

2025 Half Year Results

Six months ended
30 June 2025

Nimesh Patel

Group Chief Executive Officer

Louisa Burdett

Group Chief Financial Officer

Overview

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Trading in line with expectations; reiterating full year guidance

- Group organic growth in sales of **3%** and profit of **7%** in line with expectations
- Group margin of **19.3%**, 70bps higher organically
- Focused on delivering against operational priorities in a challenging macroeconomic environment
- STS sales: **+3%** excluding China and Korea large projects, ahead of IP; in line organically with H1 2024
- ETS sales: **+10%** supported by double-digit demand growth and continued operational improvement
- WMFTS sales: **+2%** with Process Industries well ahead of IP; Biopharm orders growth of over **10%** to drive H2 sales
- Organisational Fitness programme on track to deliver annualised benefits of **£35m**, funding investment in future growth
- Cash conversion higher at **61%** reflecting discipline on both use of capital and returns on investment
- Full year guidance unchanged

Continued IP outperformance

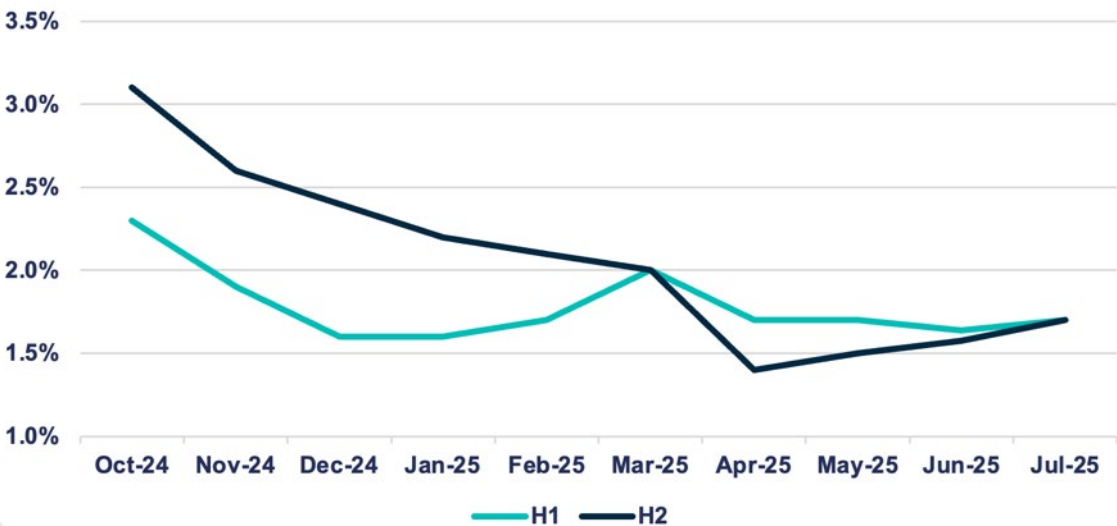
Strong operational progress

Well positioned for H2 growth

Demand drivers: global industrial production

IP forecasts revised downwards, consistent with our expectations

Ex-China IP forecasts revised downwards for H1 and H2



IP weak in key markets in H1

| | % 2024 Sales | H1 25 IP | H2 25 IP |
|----------------------|--------------|----------|----------|
| USA | 28% | 1.1% | 0.8% |
| Germany | 9% | (1.4)% | 1.8% |
| France | 8% | (0.7)% | (0.4)% |
| Italy | 5% | (1.1)% | 1.3% |
| UK | 7% | (0.1)% | 0.9% |
| Global (excl. China) | | 1.7% | 1.7% |

