1,400	1,671	1,644	1,539	1,642
Shares under scheme	9,429	16,832	19,256	23,863	21,695
Vesting period	3 years	3 years	3 years	3 years	3 years
Expected volatility	26.5%	28.7%	26.5%	N/A	N/A
Risk-free interest rate	0.2%	4.0%	4.9%	N/A	N/A
Expected dividend yield	1.0%	1.0%	1.2%	N/A	N/A
Fair value	16,382.2p	11,579.7p	10,486.4p	6,855.0p	7,705.0p

The accumulation period for the 2025 ESOP ends in September 2026; therefore, some figures are projections.

23 Analysis of changes in net debt, including changes in liabilities arising from financing activities 2025

	1 January 2025 £m	Cash flow £m	Acquired debt* £m	Exchange movement £m	31 December 2025 £m
Current portion of long-term borrowings	(123.9)				(107.2)
Non-current portion of long-term borrowings	(706.2)				(697.2)
Total borrowings	(830.1)				(804.4)
Lease liabilities	(95.1)	18.0	(14.8)	1.7	(90.2)
Borrowings	(830.1)	37.5	—	(11.8)	(804.4)
Changes in liabilities arising from financing	(925.2)	55.5	(14.8)	(10.1)	(894.6)
Cash at bank	334.2	34.4	—	0.4	369.0
Bank overdrafts	(100.3)	(28.1)	—	(0.9)	(129.3)
Net cash and cash equivalents	233.9	6.3	—	(0.5)	239.7
Net debt including lease liabilities	(691.3)	61.8	(14.8)	(10.6)	(654.9)
Net debt	(596.2)	43.8	—	(12.3)	(564.7)

* Debt acquired includes both debt acquired due to acquisition and debt recognised due to entry into new leases and disposals of existing leases.

The net cash flow from borrowings of £37.5m (2024: £26.2m) consists of £nil (2024: £76.8m) of new borrowings and £37.5m (2024: £103.0m) of repaid borrowings.

During the year £42.1m of interest on external borrowings (2024: £51.7m) was incurred and paid.

At 31 December 2025 total lease liabilities consist of £17.1m (2024: £17.2m) short term and £73.1m (2024: £77.9m) long term.

See Note 25 for further information on net debt and lease liabilities.

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 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 2025 on pages 138 to 146.

There were no other related party transactions in either 2025 or 2024.

25 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 these are summarised below.

25 Derivatives and other financial instruments continued

Credit risk

The Group sells products and services to customers around the world and therefore credit risk is primarily attributable to trade receivables and contract assets. The Group's customer base is extremely varied in size, industry sector and geographical location and therefore the Group is not exposed to material concentrations of credit risk on its trade receivables. 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 Group Chief Financial Officer in conjunction with the Board.

Liquidity risk

The Group faces liquidity risk on its financial liabilities when they become due for settlement. This is managed through the Group's robust cash flow position, where 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.

A substantial portion of the Group's cash balances are managed through cash pooling arrangements to ensure efficient central management of funds. Funds are placed on deposit with secure, highly rated banks, subject to strict counterparty limits.

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 2025 and 2024. The loss on net investment hedges during 2025 included in the Consolidated Statement of Comprehensive Income was £5.3m (2024: £4.7m 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 2025 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.

The following table compares amounts and fair values of the Group's financial assets and liabilities:

	2025 Carrying value £m	2025 Fair value £m	2024 Carrying value £m	2024 Fair value £m
Financial assets:				
Cash and cash equivalents	369.0	369.0	334.2	334.2
Trade, other receivables and contract assets	382.8	382.8	357.0	357.0
Total financial assets	751.8	751.8	691.2	691.2

25 Derivatives and other financial instruments continued

Fair values of financial assets and financial liabilities continued

	2025 Carrying value £m	2025 Fair value £m	2024 Carrying value £m	2024 Fair value £m
Financial liabilities:				
Borrowings	804.4	802.0	830.1	822.8
Lease liabilities	90.2	90.2	95.1	95.1
Bank overdrafts	129.3	129.3	100.3	100.3
Trade payables	91.9	91.9	86.0	86.0
Other payables and contract liabilities	45.3	45.3	68.2	68.2
Long-term payables	5.1	5.1	6.2	6.2
Accruals	118.7	118.7	98.9	98.9
Total financial liabilities	1,284.9	1,282.5	1,284.8	1,277.5

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

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:

	Total £m	Fixed rate financial liabilities £m	Floating rate financial liabilities £m	Financial liabilities on which no interest is paid £m
2025				
Euro	683.7	534.4	78.7	70.6
US dollar	299.2	168.1	82.5	48.6
Sterling	205.8	24.6	120.9	60.3
Renminbi	33.5	2.6	—	30.9
Other	62.7	12.7	0.6	49.4
Group total	1,284.9	742.4	282.7	259.8

	Total £m	Fixed rate financial liabilities £m	Floating rate financial liabilities £m	Financial liabilities on which no interest is paid £m
2024				
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

25 Derivatives and other financial instruments continued

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings were as follows:

