

14 May 2025

Trading update

Good demand growth; full-year guidance maintained

Economic environment

Global IP¹ in Q1 2025 was 2.5% and remained negative in key European markets such as Germany, France, Italy and the UK². Excluding China, IP was 1.7% and the forecast for the full year has been revised down to 1.6% from 1.9% in February. Trade tariffs have resulted in macroeconomic uncertainty, particularly impacting customers' capital investment decisions.

Trading

We have focused on the operational priorities within our control, including driving growth through consultative solution-selling; delivering improvements in manufacturing, particularly in ETS³; protecting margins through pricing discipline and efficiency savings; and executing on our restructuring plan, which is on track to deliver approximately £35 million of annualised savings.

Demand trends in the first four months of the year were consistent with those highlighted in our 2024 full year results in March. Good demand growth in WMFTS³ was supported by continuing recovery in Biopharm⁴ orders and Process Industries growth ahead of IP. In ETS, we saw strong demand for our Industrial Process Heating solutions and improving Semicon⁴ orders. In STS³, MRO and solutions demand was higher across all markets. This was offset by lower demand for large projects, particularly in China and Korea (22% of STS 2024 revenues), where conditions continue to remain challenging.

As a result, we delivered low single-digit organic growth in Group revenues, with an adjusted operating profit margin slightly lower compared to the same period in 2024, reflecting customers' phasing of some order shipment dates to later into the year.

Financial Position

Net borrowings (excluding leases) at 30 April 2025 were £603 million (31 December 2024: £596 million), representing a net debt to EBITDA ratio of 1.6x (31 December 2024: 1.6x). The final dividend of 117.5 pence per share represents a 3% increase over 2023 and will be paid on 23 May 2025, subject to shareholder approval, with a cash impact of £87 million.

Outlook

We maintain our outlook for 2025 while recognising that the evolving broader macroeconomic impact of tariffs remains uncertain. Our local manufacturing mitigates the direct exposure of tariffs and we expect to manage the financial impacts through surcharges, pricing and limited reorganisation of manufacturing activity.

If exchange rates at the beginning of May were to prevail for the remainder of the year, 2024 sales would be approximately 3% lower at £1,615 million and 2024 adjusted operating profit would be approximately 6% lower at £314 million, with adjusted operating profit margin at 19.4%.

We continue to anticipate organic growth in Group revenues consistent with that achieved in 2024 and Group adjusted operating profit margin ahead of the currency adjusted 19.4% margin in 2024. We also anticipate cash conversion above 80%.

We continue to expect revenue growth and adjusted operating profit margin to be higher in the second half of the year, reflecting an acceleration in MRO and solution sales across STS to offset weakness in large projects; phasing of the recoveries in Biopharm and Semicon sales; and the delivery of the savings from our restructuring plan.

¹ 'IP': Industrial Production growth

² Source: CHR Economics, 29 April 2025

³ 'STS': Steam Thermal Solutions; 'ETS': Electric Thermal Solutions; 'WMFTS': Watson-Marlow Fluid Technology Solutions

⁴ 'Biopharm': WMFTS sales to the Pharmaceutical & Biotechnology sector; 'Semicon': ETS sales to the Semiconductor Wafer Fabrication Equipment Manufacturing sector

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About Spirax Group plc

Spirax Group is positioned to play a critical role in enabling the industrial transition to net zero, aligned to our Purpose to create sustainable value for all our stakeholders as we engineer a more efficient, safer and sustainable world. We put solving customers' problems at the heart of our total solutions approach. Our global thermal energy and fluid technology solutions improve operating efficiency and safety in our customers' critical industrial processes. Our new-to-world decarbonisation* solutions will use our proprietary technologies to electrify boilers, for the raising of steam, as well as the electrification of other critical industrial process heating applications.

Spirax Group comprises three strong and aligned Businesses: **Steam Thermal Solutions** helps customers control and manage steam within their mission critical industrial applications, such as cleaning, sterilising, cooking and heating. We are helping to put food safely on the world's tables and keeping our hospitals running. **Electric Thermal Solutions** has proprietary technologies that deliver electrification solutions at scale in industrial settings, including for the raising of steam, supporting our customers to achieve their net zero goals. We also deliver freeze protection and defrost solutions critical to aviation and space industries and ensure thermal uniformity in Semiconductor chip manufacturing to power the critical electronic systems we rely on. **Watson-Marlow Fluid Technology Solutions** is engineering vital fluid technology solutions that optimise the efficient use of resources and support advancements in global health, such as lifesaving vaccines and gene therapies.

Spirax Group is headquartered in Cheltenham (UK). We have over 30 strategically located manufacturing plants around the world and are committed to creating a safe and inclusive working culture for our 10,000 colleagues, operating in nearly 70 countries and serving over 100,000 customers globally.

The Company's shares have been listed on the London Stock Exchange since 1959 (symbol: SPX) and we are a constituent of the FTSE 100 and the FTSE4Good Indexes.

* Eliminates scopes 1 and 2 greenhouse gas emissions when connected to a green electricity source.

Further information can be found at [spiraxgroup.com](https://www.spiraxgroup.com)

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