Per CHR IP July 2025

Forecasts remain under pressure

IP remained weak in key markets in H1

IP forecast to improve in some key markets in H2

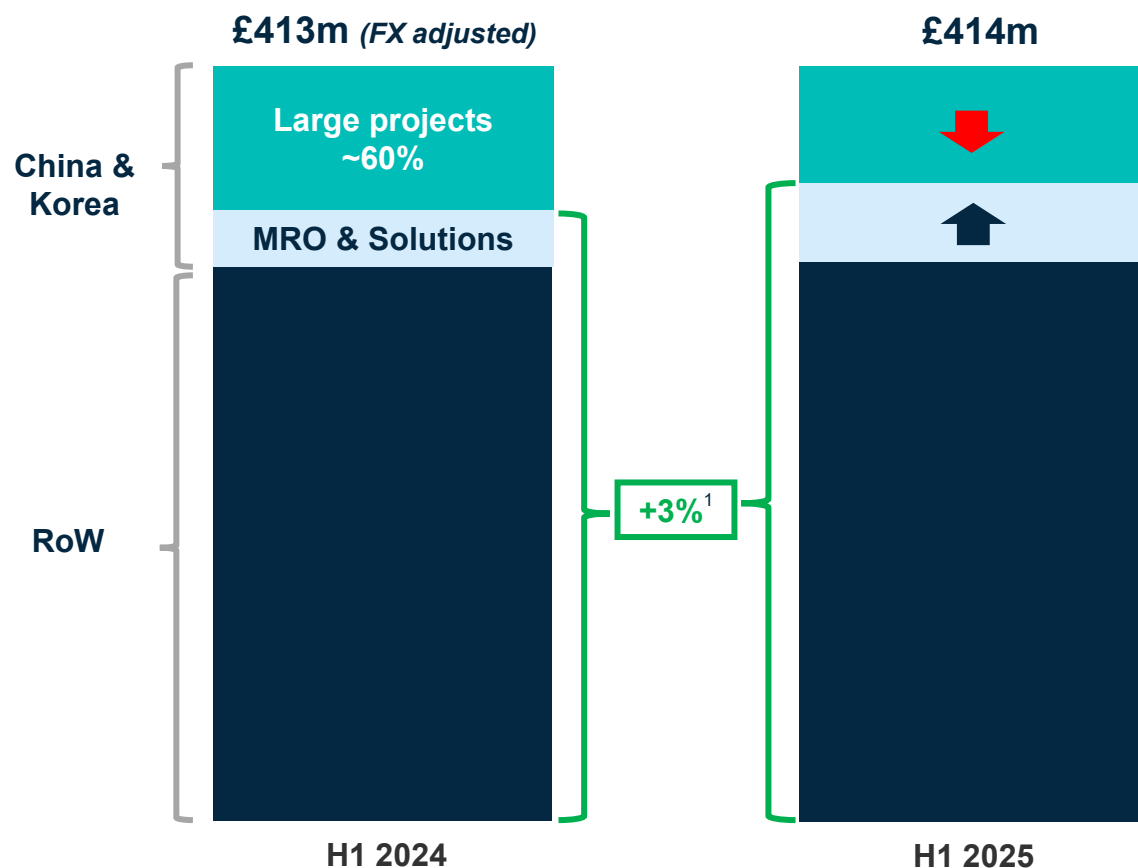
Overall IP revised down, we remain cautious

Demand drivers: STS China and Korea

STS sales up 3% excluding large projects in China and Korea

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STS sales in line organically year-on-year



China and Korea: ~20% STS sales

Korea

- H1 impacted by political instability
- Post elections, trading improved in Q2

China

- Large project orders impacted by trade barriers
- Decline in large project demand moderating
- Pivot to MRO delivering double-digit growth

