

Market environment and operational performance at a glance

Market environment

Industrial production growth (IP)	2025			2026
	H1	H2	FY	FY
Europe	0.4%	1.1%	0.8%	1.8%
North America	0.4%	1.1%	0.8%	1.6%
South America	3.0%	(0.3)%	1.3%	(0.2)%
Asia	4.1%	2.9%	3.3%	2.8%
Global	2.5%	1.8%	2.1%	2.1%
Global (excluding China)	1.7%	1.6%	1.7%	2.1%

Source: CHR Economics February 2026.

Global industrial production growth (IP) in 2025 was 2.1%, or 1.7% excluding China (compared to 1.9% forecast at the beginning of the year). Following a weak first half, second half IP excluding China decreased to 1.6%, and the forecast second half recovery in Europe did not fully materialise. IP was weak across almost all regions in both the first and second halves of the year in key markets such as the USA, Germany, France, Italy and the UK that represent approximately 50% of Group revenues.

The broader macroeconomic impact of trade tariffs remains uncertain, compounded by the variation in rates driven by geopolitical events. The most significant impact has been customers’ reduced confidence in committing to longer-term capital investments to expand their processing capacity, impacting large project demand.

Our local manufacturing presence in the USA helps mitigate our direct exposure to trade tariffs and as demonstrated in 2025, we expect to continue to protect our margins by managing the financial impacts through surcharges, pricing and limited reorganisations of manufacturing activity.



Progress in 2025:

Revenue £

£853.4m

(2024: £867.9m)

Statutory operating profit £

£167.8m

(2024: £198.9m)

Adjusted operating profit £

£200.3m

(2024: £204.1m)

Statutory operating profit margin %

19.7%

(2024: 22.9%)

Adjusted operating profit margin %

23.5%

(2024: 23.5%)

Operating units #

60

Colleagues #

~5,000

Key industries



Food & Beverage



OEM Machinery



Pharmaceutical & Biotechnology



Chemicals

[+ Read more on pages 32 and 33 and 48 to 50](#)


Progress in 2025:

Revenue £

£441.3m

(2024: £404.6m)

Statutory operating profit £

£40.4m

(2024: £46.1m)

Adjusted operating profit £

£71.3m

(2024: £64.7m)

Statutory operating profit margin %

9.2%

(2024: 11.4%)

Adjusted operating profit margin %

16.2%

(2024: 16.0%)

Operating units #

35

Colleagues #

~2,900
Key industries


Power Generation



Semiconductor



Oil & Gas



OEM Machinery

Read more on page 32 and 33 and 52 to 54


Progress in 2025:

Revenue £

£408.2m

(2024: £392.7m)

Statutory operating profit £

£96.9m

(2024: £90.3m)

Adjusted operating profit £

£107.0m

(2024: £99.0m)

Statutory operating profit margin %

23.7%

(2024: 23.0%)

Adjusted operating profit margin %

26.2%

(2024: 25.2%)

Operating units #

46

Colleagues #

~2,050
Key industries


Pharmaceutical & Biotechnology



Food & Beverage



Water & Wastewater



Healthcare

Read more on page 32 and 33 and 56 to 58



In a challenging market environment, STS delivered a resilient performance in 2025. Strong execution across MRO, solution-selling and Commercial Excellence initiatives continued to drive growth and positions the Business well for the future.”

Maurizio Preziosa

Managing Director, Steam Thermal Solutions

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

Demand

Demand for STS products and solutions, particularly large projects, is linked to IP. Large project demand was weak across all regions, as customers deferred or reduced capital expenditure in response to uncertainty around trade tariffs and lower macroeconomic growth. As expected, this impact was felt most significantly in China, where our business is more weighted towards large projects than in the rest of STS, albeit the weakness in demand moderated compared to 2024 and sequentially through 2025. Customers in Korea also temporarily deferred capital investment decisions during the first half of 2025 as a result of political instability at the end of 2024. Following elections and the new government’s proposal of an economic stimulus package in June, we saw sequential quarter-on-quarter improvements in demand through the second half. China and Korea accounted for 22% of STS sales in 2024.

