Investor presentation
Final Results

Year ended 31 December 2024

Strix
TECHNOLOGY

01.

Highlights

Highlights

- Built strong foundations through comprehensive restructure and rebasing of the business to drive medium term profitable growth
- Adjusted profit before tax of £18.7m at CER, comfortably within previously announced range of £18.0m-£19.0m
- Maintained focus on net debt reduction and cash generation, reporting a £20.0m reduction to the net debt position to £63.7m, with net debt leverage reduced to 1.87x, within target range of 1.0x-2.0x
- Following a successful new product launch, Billi returned to double digit growth in Q424
- Further rationalisation of Consumer Goods division, focussing on more profitable products, geographic expansion and new product development
- Continued to leverage market leading position in Controls, particularly in less regulated markets with launch of new Low-Cost Control
- Planned reinstatement of FY24 final dividend payment 1.28p per share in December 2025, alongside the FY25 interim dividend
- The Board remains confident in the Group's outlook, with its full year expectations unchanged

02.

Financials

Financial highlights

Adjusted revenue[1] (£m) (CER)

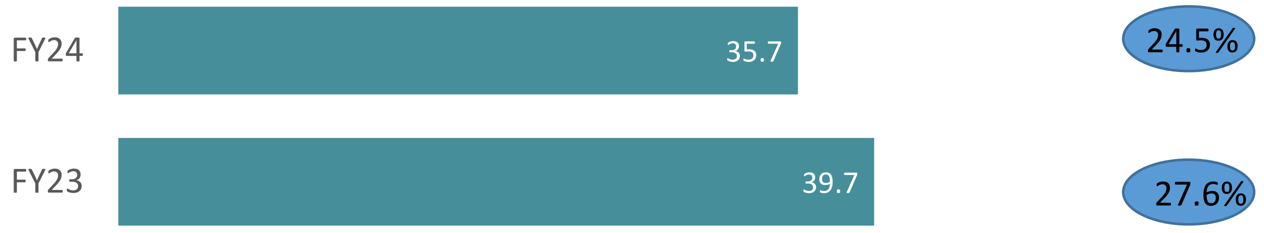
+1.3%

Adjusted gross margin[1] (%) (CER)

(230)bps

Adjusted EBITDA (£m) **& margin**[(1)] (%) (CER)

(10.0)% & (310)bps



Adjusted PBT[(1)] (£m) (CER)

(16.3)%

Net debt leverage[(2)] (AER)

1.87x (FY23: 2.19x)

Adjusted operating cash flow conversion ratio[(1) (3)] (%) (AER)