China and Korea sales: - 9%
STS ex-China and Korea sales²: +3%

Illustrative not to scale

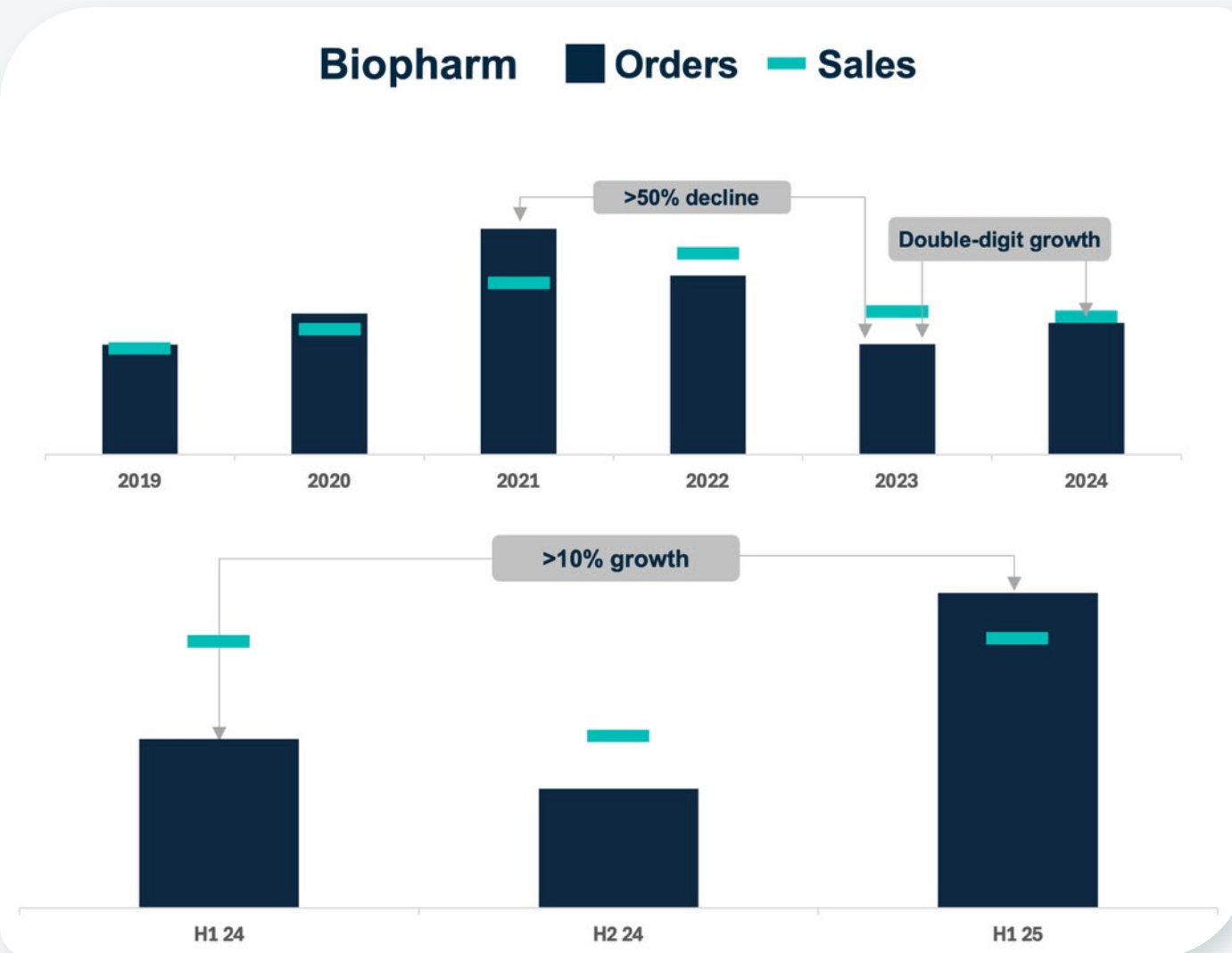
¹ STS organic sales growth excluding large projects sales in China and Korea

² STS organic sales growth excluding total China and Korea sales

Demand drivers: Biopharm

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Demand recovery continuing with over 10% growth in the first half



Illustrative not to scale

Biopharm: ~50% WMFTS sales

- Double-digit demand growth in 2024
- Over 10% demand growth in H1
- Orders exceed sales for first time since 2021 peak
- Strong order growth from end-users
- OEM demand also now recovering
- Strong order book supports H2 sales