Against this backdrop, our focus on leveraging our direct sales model and successful execution of our Commercial Excellence priorities supported demand generation in MRO and solution-sales across all markets. Our digital solutions delivered high-double-digit demand growth in digital product and subscriptions, with additional pull-through from identifying optimisation, replacement and repair opportunities.

Sales

Sales of £853.4 million were 1% higher organically, or 3% lower after an adverse exchange rate impact. Organic growth improved in the second half (2%), as expected. Excluding large project sales in China and Korea, full year organic sales growth was 3%.

EMEA and Americas delivered growth well ahead of IP, as we continued to focus on the operational priorities within our control. Our growth was delivered against the backdrop of weak IP and a material reorganisation of our EMEA operating companies and management layers in the first half of the year.

Adapting to drive growth through focused priorities...

...how STS is boosting growth through distributor collaboration.

In the USA, Steam Thermal Solutions' (STS) growth strategy is built on a combination of serving end-users both directly and through a broad distribution network.

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In APAC, sales declined organically, due to weaker demand for large projects in China and Korea. However, in China we delivered double-digit growth in MRO sales across both the first and second halves of the year. As expected, the weakness in large project sales moderated compared to 2024. Together with MRO growth, this contained the sales decline in China to 3%, compared to the 13% decline in 2024.

In Gestra, the process of negotiating efficiency and performance improvements with the local Works Council and Union impacted shipments from our facility in Germany, but part of the shortfall was recovered in the last quarter with a sustained improvement carried into 2026.

Margin

Adjusted operating profit of £200.3 million was 3% higher organically, and 2% lower after an adverse exchange rate impact. Margin of 23.5% was 40bps higher organically, with the drop-through from organic sales growth to profit supported by restructuring benefits and operational savings in procurement, partly offset by investment in future organic growth priorities.

Statutory results

Sales of £853.4 million were down 2% including an adverse exchange rate impact of 3%. Statutory operating profit of £167.8 million was down 16% from 2024, reflecting an adverse exchange rate impact of 5% as well as restructuring costs of £26.5 million. Statutory operating profit margin of 19.7% decreased by 320bps.

Outlook

We expect STS to deliver low-single-digit organic sales growth, higher than in 2025, with growth outside China well ahead of IP and trading in China continuing to improve. We expect STS margin to improve organically, supported by operating leverage and full year restructuring benefits, partly offset by ongoing investment in future growth.



From reach to results...

...how STS is boosting growth through distributor collaboration.

In the USA, Steam Thermal Solutions' (STS) growth strategy is built on a combination of serving end users both directly and through a broad distribution network. This dual approach enables the STS Americas Division to maximise market reach, deepen customer relationships and deliver technical solutions that set it apart from competitors.

Direct sales remains the cornerstone of our customer engagement, with sales engineers actively 'walking the plant' and developing customer solutions directly. However, the scale and complexity of the USA market require a broader reach and distribution partners are a multiplier for the Division, increasing coverage and opening doors to new opportunities. For example, the number of sales representatives of just one distributor is four times larger than our sales force and so these partnerships provide access to a much wider, synergistic customer base. Recognising the scale of this opportunity, the Business made expanding growth through distributors a priority in 2025.

A key differentiator in our approach is the depth of technical expertise we bring to distributor partnerships. Distributors have broad product portfolios but lack the specialised knowledge required for complex engineered solutions that support steam and thermal energy processes. By working in partnership, we are

co-generating opportunities that result in tailored solutions being delivered directly to the customer that address its critical challenges. This enhances the distributor's value proposition and strengthens STS' position as the steam and thermal energy expert.

Recognising that not all distributor relationships are equal we adapted our approach in 2025 to focus on STS Americas' top 22 distribution partners. This targeted approach has delivered results. While overall growth in 2025 from distributors in the USA was low-single-digit year-on-year, STS delivered a high-single-digit increase in demand from distribution partners that were onboarded early in the year, compared to 2024. This success is attributed to joint account planning, strategic alignment and a differentiated approach that leverages each partner's strengths. By concentrating resources and attention on these key relationships, we have aligned our efforts with partners who are committed to co-generating value for customers and driving mutual growth.