+910bps

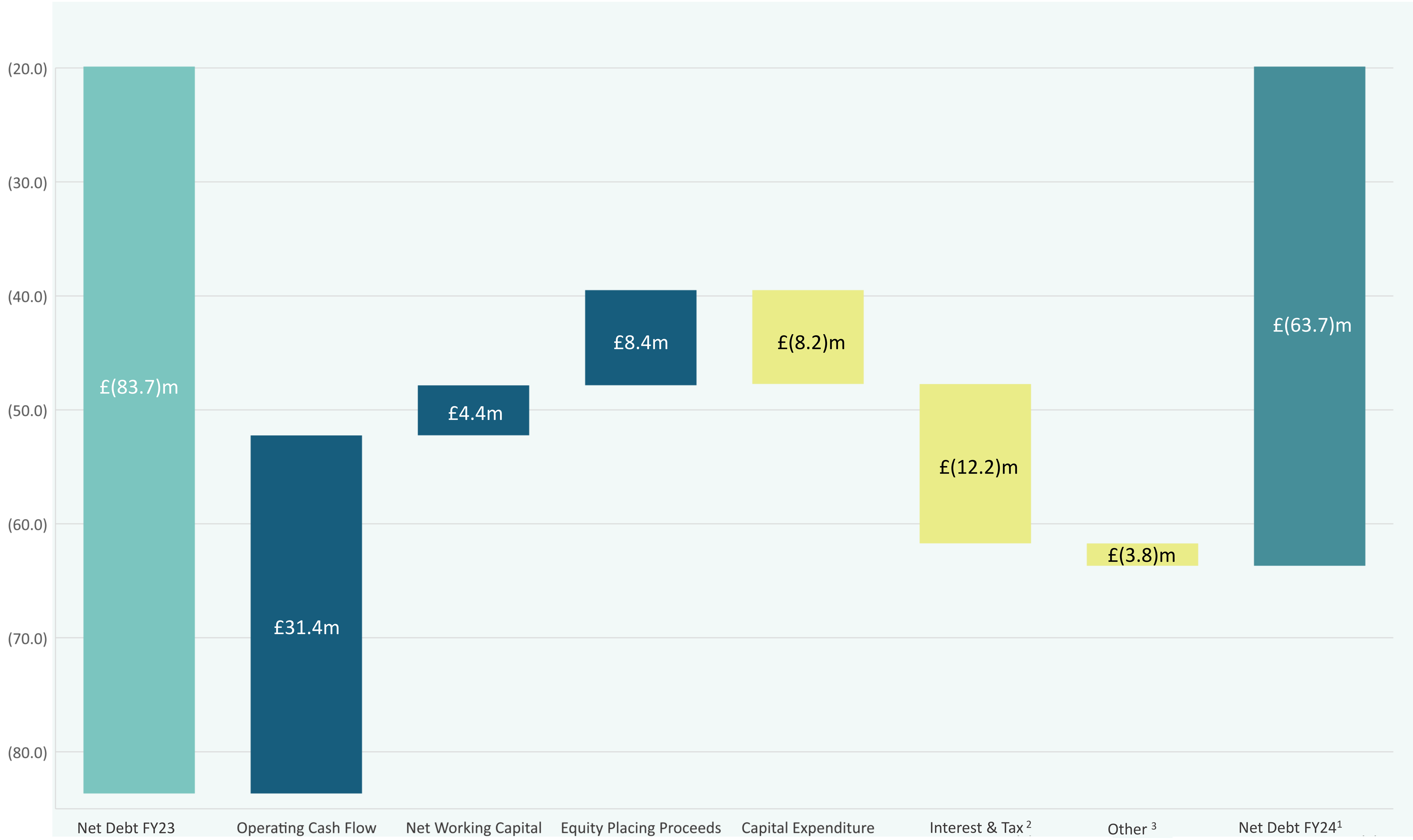
1. Adjusted results are from continuing operations and exclude adjusting items (see note 6(b) of the full year statement)
2. Net debt over adjusted EBITDA (as defined in our banking facility), on a rolling 12 month basis
3. Cash flow generated from operations as a percentage of adjusted EBITDA

Adjusted gross margin by division (CER)

Division	FY24 Gross margin	FY23 Gross margin	Commentary
Controls	36.3%	39.0%	▪ Increased commodity costs and a weaker US$ impacted gross margin, offset in part by a favourable end market mix ▪ Looking ahead, commodity costs are expected to continue to impact gross margin, which the Group is working to manage through appropriate hedging and pricing strategies ▪ The introduction of the new Low-Cost Control will increase the Group's access to the low margin China market. This is expected to drive revenue growth as volumes recover, but with a dilutive impact on average divisional gross margins going forward
Billi	46.5%	46.9%	▪ Continued high margin delivery, highest out of our three divisions, in line with the prior year ▪ Results have been restated to exclude the loss-making HaloSource business, which was successfully divested during the year ▪ Gross margins expected to remain at elevated level, supported by the high underlying growth and lower price sensitivity of end markets
Consumer Goods	27.7%	32.6%	▪ Streamlined Consumer Goods division through rationalisation of product lines and reduced headcount ▪ Gross margins are lower than FY23, but remain more in line with HY24, where the division reported gross margins of 29.6%. The reduction in H2 largely reflects the start of appliance manufacturing for a key OEM in the baby formula sector ▪ Gross margin expected to remain broadly consistent moving forward
Group	37.5%	39.8%	

Adjusted results are from continuing operations and exclude adjusting items (see note 6(b) of the full year statement)

Net debt bridge – Prioritising cash generation and gross debt reduction



Working capital:

- Enhanced working capital management drives a further £(4.4)m reduction (FY23: £(2.3)m)
- Working capital as a percentage of sales decreases to 10.7% (FY23: 16.7%)