Financial review

Louisa Burdett
Group Chief Financial Officer

Financial summary

Trading in line with expectations

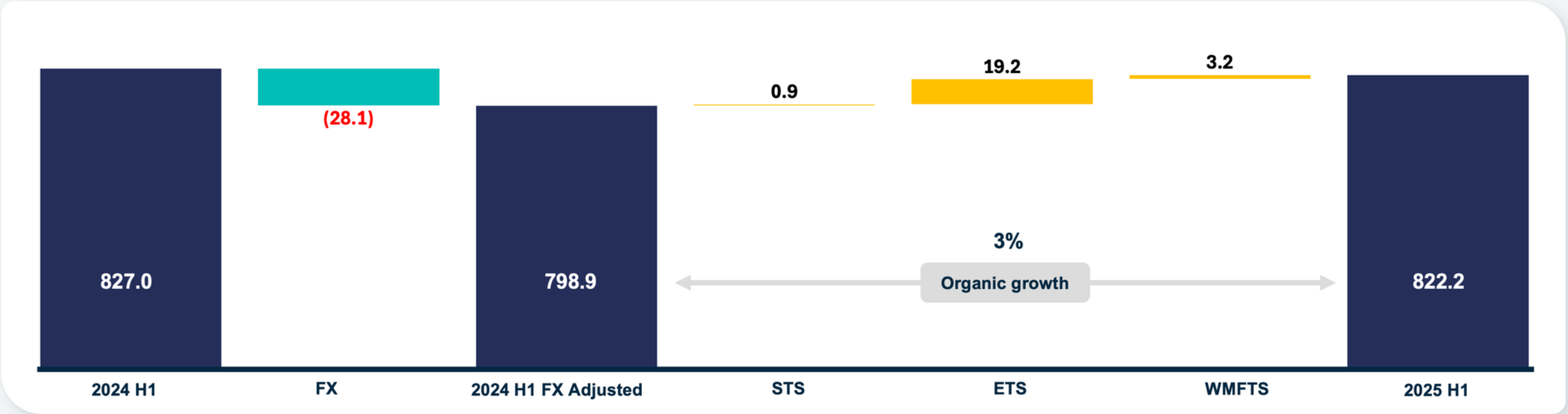
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| 6 months to 30 June (£m) | 2025 | 2024 | Reported | Organic* |
|----------------------------------|---------------|--------|----------|----------|
| Revenue | 822.2 | 827.0 | (1)% | 3% |
| Adjusted operating profit | 158.8 | 160.3 | (1)% | 7% |
| Adjusted operating profit margin | 19.3% | 19.4% | (10)bps | 70bps |
| Net finance expense | (18.6) | (21.9) | | |
| Adjusted pre-tax profit | 139.9 | 137.9 | 1% | |
| Adjusted effective tax rate | 27.4% | 26.5% | 90bps | |
| Adjusted EPS | 137.6p | 137.2p | - | |
| DPS | 48.9p | 47.5p | 3% | |

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

Sales bridge

Organic growth ahead of IP

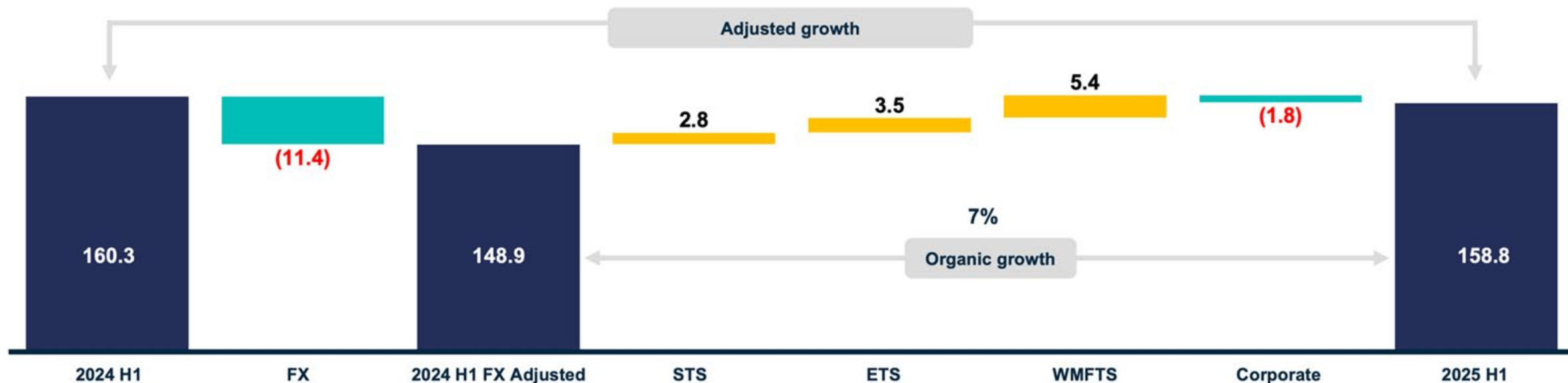


| | H1 2025 | H1 2024 | Year-on-year organic growth | |
|-------|---------|---------|-----------------------------|---------|
| | £m | £m | H1 2025 | H1 2024 |
| STS | 414.2 | 430.8 | - | (1)% |
| ETS | 212.3 | 197.7 | 10% | 5% |
| WMFTS | 195.7 | 198.5 | 2% | 3% |
| Group | 822.2 | 827.0 | 3% | 1% |