The distribution network includes both national and strong regional players. National partners provide scale, logistical support and access to large, multi-site customers, while regional partners offer deep local knowledge and agility. For instance, the leading national distributor

partner's sector and account focus is similar to that of STS Americas, enabling seamless collaboration on complex projects. Regional distributors excel at building long-term relationships with local customers and delivering a tailored service. In both cases, STS works closely with distributor teams, sometimes leading the sales process, other times supporting to ensure that customer needs are met efficiently and effectively.

Today, direct sales and co-generated sales with distributors account for over 40% of STS sales in the USA. This hyperfocus within the distribution strategy is a key example of Commercial Excellence. By leveraging the reach and scale of the strongest partners, prioritising strategic relationships and focusing on collaborative solution-selling, we are well positioned to keep driving growth in STS through co-generation in 2026 and beyond.

High-single-digit

increase in demand growth from distribution partners onboarded early in 2025





2025 marked a year of strong progress for ETS, driven by operational improvements, a recovery in Semicon demand and major wins in attractive end markets. The successful completion of our Medium Voltage facility in Ogden, USA, provides a solid platform to support continued growth."

Andrew Mines
Managing Director, Electric Thermal Solutions

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

Demand

Demand for ETS solutions remained robust in 2025 with strong growth in all three Divisions: Process Heating, Equipment Heating and Heat Trace.

In Process Heating we continued to see strong demand for both customised Low Voltage (LV) and Medium Voltage (MV) electrification solutions including a significant and growing pipeline of customer enquiries for our PoweringZero decarbonisation solutions. We also targeted the Datacentre sector with temperature control solutions, driving strong growth from a large contract win in the first half.

In Equipment Heating, demand from Semicon customers continued to improve on 2024 levels, supported by our highly specialised niche positioning, unique product capabilities and close customer relationships. Demand from customers in the Nuclear and Aerospace & Defence sectors was also strong in 2025, which will benefit later years as shipments are typically phased over longer periods.

Heat Trace, which we separated out from Process Heating earlier in the year, benefited from our now separate and focused team of sales engineers targeting new sectors, regions and customers. We also improved shipping lead-times, simplified installation and refreshed our software to allow for remote monitoring and control.

Adapting to drive growth through focused priorities...

...how ETS is unlocking sustainable demand from Datacentres.

The rapid expansion of the Datacentre sector is transforming the industrial landscape and is a major growth area for our ETS Business.

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Sales

Sales of £441.3 million were 11% higher organically, despite a strong comparator, or 9% higher after an adverse exchange rate impact.

Growth in Process Heating (64% of 2024 sales) was supported by continuing operational improvements increasing shipments from the large order book brought forward into 2025, including a significant reduction in the overdue backlog of legacy orders, as well as a large contract win. In Equipment Heating (24% of ETS 2024 sales), double-digit growth was supported by strong demand from Semicon customers (11% of ETS 2024 sales). Heat Trace (12% of ETS 2024 sales) also benefited from strong demand growth driven by expansion in EMEA, alongside continuing growth in the USA.

Margin

Adjusted operating profit of £71.3 million was 12% higher organically and 10% higher after an adverse exchange rate impact. Operating leverage from strong organic sales growth was offset by the impact of shipping residual lower margin legacy orders; initial running costs for the new MV facility in Ogden; and continuing investment in building ETS capabilities across a number of areas including sales headcount and systems. As a result, ETS margin of 16.2% was 20bps higher organically, with a second half margin of 17.2%.

Statutory results

Sales of £441.3 million were up 9% including an adverse exchange rate impact of 2%. Statutory operating profit of £40.4 million was down 12% compared to 2024, reflecting an adverse exchange rate impact of 2% as well as one-off restructuring costs of £5.4 million. Statutory operating profit margin of 9.2% decreased by 220bps.

Outlook

In ETS, we anticipate high-single-digit organic sales growth supported by a strong orderbook (including the benefit of the large contract win in 2025); increased manufacturing throughput from operational improvements; and continuing demand strength in our key end markets. We anticipate that operating leverage from organic growth and a greater proportion of higher-margin Semicon sales, partly offset by the initial running costs of the new MV facility in Ogden, will support strong organic margin progress. As expected, the majority of legacy orders in our Ogden order book were shipped by the end of 2025 with the remaining few orders delivered early in 2026 at the request of customers. This has removed a key headwind that affected margin progress in 2025.



From hot demand to cool delivery...

...how ETS is unlocking sustainable demand from Datacentres.