- **Investment:**
  - Measured and careful monitoring of organic capital expenditure has allowed the business to maintain reduced investment outflows of £8.2m (FY24) vs £8.0m (FY23)
- **Financing:**
  - Reverse equity raise generates net proceeds of £8.4m
  - Decreased net finance costs in the P&L of £9.0m (FY23: £10.2m), driven by lower leverage interest rate ratchet and reduction in average gross debt

[1] Net debt is shown excluding accrued interest of £1.2m and ROU lease liabilities £3.7m, and net of £1.7m of loan arrangement fees, as defined in our banking facility agreement
[2] Interest cash outflows exclude the non-cash amortisation of arrangement fees of £1.0m
[3] Includes £1.8m of principal lease payments (FY23: £1.4m)

A strengthened balance sheet

- Reducing net debt leverage remained a key priority in 2024
- £20.0m reduction in net debt position to £63.7m
- Net debt leverage falling to 1.87x, now sitting within the Group's forward-looking leverage appetite of between 1.0x and 2.0x over the medium term
- Planned reinstatement of FY24 final dividend payment in December 2025, alongside the FY25 interim dividend

Self-help
Strong focus on working capital and careful management of capital expenditure

Reverse equity raise
£8.4m of net proceeds secured in June 2024

Looking ahead:

- A measured approach – Strix will continue to carefully balance this leverage position with the essential continuation of investment to protect the Group's long term growth prospects
- Stated ongoing leverage appetite remains unchanged at between 1.0x to 2.0x
- Final quarterly payment due on the Billi acquisition loan in November 2025, removing c. £14m of annual financing cash outflows from 2026 onwards

Banking update

A proactive approach to secure today

- We have continued to work closely with our banking syndicate to enhance flexibility and security of funds within the existing agreement
- In March 2024, our banking partners supported the normalisation of our net debt leverage covenant to 2.75x for the duration of the facility term, providing the Group with significant covenant headroom
- On 11 September 2024, the Group's funding security was further enhanced via a one-year extension of our £80.0m revolving credit facility out to 25 October 2026

A roadmap for the future...

- With secure existing facilities and a strengthened balance sheet, the Group is now in the right place to look to the future
- To further support that process, in August 2024, the Group's new experienced Head of Treasury joined the business
- A full competitive refinancing process will be formally initiated in the coming months to provide cost effective and flexible funding to support our medium-term investment driven growth aspirations

Group refocused for medium-term profitable growth

- 2024 has been a year of refocus for Strix, with changes to Group's strategy, business structure and leadership team
- As a result of the restructuring and rebasing process, we are reporting adjusting items in our FY24 results, including:

Consumer Goods £6.4m
- Headcount reduction
- Further rationalisation of product lines/groups and impairments of related intangibles, inventories and licensing debtors

Controls £1.5m
- Part closure of our Ramsey manufacturing site
- Deferral of capital expenditure projects impacts fixed term licensing debtors

HaloSource disposal £2.8m
- Following a comprehensive review process, disposal was made on 30 November 2024 for a nominal value

- In addition to the above, the business made £3.3m of settlements, with £2.2m related to a commercial settlement with a key OEM customer and a further £1.1m largely relating to a final settlement agreement with all parties to the LAICA acquisition
- We are also reporting central restructuring costs of £0.6m related to personnel changes