	Currency	Nominal interest rate	Year of maturity	2025 Carrying value £m	2024 Carrying value £m
Unsecured private placement – \$185.0m	\$	5.3%	2028	137.2	147.9
Unsecured private placement – €140.0m	€	3.9%	2027	126.1	119.2
Unsecured bank facility*	£	3.8%	2026	120.9	49.2
Unsecured private placement – €125.0m	€	4.2%	2029	109.0	103.5
Unsecured private placement – €120.0m	€	2.4%	2026	105.0	99.6
Unsecured private placement – €110.0m	€	4.4%	2030	95.9	91.0
Unsecured private placement – €90.0m	€	3.9%	2031	78.5	74.5
Unsecured bank facility – €90.0m	€	3.0%	2026	78.5	74.5
Unsecured bank facility – \$100.0m	\$	4.5%	2028	74.2	119.9
Unsecured bank facility*	\$	5.0%	2026	8.2	5.6
Unsecured bank facility*	€	2.9%	2026	0.2	0.1
Unsecured bank facility*	€	2.9%	2025	—	45.4
Total outstanding borrowings				933.7	930.4

* These items relate to bank overdraft facilities which are evaluated annually.

The weighted average interest rate paid during the year was 4.0% (2024: 4.3%).

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:

	Total £m	Fixed rate financial assets £m	Floating rate financial assets £m	Financial assets on which no interest is earned £m
2025				
Euro	268.8	7.0	109.0	152.8
US dollar	173.5	0.6	71.6	101.3
Sterling	47.7	—	19.3	28.4
Renminbi	55.5	5.4	13.5	36.6
Other	206.3	29.4	72.8	104.1
Group total	751.8	42.4	286.2	423.2
2024				
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

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.

25 Derivatives and other financial instruments continued

Currency exposures

As explained on page 202, 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 fluctuations. 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 exposures 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 2025 the currency exposure in respect of the Euro was a net monetary liability of £100.6m (2024: £87.6m net monetary liability) and in respect of the US dollar a net monetary liability of £185.3m (2024: £222.9m net monetary liability).

At 31 December 2025, the percentage of debt to net assets, excluding debt, was 55% (2024: 57%) for the Euro and 8% (2024: 8%) for the US dollar.

Maturity of financial liabilities

The Group's financial liabilities at 31 December mature in the following periods:

	Trade, other payables, accruals and contract liabilities £m	Overdrafts £m	Lease liabilities £m	Long-term borrowings	Total £m
2025					
In six months or less, or on demand	254.5	129.3	10.8	120.5	515.1
In more than six months but no more than twelve	1.4	—	10.3	90.7	102.4
In more than one year but no more than two	3.3	—	17.7	286.4	307.4
In more than two years but no more than three	0.7	—	12.0	87.1	99.8
In more than three years but no more than four	0.6	—	7.8	121.1	129.5
In more than four years but no more than five	0.1	—	6.4	103.2	109.7
In more than five years	0.4	—	45.0	81.9	127.3
Total contractual cash flows	261.0	129.3	110.0	890.9	1,391.2
Consolidated Statement of Financial Position values	261.0	129.3	90.2	804.4	1,284.9

	Trade, other payables, accruals and contract liabilities £m	Overdrafts £m	Lease liabilities £m	Long-term borrowings	Total £m
2024					
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
Consolidated Statement of Financial Position values	259.3	100.3	95.1	830.1	1,284.8

The Group has not participated in any supplier financing arrangements during 2025 or 2024.

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 2025 the Group had contracts outstanding to economically hedge or to purchase £32.4m (2024: £35.8m) and €19.4m (2024: €23.3m) with US dollars, £69.0m (2024: £59.0m) with Euros, £17.1m (2024: £17.2m) and €8.6m (2024: €9.9m) with Chinese renminbi, £7.6m (2024: £7.9m) and €2.5m (2024: €3.3m) with Korean won, £3.6m (2024: £4.4m) with Singapore dollars and \$21.1m (2024: \$14.3m) with Mexican pesos.

The net fair values of these forward currency contracts at 31 December 2025 were an asset of £2.1m (2024: £1.3m liability), these are included within other current assets and 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.

25 Derivatives and other financial instruments continued**Cash flow hedges** continued

	Less than 6 months £m	6 to 12 months £m	More than 12 months £m	Total £m
2025				
Contracted cash in/(out):				
Sterling	76.6	53.3	—	129.9
Euro	(27.4)	(15.0)	—	(42.4)
US dollar	(33.3)	(31.2)	—	(64.5)
Other	(18.6)	(16.8)	—	(35.4)
Total contractual cash flows	(2.7)	(9.7)	—	(12.4)
2024				
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)

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 gain on derivative financial instruments of £2.5m (2024: £2.3m loss) was recognised in the Consolidated Statement of Comprehensive Income during the period.

As at 31 December 2025 no material ineffectiveness has been recognised in profit or loss arising from hedging foreign currency transactions.

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:

	2025 £m	2024 £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	400.0
Total undrawn committed facilities	400.0	400.0

The undrawn committed borrowing facilities in the above table are in respect of the Group's £400.0m (2024: £400.0m) revolving credit facility, of which all conditions precedent had been met. This facility expires in 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. Based on the year-end borrowings of £933.7m (2024: £930.4m), it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit after taxation and equity by approximately £1.2m (2024: £1.5m).