The rapid expansion of the Datacentre sector is transforming the industrial landscape and is a major growth area for our Electric Thermal Solutions (ETS) Business. Datacentres underpin the digital economy, supporting everything from cloud computing to AI-driven applications. ICF, a global consulting and technology firm, predicts that by 2030 up to 25% of USA power production could be consumed by AI datacentres and related industries, reflecting a dramatic surge in electricity demand.

Investment trends reinforce this momentum. For the first time, more capital is being invested in building datacentres than in the Oil & Gas sector, marking a significant shift in global priorities. This growth is not limited to technology giants; other industries, such as Banking, are also investing heavily in datacentres for AI-driven applications.

The expansion of the Datacentre sector drives demand for supporting products and services, such as industrial heaters, heat trace systems and transmission and distribution (T&D) equipment. We have seen related business, such as T&D equipment for key OEMs, grow by double digits, demonstrating the potential in this sector.

ETS' collaboration with a leading global OEM is one example of our ability to drive growth from having a clear sector focus and an adaptable approach to meeting customer needs, supported by our differentiated engineering capability. Our customer required a bespoke heating solution for liquid-cooled load banks used in Datacentre commissioning, an application where thermal dissipation of the electrical load is critical.

Datacentres house large servers and electronic equipment, along with their associated cooling systems. Liquid-cooled load banks are essential devices used to simulate electrical loads to test and validate the performance of power systems, such as generators, uninterruptible power supplies and datacentre infrastructure. These tests generate significant amounts of heat, which must be effectively dissipated to ensure accurate and reliable results.

Within ETS, our North America Sales team collaborated with the Design Engineering teams at our Nuevo Laredo facility in Mexico to develop a heater prototype, leveraging Chromalox technology and cross-functional expertise. The result was a custom product that converts electrical load into heat, efficiently removed by a high-volume propylene-glycol mixture to optimise cooling.

Operational Excellence was key to customer service and delivery. During 2025, daily shipments of the heater increased by 75%. To meet this increasing customer demand, we leveraged our new Operational Excellence Framework to introduce 'self-directed' teams, lean workflows and to set up a dedicated production line.

The team at ETS adopted a partnership approach, delivering a bespoke solution that has customer insights and collaboration at its core, demonstrated through regular site visits and rapid set-up of production with continuous improvement. For example, by proposing to deliver fully assembled, hydro-tested tanks with heaters that reduced our customer's labour and quality risks, we reinforced our position as a strategic partner.

As the Datacentre sector continues to expand globally, ETS' blend of Commercial Excellence, through our sector focus and solution-sales, as well as Operational Excellence, through scalable, lean manufacturing, positions Spirax Group as a trusted partner for customers seeking reliable, innovative solutions in a fast-evolving market.

75%

increase in production during 2025, supporting...

...11%

organic sales growth in ETS



Hear the full story on spiraxgroup.com





WMFTS delivered a strong performance in 2025, supported by a recovering Biopharm market and our continued focus on sector-led selling. Ongoing operational efficiencies across manufacturing and the supply chain enabled us to translate growth into improved returns.”

Stuart Roby

Managing Director, Watson-Marlow Fluid Technology Solutions

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

Demand

We continued to see a strong recovery in Biopharm demand, following double-digit growth in 2024. Biopharm sales were above orders in 2024, supported by the large carried forward orderbook which normalised by the end of the year. In the first half of 2025, organic orders growth of over 10% resulted in orders exceeding sales for the first time since 2021 (peak COVID demand), supporting stronger second half sales growth, as expected. For the full year 2025, orders growth has remained over 10% organically with strong demand from both end-users and OEM customers. Underlying drivers of demand, particularly in areas such as monoclonal antibodies, recombinant DNA and cell and gene therapies, remain robust as reflected in end-user activity.

Demand in Process Industries is fundamentally linked to IP, but our focus on target sectors, leveraging our direct sales capability, enables us to generate demand growth above IP. During 2025, we saw strong demand growth in the Water & Wastewater, Food & Beverage and Mining sectors where we increased market share. We also saw strong growth in demand from Medical Devices OEM customers, securing large contract wins.