03.
Business categories

- Controls
- Billi (previously PFS*)
- Consumer Goods

*Premium Filtration Systems

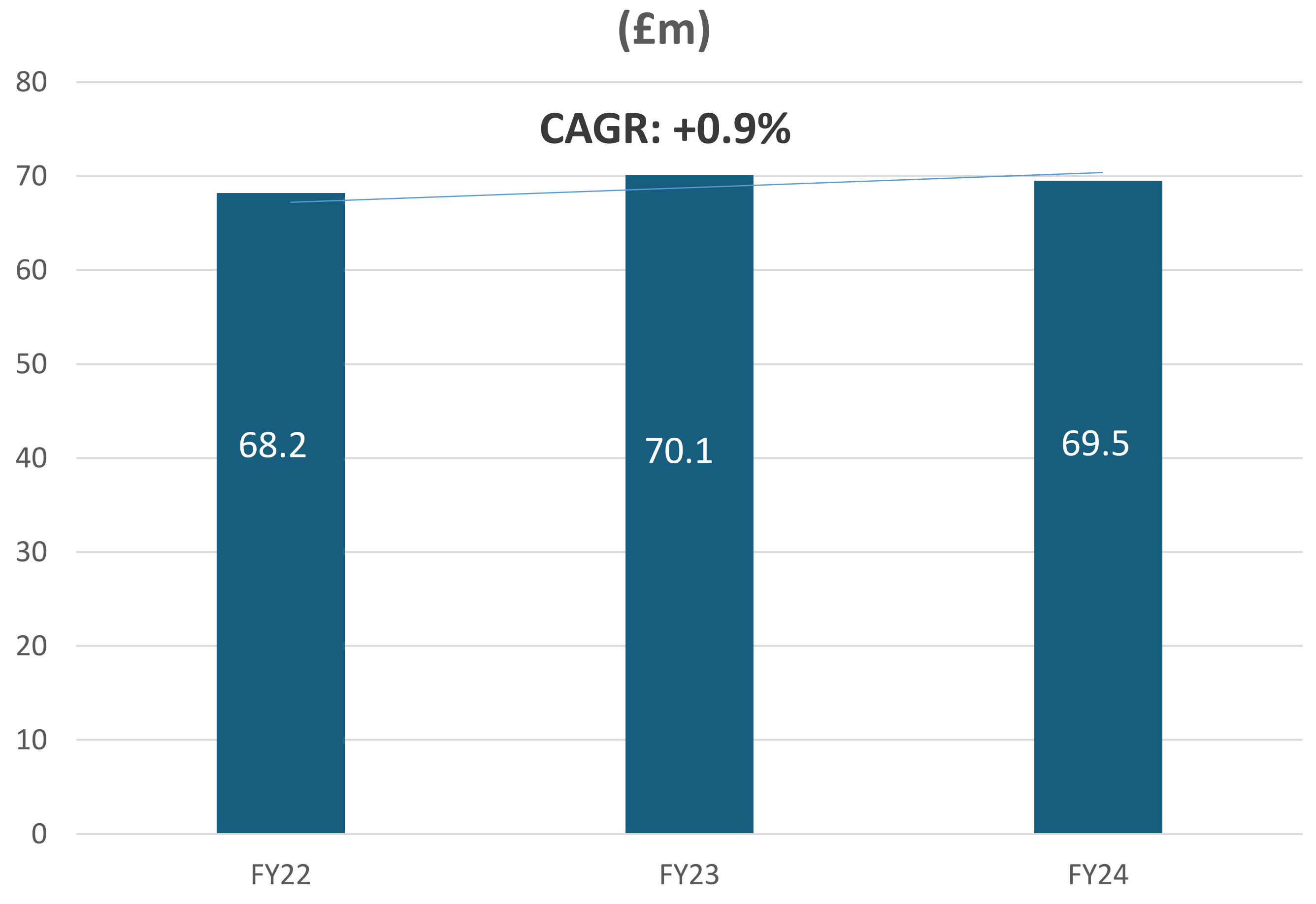
Controls

- Leading market position with stable market share in regulated and less regulated markets
- Strong direct relationships with OEMs, brands and retailers globally
- Extensive expertise and global presence builds and maintains market share whilst acting as barrier to entry for competitors
- Patent-protected technology, appliance concept ideation & in-house industrial design services

FY24 Overview

- Contributed revenues of £69.5m, broadly in line with FY23 despite sector wide year-end macro volatility in key markets
- Experienced some YoY volume recovery in higher margin regulated/less regulated sectors
- Resilient performance offset by c.25% decrease in lower margin China market, reflecting slow down in this part of the market and impact of streamlining activities
- Initial launches of Low-Cost Controls within China and Next Generation control samples (Series Z) introduced in key OEMs
- Continuing to take defensive action against patent infringement in less regulated markets

Controls Net Sales: 2022 - 2024



Progress on key initiatives

- First sales of new Low-Cost controls launched H224, tailored to the domestic China market and customers in less regulated markets
- New product development continues, including Next Generation Series Z Controls range in preparation for FY25 launch
- Promotional activities celebrating the 3 billionth Strix kettle control carried out in Q424, highlighting Strix brand value and longstanding partnerships with major OEMs