For the year ended 31 December 2025, 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 decrease the Group's profit before taxation by approximately £16.5m (2024: decreased by £17.5m). 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.

25 Derivatives and other financial instruments continued

The credit risk profile of trade receivables

The ageing of trade receivables at the reporting date was:

	Gross 2025 £m	Impairment 2025 £m	Net 2025 £m	Gross 2024 £m	Impairment 2024 £m	Net 2024 £m
Not past due date	261.8	(0.1)	261.7	250.2	(0.2)	250.0
0–30 days past due date	35.9	—	35.9	36.2	—	36.2
31–90 days past due date	16.9	(0.1)	16.8	16.5	(0.1)	16.4
91 days to one year past due date	10.5	(1.7)	8.8	12.2	(1.0)	11.2
More than one year	7.2	(7.2)	—	7.1	(7.1)	—
Group total	332.3	(9.1)	323.2	322.2	(8.4)	313.8

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 passed their due date at 31 December 2025.

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:

	2025 £m	2024 £m
Balance at 1 January	8.4	10.3
Additional impairment	3.5	4.4
Amounts written off as uncollectable	(1.9)	(1.9)
Amounts recovered	(0.2)	(0.5)
Impairment losses reversed	(0.4)	(3.4)
Exchange differences	(0.3)	(0.5)
Balance at 31 December	9.1	8.4

26 Held for sale

As a result of the Group's restructuring programme, at the balance sheet date a Steam Thermal Solutions manufacturing site located in Mexico was deemed to meet the held for sale criteria. It is expected the sale of this asset will complete in the next 12 months. Any gain or loss on disposal is not expected to be material.

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 that users of the Consolidated 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 2025 on pages 138 to 146 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, non-recurring in nature and/or quantum at either a Group or an operating segment level and where treatment as an adjusting item provides all stakeholders with additional useful information to assess the period-on-period trading performance of the Group. Specific recurring items, such as the amortisation of acquired intangible assets, are also excluded. The Group excludes such items including those defined as follows:

- Amortisation and impairment of acquired 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 underlying trading
- 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.

	2025 £m	2024 £m
Operating profit as reported under IFRS	265.4	304.6
Restructuring costs	37.0	—
Amortisation of acquired intangible assets	34.6	34.1
Asset related impairment	2.9	5.7
Disposal of Associate	—	(3.2)
Acquisition-related items	—	(7.3)
Total adjusting items	74.5	29.3
Adjusted operating profit	339.9	333.9

Alternative performance measures continued

Adjusted earnings per share

	2025	2024
Profit for the year attributable to equity holders as reported under IFRS (£m)	163.4	191.2
Items excluded from adjusted profit (£m)	74.5	29.3
Tax effects on adjusted items (£m)	(19.5)	(9.5)
Adjusted profit for the year attributable to equity holders (£m)	218.4	211.0
Weighted average shares (million)	73.7	73.7
Basic adjusted earnings per share	296.3p	286.3p
Diluted weighted average shares (million)	73.9	73.9
Diluted adjusted earnings per share	295.7p	285.6p

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 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 the 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.

	2025 £m	2024 £m
Net cash from operating activities as reported under IFRS	296.2	312.8
Restructuring and acquisition-related costs	22.1	2.4
Net capital expenditure excluding acquired intangibles	(64.7)	(83.6)
Income tax paid	65.9	76.5
Repayments of principal under lease liabilities	(18.0)	(16.6)
Adjusted cash from operations	301.5	291.5

The adjusted cash flow is included in the Group Chief Financial Officer's Review on page 39.

Adjustments to operating profit as reported under IFRS totalled £74.5m (2024: £29.3m), resulting in a net cash outflow of £22.1m (2024: £7.4m inflow). Cash generated from operations includes restructuring costs of £22.1m (2024: £nil) and acquisition-related items of £nil (2024: £4.2m inflow). Net cash used in investing activities includes profit on disposal of businesses of £nil (2024: £3.2m).

Cash conversion

Cash conversion 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 the Group's strategy. It is one of three financial measures on which Executive Directors' variable remuneration is based.

Adjusted cash conversion in 2025 is 89% (2024: 87%). Adjusted cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit. A reconciliation between adjusted cash from operations and net cash from operating activities as reported under IFRS and also a reconciliation between adjusted operating profit and operating profit as reported under IFRS are shown above.

Return on invested capital (ROIC) and return on capital employed (ROCE)

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

Alternative performance measures continued

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 ends. Taxation is calculated as adjusted operating profit multiplied by the adjusted effective tax rate.

An analysis of the components is as follows:

	2025 £m	2024 £m
Total equity	1,222.3	1,209.2
Net debt including lease liabilities	654.9	691.3
Less: assets classified as held for sale	(3.1)	—
Total invested capital	1,874.1	1,900.5
Average invested capital	1,887.3	1,910.8
Average invested capital (excluding leases)	1,794.6	1,813.8
Operating profit as reported under IFRS	265.4	304.6
Adjustments (see adjusted operating profit)	74.5	29.3
Adjusted operating profit	339.9	333.9
Taxation	(92.8)	(88.5)
Adjusted operating profit after taxation	247.1	245.4
Adjusted operating profit after taxation (excluding leases)	244.8	243.1
Return on invested capital	13.1%	12.8%
Return on invested capital (excluding leases)	13.6%	13.4%

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 ends. More information on ROCE can be found in the Group Chief Financial Officer's Review on page 40.