Sales

Sales of £408.2 million were 6% higher organically, or 4% higher after an adverse exchange rate impact. As expected, growth in Biopharm sales (approximately 50% of WMFTS sales and 12% of Group sales) accelerated in the second half as the demand recovery, which began in 2024, continued throughout 2025. Process Industries sales were supported by strong growth in our target sectors, as well as large Medical Devices OEM customer orders which had specified delivery in the fourth quarter, contributing to the acceleration of sales growth.

Adapting to drive growth through focused priorities...

...how WMFTS turned customer challenges into Biopharm growth.

WMFTS has adapted by repositioning our single-use products as integrated solutions, better addressing the Biopharm sector's fluid management needs.

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Margin

Adjusted operating profit of £107.0 million was 13% higher organically and 8% higher after an adverse exchange rate impact. Our margin of 26.2% was 160bps higher organically, supported by strong operating leverage; ongoing manufacturing and supply chain efficiencies; and restructuring savings, offset by reinvestment in future growth drivers. The phasing of sales to Medical Devices OEM customers and higher than originally planned restructuring savings contributed to second half margins being slightly ahead of the first half.

Statutory results

Sales of £408.2 million were 4% higher compared to 2024 including an adverse exchange rate impact of 2%. Statutory operating profit of £96.9 million was up 7% compared to 2024, despite an adverse exchange rate impact of 4% and one-off restructuring costs of £7.0 million. Statutory operating profit margin of 23.7% was up 70bps.

Outlook

In WMFTS, we anticipate high-single-digit organic sales growth, driven by continuing recovery in Biopharm demand and Process Industries again outperforming IP, with operating leverage supporting organic margin progress broadly similar to that delivered in 2025.



From complexity to clarity...

...how WMFTS turned customer challenges into Biopharm growth.

In response to the post-pandemic downturn in biomanufacturing, Watson-Marlow Fluid Technology Solutions (WMFTS) has adapted by repositioning our single-use products as integrated solutions, better addressing the Biopharm sector's fluid management needs.

By consolidating a previously fragmented product portfolio under the WMArchitect™ brand, we created a clear, customer-centric offering that directly addresses industry needs and through solution-selling, has achieved significant demand growth of over 30%.

Understanding the complex requirements and high standards for product quality, traceability and sustainability in Biopharm, WMFTS identified that our legacy assemblies were difficult for customers to navigate and purchase. The rebrand simplified and unified the product range, enabling our sales engineers to offer fully customised, end-to-end single-use fluid management solutions from a validated menu of components.

Recognising the importance of this consultative approach, we invested in upskilling our sales engineers. This training equipped them to deepen their understanding of both the product and customers' specific bioprocesses, enabling them to deliver tailored recommendations and solve specific challenges. For example, a simple customisation, the implementation of coloured cable ties for fluid line identification, helped a global biopharmaceutical customer improve traceability and secured repeat business for WMFTS.

Meanwhile, a collaboration with a bespoke needles and manifolds manufacturer, to deliver an optimised filling line, led to a large order of complex, custom-designed assemblies for a high-speed fill operation.

As part of the innovation, a dedicated 'validation testing' service was launched, providing customers with specialist bioprocessing expertise and tailored validation support to ensure regulatory compliance and process confidence. Delivered by our in-house experts, this service facilitates informed decision making and has accelerated adoption of WMArchitect™.

A key differentiator is the highly customised nature of each solution. To support delivery, manufacturing onboarding and training were streamlined, halving the time for new operators to contribute. Assemblies were categorised by complexity, allowing skilled colleagues to focus on technical builds and maintain >99% right-first-time efficiency.

Operational improvements, including better material flow and stock management, meant demanding lead times (six to eight weeks for irradiated assemblies) could be met. This operational adaptability has been vital for supporting customer production schedules and growth.

Sustainability and compliance have also been key to customer relationships. Meeting stringent supplier criteria secured and expanded key accounts, including for a major healthcare manufacturer that doubled its orders in 2025, thanks in part to WMFTS' sustainability credentials.

By focusing on the unique needs of the Biopharm sector and delivering solution-driven, tailored offerings, we have adapted our approach, increasing market share and expanding our addressable market, supporting our customers to achieve greater efficiency, compliance and growth, while also driving our commercial success.

>30%

demand growth in WMArchitect™, supporting...

...>10%

demand growth in Biopharm