Controls – market overview

Market Insights

Global SDA market to reach 4.1 billion units in 2029 (c.1.5% CAGR growth 2024-2029)[1]

- **Regulated markets**

Goal is to uphold and improve majority share through development of innovative new products

- **Less regulated markets**

Opportunity to grow more aggressively in this market, through leveraging established OEM partnerships, enhancing brand recognition and new range of Low-Cost controls

- **China domestic market**

Rigorous value-based approach to product development and automation process improvements will drive Strix's share in this extremely cost-competitive market, supported by launch of new Low-Cost controls

Growth Opportunities

- New applications of controls in SDA markets such as milk frothers, healthy eating appliances, travel kettles and flasks
- Expansion of market share in less regulated markets through increased penetration of kettles and rising consumer demand for new features
- Next generation of innovative controls making good progress, with OEMs qualifying their use in new appliances, the first of which will be ready for launch in 2025
- Market share growth in China driven by increased adoption of Strix Low-Cost controls

[1] Data source: Statista

Billi (previously PFS*)

- Design and manufacture of instant boiling, chilled and sparkling premium filtered water systems
- First to offer choice of boiling and filtered water from a single tap concealed in a neat under counter unit
- Acquired 2022, successfully integrated into wider operations in support of Strix's NPD and geographic expansion strategy
- Recurring revenue streams from rental, servicing contracts and filter replacement
- 'Billi at Home' range – energy saving, small footprint, quiet operation and easy to install

FY24 Overview

- Integration of Billi completed successfully, returning to double digit growth rates in Q424 and contributing adj. revenue of £44.2m (CER) (FY23: £41.3m)
- Increased sales in Europe following successful progression of geographical roll-out strategy in Europe supported by Billi UK
- New products gaining traction in Australia, with UK launch dates in H125
- Key growth areas focused on:
  - Developing recurring revenue streams from rental, servicing contracts and filter replacements
  - Expanding international distribution in residential and commercial markets
  - Creation of custom tapware finishes and design profiles