An analysis of the components is as follows:

	2025 £m	2024 £m
Property, plant and equipment	425.8	433.1
Right-of-use assets	89.8	95.6
Software and development costs	64.9	52.0
Prepayments	2.4	1.8
Inventories	252.4	253.2
Trade receivables	323.2	313.8
Other current assets	86.8	75.1
Tax recoverable	13.1	10.6
Trade, other payables and current provisions	(281.8)	(268.4)
Current tax payable	(30.2)	(23.3)
Capital employed	946.4	943.5
Average capital employed	945.0	941.1
Average capital employed (excluding leases)	852.3	844.1
Operating profit	265.4	304.6
Adjustments (see adjusted operating profit on page 208)	74.5	29.3
Adjusted operating profit	339.9	333.9
Adjusted operating profit (excluding leases)	336.7	330.7
Return on capital employed	36.0%	35.5%
Return on capital employed (excluding leases)	39.5%	39.2%

Alternative performance measures continued

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.

	2025 £m	2024 £m
Capital employed	946.4	943.5
Goodwill and acquired intangibles	994.5	1,038.1
Investment in Associate	3.3	3.3
Assets classified as held for sale	3.1	—
Post-retirement benefits	(30.0)	(42.5)
Net deferred tax	(26.8)	(29.4)
Non-current provisions and long-term payables	(13.3)	(12.5)
Lease liabilities	(90.2)	(95.1)
Net debt	(564.7)	(596.2)
Net assets as reported under IFRS	1,222.3	1,209.2

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.

	2025 £m	2024 £m
Net debt	564.7	596.2
Lease liabilities	90.2	95.1
Net debt including lease liabilities	654.9	691.3

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, net debt is analysed as a proportion of EBITDA. EBITDA is calculated by adding back depreciation and amortisation of owned property, plant and equipment, software and development costs 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:

	2025 £m	2024 £m
Adjusted operating profit	339.9	333.9
Depreciation and amortisation of property, plant and equipment, software and development costs	46.0	46.3
Profit on disposal of property, plant and equipment	(1.1)	(3.8)
Earnings before interest, tax, depreciation and amortisation	384.8	376.4
Net debt	564.7	596.2
Net debt to EBITDA	1.5	1.6

The components of net debt are disclosed in Note 23.

Organic measures

As a multi-national Group, which trades in many currencies and also acquires and sometimes disposes of companies, organic performance measures are referred to throughout the Annual Report. These strip out the effects of the movement in exchange rates and of acquisitions and disposals. The following table also included a line item showing the revenue movements for Steam Thermal Solutions excluding large projects in China and Korea. The Board believe that these allow users of the Annual Report 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 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.

Alternative performance measures continued

Organic measures continued

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

	2024 £m	Exchange £m	Organic £m	2025 £m	Organic	Reported
Revenue						
Steam Thermal Solutions	867.9	(23.4)	8.9	853.4	1%	(2)%
Electric Thermal Solutions	404.6	(6.2)	42.9	441.3	11%	9%
Watson-Marlow Fluid Technology Solutions	392.7	(6.9)	22.4	408.2	6%	4%
Total	1,665.2	(36.5)	74.2	1,702.9	5%	2%
Steam Thermal Solutions excluding large projects in China & Korea	755.6	(19.0)	20.8	757.4	3%	—
Adjusted operating profit						
Steam Thermal Solutions	204.1	(9.2)	5.4	200.3	3%	(2)%
Electric Thermal Solutions	64.7	(1.1)	7.7	71.3	12%	10%
Watson-Marlow Fluid Technology Solutions	99.0	(4.2)	12.2	107.0	13%	8%
Corporate	(33.9)	—	(4.8)	(38.7)		
Total	333.9	(14.5)	20.5	339.9	6%	2%
Adjusted operating margin	20.1%			20.0%	30bps	(10)bps

The term 'sales' is used interchangeably with 'revenue' when describing the financial performance of the business. Margin is calculated as the organic increase in adjusted operating profit divided by the organic increase in revenue.

Large projects are sales funded from customers' capital expenditure budgets.

Analysis by operating segment

2025

	Revenue £m	Adjusted operating profit £m	Adjusted operating margin
Steam Thermal Solutions	853.4	200.3	23.5%
Electric Thermal Solutions	441.3	71.3	16.2%
Watson-Marlow Fluid Technology Solutions	408.2	107.0	26.2%
Corporate	—	(38.7)	
Total	1,702.9	339.9	20.0%
Net financing expense		(38.3)	
Share of loss of Associate		(0.6)	
Adjusted profit before taxation		301.0	

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)	
Adjusted profit before taxation		288.2	

Alternative performance measures continued

Operating costs

	2025 Adjusted £m	2025 Adjustments £m	2025 Total £m	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m
Cost of inventories recognised as an expense	394.6	—	394.6	396.5	—	396.5
Staff costs (Note 4)	669.3	—	669.3	643.2	—	643.2
Depreciation, amortisation and impairment	64.7	37.5	102.2	63.9	39.8	103.7
Other operating charges	234.4	37.0	271.4	227.7	(10.5)	217.2
Total operating costs	1,363.0	74.5	1,437.5	1,331.3	29.3	1,360.6

Total depreciation, amortisation and impairment includes amortisation of acquired intangible assets of £34.6m (2024: £34.1m) and £2.9m of asset impairment in relation to the Group restructuring programme (2024: £nil). In the previous period it included an impairment of Watson-Marlow Fluid Technology Solutions of £5.7m.