Adjusted operating profit bridge

Margin ahead organically

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| | Trading Profit (£m) | | Year-on-year organic growth | | Trading Margin | | Organic Change |
|-----------|---------------------|---------|-----------------------------|---------|----------------|---------|----------------|
| | H1 2025 | H1 2024 | H1 2025 | H1 2024 | H1 2025 | H1 2024 | YoY |
| STS | 97.0 | 101.2 | 3% | (2)% | 23.4% | 23.5% | 60 bps |
| ETS | 31.8 | 29.1 | 12% | 12% | 15.0% | 14.7% | 30 bps |
| WMFTS | 50.6 | 48.8 | 12% | 2% | 25.9% | 24.6% | 240 bps |
| Corporate | (20.6) | (18.8) | | | | | |
| Group | 158.8 | 160.3 | 7% | (1)% | 19.3% | 19.4% | 70 bps |

Adjusted cash flow

Strong cash conversion from working capital management and lower capex

- Cash conversion significantly ahead
- Capex discipline
- Improved working capital efficiency
- Cash tax lower due to lower operating profit and a non-recurring tax refund
- Improved net cash flow despite ~£13 million restructuring costs

| Cash flow (£m) | 30 June 2025 | 30 June 2024 |
|--|----------------|----------------|
| Adjusted operating profit | 158.8 | 160.3 |
| Capital expenditure (net) | (34.3) | (39.7) |
| Working capital changes | (48.6) | (56.2) |
| Depreciation, amortisation, repayment of lease liabilities & other | 21.1 | 21.2 |
| Adjusted cash from operations | 97.0 | 85.6 |
| Adjusted cash conversion* | 61% | 53% |
| Net interest | (17.8) | (21.0) |
| Income taxes paid | (29.7) | (37.9) |
| Adjusted free cash flow | 49.5 | 26.7 |
| Net dividends paid | (86.8) | (84.2) |
| Restructuring costs | (12.9) | (2.5) |
| (Acquisitions)/Disposals of subsidiaries/associates | (10.1) | 2.9 |
| Cash flow for the period | (60.3) | (57.1) |
| Exchange movements | (1.5) | 5.5 |
| Net debt at 30 June (excluding lease liabilities) | (658.0) | (718.3) |
| Net debt to EBITDA | 1.8x | 1.9x |

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

Drivers of H2 growth

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Shipments from strong order books and continued execution of operational priorities

Sales



- Delivery of Commercial Excellence initiatives
- Order book shipments
- China weakness moderating
- Korea improving



- Continuing strong demand environment
- Further improvements in throughput
- Order book and contract win shipments
- Semicon recovery



- Biopharm Orders > Sales
 - OEM demand trend less volatile
- Strong H1 order book in Process Industries
 - Specified H2 shipments
 - Commercial Excellence initiatives



Group Margin



Sales drop-through



Operational efficiencies



Restructuring savings



Investments in growth

Reiterating full year outlook

Organic growth in sales, profit and margin

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Revenue

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

Profit

- Adjusted margin ahead of FX adjusted 19.4% in 2024
- Mid-single digit organic growth

Restructuring

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

Executing our strategy

Nimesh Patel

Group Chief Executive Officer

Together for Growth

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Three engines of growth with a common business model

Capturing opportunity through our strategy

For long term, compounding growth



2,150 direct sales engineers

60% sales to defensive sectors

~70 countries with direct sales presence

100k customers and large installed base

85% revenues from Opex budgets

£17bn
market
opportunity



Commercial
Excellence



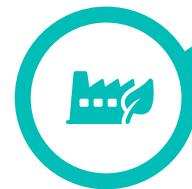
Operational
Excellence



Organisational
Fitness



Digital
and Services



Decarbonising
Thermal Energy

Growth > 2x IP

Margins > 23%

**Strong EPS
growth**

**Improving
returns**

Operational priorities

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



Commercial Excellence

How we drive growth

- ✓ Focus on MRO and solution-sales
- ✓ STS digital and services offering
- ✓ WMFTS sector focus in Process Industries
- ✓ STS distribution sales model
- ✓ ETS bespoke heating solutions

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



Operational Excellence

How we improve margins

- ✓ Procurement savings
- ✓ Operational improvements in ETS
- ✓ Simplifying manufacturing footprint

Optimisation of manufacturing footprint and enhancing customer service levels



Organisational Fitness

How we become more effective

- ✓ Reducing management layers
- ✓ Consolidation of non-sales activity across operating companies