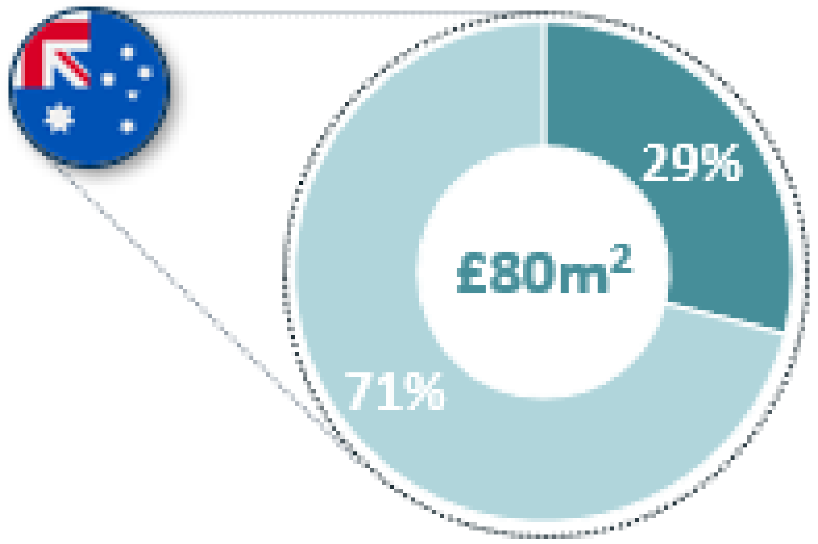
Progress on key initiatives

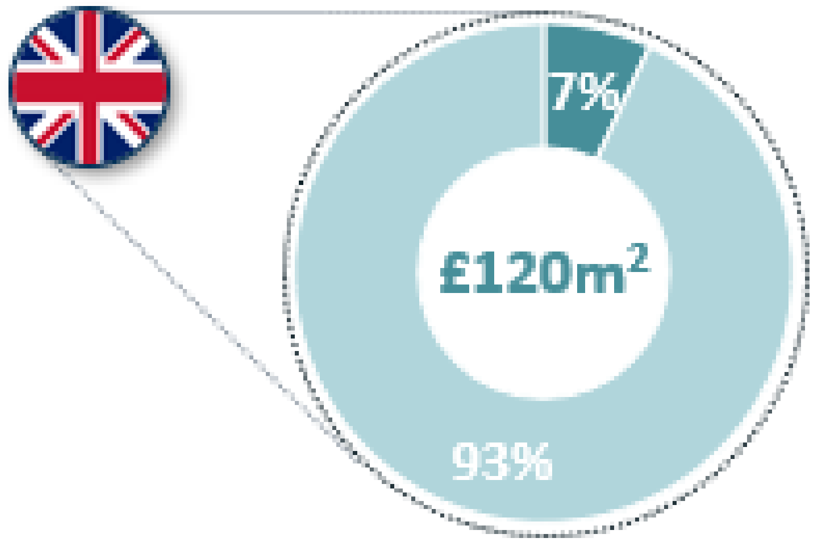
- OmniOne introduction in UK and Europe
- Launch of the Billi Multi-Function Tap, compatible with multiple under-bench units in in Australia H224
- Geographical rollout in Europe progressing well with seven distribution contracts secured at the date of FY24 results
- Introduction of new displays into major Australia retail partners to showcase expanded Billi product range
- New product development programme underway, targeting the residential market via selected channel partners

*Premium Filtration Systems

Billi – market overview

Commercial Boiling Water Tap Market size[2] and share in Billi's core markets of Australia & the UK





1 Source: STATS Market Research

2 Source: Management analysis of Vended Market size in 2024

Market Insights

- **Estimated market growth forecasts for the global boiling water tap market from 2024 to 2030 range between CAGR 5.9% and 7.5%[1]**
- Consumers actively moving away from sugary beverages and towards healthier alternatives, such as filtered water
- Growing preferences for more environmentally-friendly solutions continue to drive the adoption of under-bench drinking water systems, with the emphasis on reducing single-use plastics and energy efficiency
- Increasing awareness around waterborne diseases and contaminants driving demand for filtered and purified water dispensing units
- Refurbishment growth in corporate offices (return to workplace initiatives) and institutional, retail, hospitality sectors (sustainability, health and wellbeing drivers) on an international basis

Growth Opportunities

- Expanded geographical distribution, with a particular focus on roll out in Europe. Southeast Asia and Middle East are also key growth opportunities
- Other growth drivers within this segment include custom tapware finishes and design profiles, and the ability to conserve space requirements
- Recurring revenue streams from Billi include rental, servicing contracts and filter replacements