Total other operating charges include Group restructuring costs of £37.0m (2024: £nil). In the previous period, other operating charges included a acquisition-related item credit of £7.3m relating to the acquisitions of Vulcanic and Durex and a £3.2m profit on the disposal of Kyoto Group, an associate investment.

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

2025

	Amortisation of acquired intangibles £m	Restructuring costs £m	Asset related impairment £m	Total £m
Steam Thermal Solutions	(6.0)	(24.3)	(2.2)	(32.5)
Electric Thermal Solutions	(25.5)	(4.7)	(0.7)	(30.9)
Watson-Marlow Fluid Technology Solutions	(3.1)	(7.0)	—	(10.1)
Corporate	—	(1.0)	—	(1.0)
Total	(34.6)	(37.0)	(2.9)	(74.5)

2024

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

Alternative performance measures continued

Tax on adjusting items

	2025 Adjusted £m	2025 Adjustments £m	2025 Total £m	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m
Analysis of charge in year						
UK corporation tax:						
Current tax on income for the year	8.9	(1.5)	7.4	7.7	—	7.7
Adjustments in respect of prior years	0.3	—	0.3	(0.3)	—	(0.3)
	9.2	(1.5)	7.7	7.4	—	7.4
Foreign tax:						
Current tax on income for the year	71.6	(8.4)	63.2	71.8	(3.7)	68.1
Adjustments in respect of prior years	(1.3)	—	(1.3)	(0.7)	—	(0.7)
	70.3	(8.4)	61.9	71.1	(3.7)	67.4
Total current tax charge/(credit)	79.5	(9.9)	69.6	78.5	(3.7)	74.8
UK deferred tax:						
Origination and reversal of timing differences	2.0	(3.8)	(1.8)	(2.6)	(0.7)	(3.3)
Adjustment in respect of prior years	(1.3)	—	(1.3)	(0.3)	—	(0.3)
	0.7	(3.8)	(3.1)	(2.9)	(0.7)	(3.6)
Foreign deferred tax:						
Origination and reversal of timing differences	4.3	(5.8)	(1.5)	0.4	(3.6)	(3.2)
Adjustment in respect of prior years	(2.1)	—	(2.1)	1.0	(1.5)	(0.5)
	2.2	(5.8)	(3.6)	1.4	(5.1)	(3.7)
Total deferred tax credit	2.9	(9.6)	(6.7)	(1.5)	(5.8)	(7.3)
Tax on profit on ordinary activities	82.4	(19.5)	62.9	77.0	(9.5)	67.5

Reconciliation of effective tax rate

	2025 Adjusted £m	2025 Adjustments £m	2025 Total £m	2024 Adjusted £m	2024 Adjustments £m	2024 Total £m
Profit before taxation	301.5	(75.0)	226.5	290.1	(31.2)	258.9
Expected tax at blended rate	79.2	(19.7)	59.5	76.4	(7.2)	69.2
Increased withholding tax on overseas dividends	7.0	—	7.0	6.8	—	6.8
Non-deductible expenditure and incentives	1.5	0.4	1.9	(1.6)	(0.6)	(2.2)
Over provided in prior years	(4.4)	—	(4.4)	(0.3)	(1.5)	(1.8)
Other reconciling items	(0.9)	(0.2)	(1.1)	(4.3)	(0.2)	(4.5)
Total tax in Consolidated Income Statement	82.4	(19.5)	62.9	77.0	(9.5)	67.5
Effective tax rate	27.3%	26.0%	27.8%	26.5%	30.4%	26.1%

Adjustments include adjusting items and share of loss of Associate.

The effective tax rate on an adjusted profits basis is calculated as a percentage of profit before both tax and share of loss of Associate.

Company Statement of Financial Position at 31 December 2025

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Property, plant and equipment	12	21.8	23.4
Loans to subsidiaries	3, 9	—	99.3
Investment in subsidiaries	2	804.1	759.5
Deferred tax assets	6	15.9	14.5
Post-retirement benefits	7	0.7	1.2
		842.5	897.9
Current assets			
Loans to subsidiaries	3, 9	105.0	0.4
Due from subsidiaries	9	32.1	53.0
Other current assets	4	5.3	4.5
Taxation recoverable		6.3	2.5
Cash and cash equivalents		33.4	10.1
		182.1	70.5
Total assets		1,024.6	968.4
Equity and liabilities			
Current liabilities			
Trade and other payables	5	10.5	10.3
Due to subsidiaries	9	92.3	99.0
Current portion of long-term borrowings	10	105.0	0.3
Short-term borrowings		120.9	49.2
Current tax payable		2.1	1.2
		330.8	160.0
Net current liabilities		(148.7)	(89.5)
Non-current liabilities			
Long-term borrowings	10	—	99.3
Deferred tax liabilities	6	0.2	0.2
Due to subsidiaries	9	6.1	6.3
		6.3	105.8
Total liabilities		337.1	265.8
Net assets		687.5	702.6
Equity			
Share capital	8	19.9	19.8
Share premium account		92.3	92.0
Other reserves	8	31.0	20.9
Retained earnings		544.3	569.9
Total equity		687.5	702.6
Total equity and liabilities		1,024.6	968.4

The loss before dividends received was £28.2m (2024: £25.1m). Dividends from subsidiary undertakings of £126.4m (2024: £129.2m) are excluded from this amount. Total profit recognised during the year was £98.2m (2024: £104.1m).