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

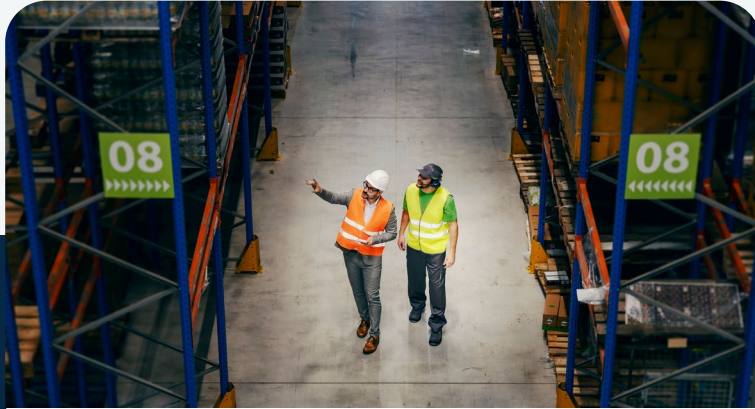
Restructuring charge: ~£35m (cash) + ~£5m (non-cash) with annual benefits ~£35m

Investment in growth

Commercial Excellence

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Driving growth in a challenging macroeconomic environment



STS USA – partnering with distributors

- Redefined distributor strategy to drive co-generated sales from end-customers
- STS gains access to new customers and deployment of solution-selling; and distributors benefit from higher volumes
- Focus on developing joint growth plans with 20+ key distributors

20% growth in H1 orders from 8 strategic partnerships



ETS – winning in new end markets

- Partnered with an OEM customer to design essential component for use in data centre temperature control
- Customised solution requiring strong collaboration between technical sales and production teams

Material order flow will support H2 growth and beyond



WMFTS – leveraging industry expertise

- Collaborated with UK water industry to promote WMFTS peristaltic technology for chemical dosing
- WMFTS engagement with industry regulator to develop mechanical and electrical specifications

Peristaltic dosing pumps now specified for chemical dosing

Investing in our future

How we enhance long term compounding growth

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Digital and Services



Customer relationship

- Added 400+ customer sites



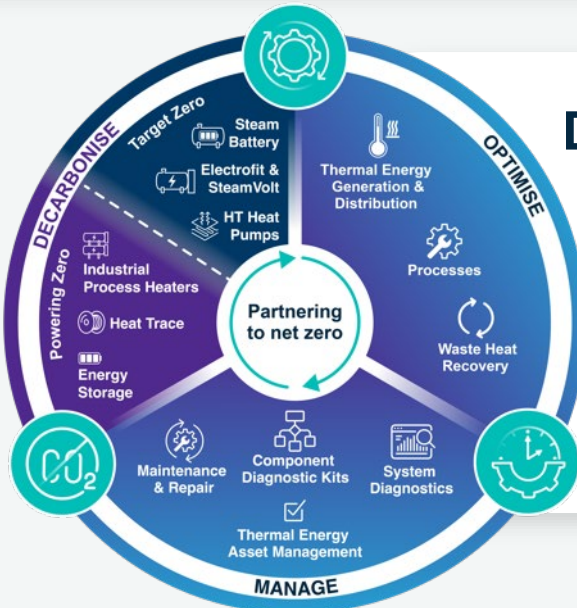
Our products

- Machine-learning-enabled pumps
- Sensors and monitoring
- Diagnostic kits and optimisation insights



Direct sales capability

- 'MiM' LLM deployed to 100+ users



Decarbonising Thermal Energy

~£7bn annual addressable market:

- + £2.4bn Decarbonisation of steam generation through TargetZero
- + £4.2bn Electrification of thermal energy (beyond steam generation) through PoweringZero

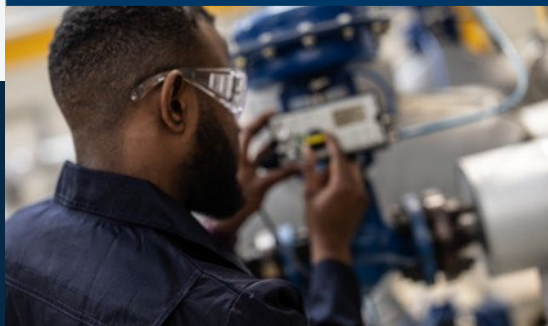


Decarbonisation opportunity

Leveraging our unique expertise and building capability within our teams



Energy Optimisation



STS and ETS

Building on strong heritage of energy audits in STS and ETS

Over 50% of STS quotes now include quantified sustainability benefits

Multi-site audits resulting in product pull-through and additional site audits

TargetZero



SteamVolt

Offering Boiler OEMs a **ready-to-adopt** electric boiler solution

ElectroFit

Enabling **conversion** of existing fuel fired boilers to electric

High Temp Heat Pump

Product development underway

SteamVolt: 1 pilot installed and 1 planned for H2

ElectroFit: 2 pilots installed and in testing

PoweringZero



Expanded Value Proposition

Targeting decarbonisation demand with electrification solutions, leveraging differentiated Medium Voltage offer