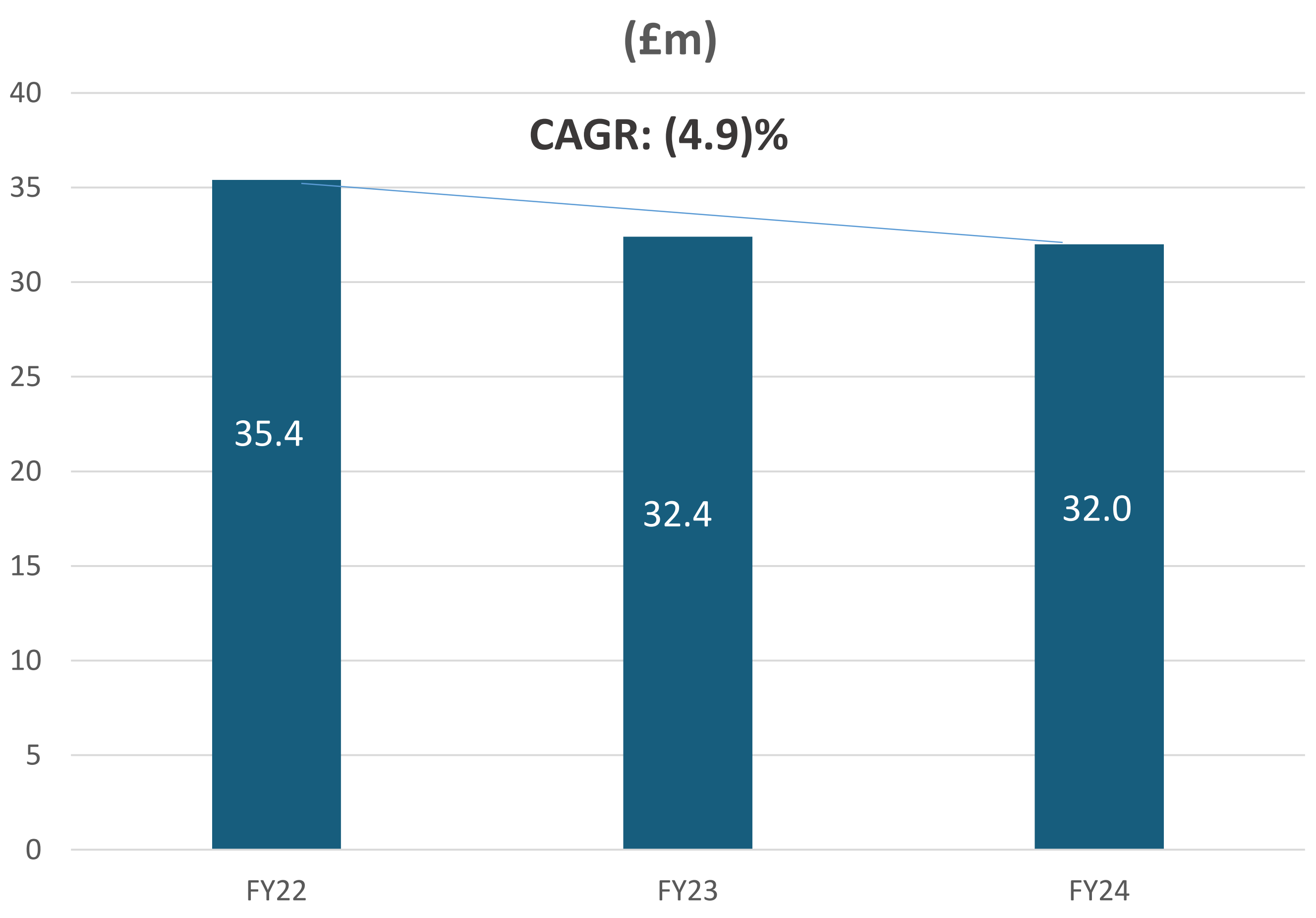
Consumer Goods

- Consumer focused approach across multiple go-to-market channels
- Two core brands, **LAICA** and **Aqua Optima**, offer innovative consumer products to multiple market segments globally across online and offline channels
- Private label and trade brand agreements with multiple large retailers and brands
- Strong manufacturing capability with facilities in Italy and China driving branded and OEM businesses across appliance and water filtration categories

FY24 Highlights

- Launched two new vacuum sealing products (for food preservation) as part of strategy customer led product strategy
- Renewed certification under ISO 13485, ISO 9001, ISO 14001 and ISO 45001
- Launched new distribution stream for LAICA brand in China, furthering planned expansion into Asian markets
- Launching new white label appliance in H125 with key OEM as part of partner led growth strategy
- Focus on higher margin OEM sales and extension of LAICA brand presence

Consumer Goods Net Sales: 2022 - 2024



Progress on key initiatives

Completion of divisional restructuring for profitability during 2024, refocusing division for growth

- Medium term margin improvement via rationalisation of product lines, increased automation levels for filter manufacturing in Italy and extending specific appliance manufacturing in China
- Focus on functioning as OEM, technology provider and consumer products enterprise across range of brands and partnerships
- Key incremental contracts secured for 2025 progressing well, and began manufacturing for leading global baby brand in China factory

Product Spotlight - LAICA Healthexpert

LAICA's most balanced filter ever: Removes up to 92% of PFAs (emerging 'forever chemicals') and other contaminants whilst enhancing magnesium content, to support a healthy lifestyle.

LAICA's first ever filter compatible with all Brita jugs; launching this new filtration solution to target emerging water contaminants whilst addressing consumer health trends, with the ultimate objective of gaining market share in core markets.