These Company Financial Statements of Spirax Group plc, company number 00596337, were approved by the Board of Directors and authorised for issue on 9 March 2026 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 2025

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2025	19.8	92.0	20.8	570.0	702.6
Profit for the year	—	—	—	98.2	98.2
Other comprehensive income:					
Gain on cash flow hedges net of tax	—	—	2.5	—	2.5
Remeasurement loss on post-retirement benefits	—	—	—	(0.2)	(0.2)
Deferred tax on remeasurement loss on post-retirement benefits	—	—	—	0.1	0.1
Total other comprehensive income for the year	—	—	2.5	(0.1)	2.4
Total comprehensive income for the year	—	—	2.5	98.1	100.6
Contributions by and distributions to owners of the Company:					
Dividends paid	—	—	—	(122.5)	(122.5)
Equity settled share plans net of tax	—	—	—	(1.3)	(1.3)
Issue of share capital	0.1	0.3	—	—	0.4
Employee Benefit Trust shares	—	—	4.8	—	4.8
Investment in subsidiaries in relation to share options granted	—	—	2.9	—	2.9
Balance at 31 December 2025	19.9	92.3	31.0	544.3	687.5

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

Other reserves represent the Company's share-based payments, cash flow hedges, capital redemption and Employee Benefit Trust reserves (see Note 8).

The Notes on pages 217 to 222 form an integral part of the Company 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, 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
- 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

	2025 £m	2024 £m
Cost:		
At 1 January	759.5	758.8
Additional investment in subsidiaries	41.7	—
Share options issued to subsidiary company employees	2.9	0.7
At 31 December	804.1	759.5

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 2025. 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 the thermal solutions (steam and electrical) and fluid technologies markets, except those companies identified as a holding company on pages 223 to 228.

During the year, the Company increased its investment in Spirax-Sarco Investments Limited by £38.0m in connection with the refinancing of intra-group funding arrangements. The Company also invested £3.7m in a new subsidiary, Spirax-Sarco Engineering Limited, which will hold and manage certain Group digital assets.

3 Loans to subsidiaries

	2025 £m	2024 £m
Cost:		
At 1 January	99.7	104.4
Interest	2.7	2.5
Repayments	(2.7)	(2.5)
Exchange adjustment	5.3	(4.7)
At 31 December	105.0	99.7

The terms and conditions of loans to subsidiaries at 31 December 2025 were as follows:

	Currency	Nominal interest rate	Year of maturity	2025 £m	2024 £m
Spirax-Sarco Overseas Limited	€	2.4%	2026	105.0	99.7
Total loans to subsidiaries				105.0	99.7
Due within one year				105.0	0.4
Due after more than one year				—	99.3

4 Other current assets

	2025 £m	2024 £m
Prepayments and other receivables	2.4	4.5
Derivative assets	2.9	—
Total other current assets	5.3	4.5

5 Trade and other payables

	2025 £m	2024 £m
Accruals	9.7	9.0
Derivative liabilities	0.8	1.3
Total trade and other payables	10.5	10.3

6 Deferred tax assets and liabilities

Movement in deferred tax during the year 2025

	1 January 2025 £m	Recognised in income £m	Recognised in OCI £m	31 December 2025 £m
Other temporary differences	14.6	2.0	(0.7)	15.9
Pensions liability	(0.3)	—	0.1	(0.2)
Net deferred tax	14.3	2.0	(0.6)	15.7

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)
Net deferred tax	8.0	4.5	1.8	14.3

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.

	2025 £m	2024 £m
Deferred tax asset	15.9	14.5
Deferred tax liability	(0.2)	(0.2)
Net deferred tax asset	15.7	14.3

7 Employee benefits

Pension plans

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 £1.0m (2024: £1.2m).

At 31 December 2025 the mortality assumptions in respect of the Company defined benefit scheme follows 84%/87% (male/female) of SAPS 3 light normal, CMI 2024 future improvements, 1.0% long-term trend, smoothing factor of 7 and half-life parameter of 0.5. At 31 December 2024, the mortality assumptions in respect of the Company defined benefit scheme follows 84%/87% (male/female) of SAPS 3 light normal, CMI 2023 future improvements, 1.0% long-term trend, smoothing factor of 7 and weights parameter of 100%.

Assumptions are reviewed annually with reference to scheme-specific experience and externally published statistics.

The financial assumptions used at 31 December were:

	Weighted average assumptions used to define the benefit obligations	
	2025 %	2024 %
Rate of increase in pensions	2.7	3.0
Rate of price inflation	2.8	3.2
Discount rate	5.5	5.4

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:

	2025 £m	2024 £m
Cash and cash equivalents	0.7	1.2
Insurance contracts	32.5	33.5
Total market value in aggregate	33.2	34.7

The plan assets are primarily held in buy-in policies.