New Product Development

Prototypes of higher voltage and higher temperature solutions

Contracts won for supply of bespoke decarbonisation solution for European paper manufacturing OEM and MV solution for renewable energy storage facility

Integrated Thermal Energy Assessment



Integrating steam and electric

Developed an operating model, supported by an enhanced organisational structure

Launched 3 pilots in target sectors, including full group audit for US consumer goods manufacturer, validating value proposition and leading to pull-through revenues

Summary

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**First half in line
with expectations**

**Focused on controllables
and operational priorities**

**Delivering demand
growth through our
Business Model**

**Operational
improvements
supporting growth
and margins**

**Organic sales
and profit growth
outperforming IP**

**Targeted investments
support long term,
compounding growth
opportunity**

Reiterating full year guidance

Appendix

Appendix I

Impact on 2024 reported financial performance from 2025 FX headwinds

2024 Revenue

2024 Average FX

£1,665m

Projected FX

£1,615m

(3%)

2024 Adjusted Operating Profit

2024 Average FX

£334m

Margin 20.1%

Projected FX

£314m

Margin 19.4%

(6%)

Appendix II

Exchange rate exposure and impacts

| Average exchange rates | Proportion of Group results* | | Average H125 | Average H124 | Change |
|------------------------|------------------------------|--------|--------------|--------------|--------|
| | Sales | Profit | | | |
| Euro | 30% | 35% | 1.19 | 1.17 | (2)% |
| US dollar | 25% | 25% | 1.30 | 1.26 | (3)% |
| Renminbi | 10% | 20% | 9.41 | 9.11 | (3)% |
| Won | 4% | 5% | 1,857.9 | 1,708.3 | (9)% |
| Real | 3% | 4% | 7.50 | 6.47 | (16)% |
| Argentine peso | 2% | 3% | 1,446.4 | 1,087.2 | (33)% |

When sterling strengthens against other currencies in which the Group operates, the Group incurs a loss on translation of the financial results into sterling.

*FY24 Sales and Profit – translation exposure

Appendix III

Reconciliation of operating profit to adjusted operating profit

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

| 6 months to 30 June (£m) | HY25 | HY24 |
|---|-------|-------|
| Operating profit as reported under IFRS | 106.8 | 147.2 |
| Restructuring costs | 32.5 | — |
| Amortisation of acquisition-related intangible assets | 17.4 | 17.3 |
| Asset related impairment | 2.1 | — |
| Acquisition-related items | — | (4.2) |
| Total adjusting items | 52.0 | 13.1 |
| Adjusted operating profit | 158.8 | 160.3 |

Appendix IV

Additional guidance (for modelling purposes)

| | 2024 Actual | 2025 Guidance |
|-------------------------------------|--|--|
| Exchange rate impact | Revenue: 5% adverse Adjusted Operating Profit: 8% adverse | Revenue: 3% adverse Adjusted Operating Profit: 6% adverse |
| Corporate costs | £34m | £40m |
| Exceptional restructuring costs | - | Cash costs: ~£35m Non-cash costs: ~£5m |
| Capex (as a percentage of sales) | 5% | 4% - 5% |
| Adjusted Effective Tax Rate | 26.5% | 27% |
| Net Finance Cost | £44m | ~£40m |
| Number of shares in issue (million) | 73.7 | 73.7 |

Appendix V

Environmental and social progress

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Key strategic targets:

- On track to achieve net zero scopes 1 and 2 GHG emissions by 2030, having exceeded a 50% reduction (vs. 2019 baseline), ahead of target
- On track to achieve a 20% reduction (vs. 2019 baseline) in Group energy usage from plant, equipment and building assets by the end of 2025

Progress in H1 2025*

10,000
volunteering hours
completed in H1 25

23 biodiversity
projects completed
in H1 25

Water
consumption
reduced by 10%
compared to H1 24

Group energy
usage 20% lower
compared to 2019
(baseline year)

Scopes 1 & 2
emissions 64%
lower than 2019
(baseline year)

* Including acquisitions; Baseline comparative to H1 2019