Consumer Goods – market overview

LAICA 50 YEARS OF WELLBEING AT HOME

Market Insights

- **Global water purifier market projected to grow from US$35bn in 2024 to US$63bn by 2032, a CAGR of 7.6%[1]**
- Despite cost-of-living crisis, sustainability remains key concern for consumers
- Changing purchasing habits and disposable income challenges mean less consumer loyalty and rise in private label and challenger brands.
- Consumers are increasingly prioritising health and wellness, replacing consumption of sugar laden beverages with filtered and sparkling water
- Concerns over waterborne diseases and contaminants propel demand for affordable drinking water solutions that offer superior filtration and purification capabilities
- Increasing consumer appetite for high-quality coffee machines is accompanied by growing demand for water filtration systems required to maximise taste and machine lifespan

Growth Opportunities

- Expand OEM contracts & partnerships including trade brand manufacturing agreements with multiple large retailers for both filters and appliances
- Grow brand awareness concentrating investment on one brand across key target territories
- Introduce new health and wellness home focused products across water filtration and small appliances
- Focused expansion and growth in European markets and the UK leveraging manufacturing facility in Italy
- Strategically target incremental market segments to address customer needs and add value

AQUA OPTIMA

- [1] Source: Fortune Business Insights

04.

ESG

Sustainability

Carbon neutral operations - Scope 1&2 net zero

- Zero Scope 2 emissions with 9.0% of Group power requirement generated from in-house solar
- Remaining 'hard-to-abate' Scope 1 emissions reduced by 29% and offset with certified credits
- CDP rating improved from 'C' to 'B'
- Scope 3 analysis and 'pathway to net zero' being developed for each business
- Group's standalone ESG report, which includes additional detail has now been published and is available to view on the Strix website

Progress on other KPIs

		Unit	2023	2024	Comment
Resource intensity	Energy consumed	MWh	14,883	15,930	Energy consumption increased due to activity but flat per piece produced
	Energy intensity	kWh/unit of production	11.9	11.9	
Waste & recycling	Waste Generated	t	1,339	1,382	Scrap ratio stable. Recycle rate improved to all time high. Waste to landfill halved in the year (now 1.4% of waste)
	Waste intensity	t/£m	9.3	9.6	
	Recycled waste	%	95.0	97.2	
Clean water and sanitation	Water consumption	m³	31,780	41,830	Use increased due to new meter installation
	Water intensity	m³/£m	220	291	
Health & Safety	Lost time injury frequency rate	per 200,000 hours	0.89	0.21	Accidents reduced from 14 to 11. LAICA at zero
Gender equality	Women in the organisation	%	51	59	Overall group diversity remains balanced, senior management unchanged

05.

Looking to the future

Strix's key strategic objectives

Our Vision: To have Strix's products and technology at the heart of every home and workplace across the world

Controls

Profitably growing revenue through the introduction of innovative new products focused on sustainability, safety and convenience

Leveraging the Group's global manufacturing footprint to drive cost efficiency and improve sustainability

New product development including Low-Cost and Next Generation Controls

Billi

Expanding geographical distribution in both residential and commercial markets with particular focus on Europe, Southeast Asia and Middle East

Focus on new product development to increase addressable target market

Consumer Goods

Leveraging refreshed and refocussed division for long term profitable growth

Focus on geographical expansion and product innovation to address increasingly diverse consumer demands

Increasing focus on functioning as an OEM, a technology provider and a higher margin consumer products enterprise

Our Mission: To give ready access to innovative water, beverage, and well-being technology everywhere people come together.

Outlook statement

- The Controls division’s new Industrial Design Service proved to be of particular interest at the Spring Canton Fair, with multiple projects signed up to and more to follow
- Some evidence that macro-uncertainties could weigh on Q2 Controls sales, potentially deferring volumes into Q3
- Billi’s double-digit growth has continued into H125 as it gains further traction with customers across its key target markets
- Despite some initial weakness in certain sectors, Consumer Goods is now in a stronger and better focused position to execute on the sale of more profitable products, geographic expansion and new product innovation
- Too early to determine the net global impact of the evolving tariff arrangements, Strix’s direct sales into the USA are limited with no material sales from Consumer Goods and none from Billi
- Macroeconomic conditions remain challenging at least in the short term but continue to see opportunity in key markets and investment across the Group is ongoing to protect NPD and other projects to support medium term growth aspirations
- Strong foundations of the Group mean the Board remain confident in the Group's outlook, with its full year expectations unchanged

Thank You