The actual return on plan assets was a gain of £1.8m (2024: a loss of £4.6m).

The amounts recognised in the Company Statement of Financial Position are determined as follows:

	2025 £m	2024 £m
Fair value of scheme's assets	33.2	34.7
Present value of funded scheme's liabilities	(32.5)	(33.5)
Retirement benefit asset recognised in the Company Statement of Financial Position	0.7	1.2
Related deferred tax	(0.2)	(0.3)
Net pension asset	0.5	0.9

The movements in the defined benefit obligation (DBO) recognised in the Company Statement of Financial Position during the year were:

	2025 £m	2024 £m
Defined benefit obligation at beginning of year	(33.5)	(37.2)
Interest cost	(1.7)	(1.6)
Remeasurement gain	0.2	2.1
Experience (loss)/gain	(0.4)	0.2
Actual benefit payments	2.9	3.0
Defined benefit obligation at end of year	(32.5)	(33.5)

7 Employee benefits continued

Pension plans continued

The movements in the fair value of plan assets during the year were:

	2025 £m	2024 £m
Value of assets at beginning of year	34.7	42.7
Expected return on assets	1.8	1.8
Remeasurement loss	—	(6.4)
Administration costs	(0.4)	(0.4)
Actual benefit payments	(2.9)	(3.0)
Value of assets at end of year	33.2	34.7

The estimated employer contributions to be made in 2026 are £nil.

The history of experience adjustments is as follows:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Defined benefit obligation at end of year	(32.5)	(33.5)	(37.2)	(38.6)	(55.2)
Fair value of scheme's assets	33.2	34.7	42.7	42.5	60.3
Retirement benefit recognised in the Company Statement of Financial Position	0.7	1.2	5.5	3.9	5.1
Experience adjustment on scheme's liabilities	(0.4)	0.2	0.1	0.9	3.5
As a percentage of scheme's liabilities	1.4%	0.6%	0.3%	2.3%	6.3%
Experience adjustment on scheme's assets	—	(6.4)	1.3	(16.1)	2.4
As a percentage of scheme's assets	—	18.4%	3.0%	37.9%	4.0%

The expense recognised in the Company Income Statement was as follows:

	2025 £m	2024 £m
Administration cost	(0.4)	(0.4)
Net interest on scheme's assets and liabilities	0.1	0.2
Total expense recognised in Income Statement	(0.3)	(0.2)

Statement of Comprehensive Income (OCI):

	2025 £m	2024 £m
Remeasurement effects recognised in OCI:		
Due to experience on DBO	(0.4)	0.2
Due to demographic assumption changes in DBO	(0.5)	0.1
Due to financial assumption changes in DBO	0.7	2.0
Return on assets	—	(6.4)
Total remeasurement loss recognised in OCI	(0.2)	(4.1)
Deferred tax on remeasurement amount recognised in OCI	0.1	1.0
Cumulative loss recognised in OCI at beginning of year	(13.4)	(10.3)
Cumulative loss recognised in OCI at end of year	(13.5)	(13.4)

Sensitivity analysis

The effect on the defined benefit obligation at 31 December 2025 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	(2.3)
Discount rate assumption being 1.00% lower	2.5
Inflation assumption being 1.00% higher	1.8
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.

7 Employee benefits continued

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.

The relevant disclosures in respect of the Performance Share Plan grants are as follows:

	2021 Grant	2022 Grant	2023 Grant	2024 Grant	2025 Grant
Grant date	4 May	14 March	13 March	21 March	25 March
Mid-market share price at grant date	11,770.0p	11,910.0p	10,880.0p	10,377p	6,738p
Number of employees	15	13	15	16	17
Shares under scheme	45,815	42,573	52,259	66,713	89,464
Vesting period	3 years	3 years	3 years	3 years	3 years
Probability of vesting	73.9%	76.1%	81.2%	79.7%	77.8%
Fair value	8,698.0p	9,057.6p	8,829.1p	8,273.6p	5,240.1p

8 Called-up share capital and reserves

	2025 £m	2024 £m
Ordinary shares of 26 12/13p (2024: 26 12/13p) each		
Allotted, called up and fully paid 73,776,048 (2024: 73,776,048)	19.9	19.8

21,871 (2024: 49,244) shares with a nominal value of £5,888 (2024: £13,258) were issued in connection with the Group's Employee Share Ownership Plan with external consideration of £nil (2024: £1.9m) received by the Company. During the year, 6,115 shares were repatriated and immediately sold with external consideration of £0.3m (2024: £nil) received by the Company.

No shares were purchased into an Employee Benefit Trust (EBT) during either year. At 31 December 2025 30,167 shares (2024: 72,250) were held in an Employee Benefit Trust and available for use in connection with the Group's Employee Share Schemes. 17 senior employees of the Company have been granted options on ordinary shares under the Performance Share Plan (Note 7).

Other reserves in the Company Statement of Changes in Equity on page 216 are made up as follows:

	1 January 2025 £m	Change in year £m	31 December 2025 £m
Share-based payments reserve	28.3	2.9	31.2
Cash flow hedges reserve	(1.0)	2.5	1.5
Capital redemption reserve	1.8	—	1.8
Employee Benefit Trust reserve	(8.3)	4.8	(3.5)
Total other reserves	20.8	10.2	31.0

	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

	2025 £m	2024 £m
Dividends received from subsidiaries	126.4	129.2
Current loans due from subsidiaries at 31 December	105.0	0.4
Non-current loans due from subsidiaries at 31 December	—	99.3
Current amounts due from subsidiaries at 31 December	32.1	53.0
Current amounts due to subsidiaries at 31 December	92.3	99.0
Non-current amounts due to subsidiaries at 31 December	6.1	6.3

Amounts due to and from Group undertakings are unsecured and have various repayment terms depending on the loan agreement. All loans owed to/from Group undertakings are formalised arrangements on an arm's length basis.

10 Financial instruments

The terms and conditions of outstanding loans at 31 December 2025 are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying value £m
Unsecured private placement – €120m	€	2.4%	2026	105.0
Total outstanding loans				105.0
Current portion of long-term borrowings due before 31 December 2026				105.0
Long-term borrowings payable after 31 December 2026				—
Total outstanding loans				105.0

	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

The Company has undrawn committed borrowing facilities in respect of a £400.0m revolving credit facility, of which all conditions precedent had been met. This facility expires in April 2029.

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 Staff costs and numbers

The aggregate payroll costs of persons employed by the Company were as follows:

	2025 £m	2024 £m
Wages and salaries	24.9	21.0
Social security costs	3.3	2.0
Pension costs	1.0	1.6
Total payroll costs	29.2	24.6

The average number of employees of the Company during the year was 162 (2024: 140). All employees are classified within the administrative category.

12 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 £26.9m (2024: £27.3m), accumulated depreciation of £5.1m (2024: £3.9m) and a net book value of £21.8m (2024: £23.4m).

Directors' remuneration

The remuneration of the Directors of the Company is shown in the Annual Report on Remuneration 2025 on pages 138 to 146.

Auditor's remuneration

Auditor's remuneration in respect of the Company's annual audit has been disclosed on a consolidated basis in the Consolidated Financial Statements in Note 6 as required by Section 494(4)(a) of the Companies Act 2006.

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings as at 31 December 2025 is disclosed below.

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	Reichenastr. 210, 78467 Konstanz, Germany
	Spirax-Sarco Germany Holdings GmbH (H)	Reichenastr. 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, Chlookop Ext 23, Gauteng 1624, South Africa
	Spirax Sarco South Africa (Pty) Limited	Corner Brine Avenue and Horn Street, Chlookop 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 Engineering Limited	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
	Spirax UK Pension Trustees Limited	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 Limitada	Avenida Manoel Lages do Chão, 268, Bairro Portão, Cotia, São Paulo, 06705-050, Brazil
	Hiter Controls Engenharia Limitada	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 Limitada	Las Garzas 930, Galpón E, Quilicura, Santiago de Chile, Chile
	Inversiones Spirax-Sarco Chile Limitada (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, Peru
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 Limitada	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
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, Barcelona
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	

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	5 Hexham 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 Limitada	Alameda Oceania, 63, Polo Empresarial Tamboré, Santana de Parnaíba, São Paulo, CEP 06543-308, Brazil
Canada	Watson-Marlow Canada Inc	383 Applewood Crescent, Concord, ON L4K 4J3, Canada
Chile	Watson-Marlow Bombas Chile Limitada	Las Garzas 930, Galpón E, Quilicura, Santiago de Chile, Chile
China	Shanghai Watson-Marlow Limited	Building 23, No. 3879, Dongchuan Road, Minhang District, Shanghai, China 200245
	Watson-Marlow Co Limited	No.9 Lane 270 Sec. Beishen Road, Shengkeng 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 B, 6 Polaris Place, East Tamaki, Auckland 2013, New Zealand
Norway	Watson-Marlow Norge AS	Vestvollveien 14A, 2019 Skedsmokorset, Norway
Philippines	Watson-Marlow Inc	Unit 704 Coherco Financial Tower, Madrigal Business Park, Ayala Alabang, 1780 Metro Manila, Philippines
Poland	Watson-Marlow Sp Zoo	Al. Jerzego Waszyngtona 146, 04-076 Warszawa, Poland
Singapore	Watson-Marlow Pte Limited	Block 4010 Ang Mo Kio Industrial Park 1, #06-01/02, Singapore 569626
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 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

Key: * Direct subsidiary owned by Spirax Group plc (H) Holding company

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, there are a number of other operating units, including an Associate company; a company that is part owned with a third-party trust; branches of STS or WMFTS companies; and several WMFTS companies that operate via STS 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.

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 Energy Solutions LLC,	98.992%
Spirax Sarco Korea Ltd	98.7%
Spirax-Sarco Philippines Inc	99.9994%
Spirax Sarco Services SA PTY Limited	48.5%. (51.5% 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 this investment in the investee.
Spirax Sarco (Thailand) Ltd	99.995%

2. In addition to the subsidiaries in the tables on pages 223 to 227, the Group has the following operations:

Steam Thermal 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 Company 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
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 2025. Spirax Group plc will guarantee the debts and liabilities of the companies claiming the statutory audit exemption 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.