Investor presentation
Interim results

Period ended 30 June 2024

Strix
TECHNOLOGY

01.

Highlights

Highlights

- As stated at the FY23 results, Strix commenced a rebasing of the core business to build strong foundations, supporting medium-term opportunities for profitable growth
- Revenues increased by 3.5% to £67.2m (at CER), led by a strong performance in Kettle Controls and a positive mix shift to higher margin sales in the regulated & less regulated markets with an adj. gross margin of 40%
- Strong cash management and proceeds for the Equity Placing reduced net debt leverage to 1.76x (FY23: 2.19x, Covenant: 2.75x)
- Management have exercised prudence with the essential continuation of investment into the business, focused on areas such as new product development and other growth supporting initiatives
- The Group has implemented a number of restructuring initiatives including the following:

Partial relocation of manufacturing activity at the Ramsey factory to Strix's China facility	Planned disposal of Halopure is expected to complete by the end of FY24	Further streamlining of the Consumer Goods division to drive ongoing profitable growth

- As a result of the restructuring and rebasing of the business, a number of impairments and other adjusting items have been booked in the period
- The integration of Billi has been successfully completed along with a strategic reorganisation to support the longer-term growth ambitions, including the launch of new products (although slightly delayed) and securing initial distribution agreements in Europe
- Commenced capital investment into next generation of kettle controls at the end of Q2, continuing in the second half, with revenue streams expected to flow in FY25
- Continued focus on IP protection with three successful actions taken in HY24 with more identified for the second half
- Investment made in China facility to support appliance manufacturing for major brand within the Consumer Goods division

02.
Financials

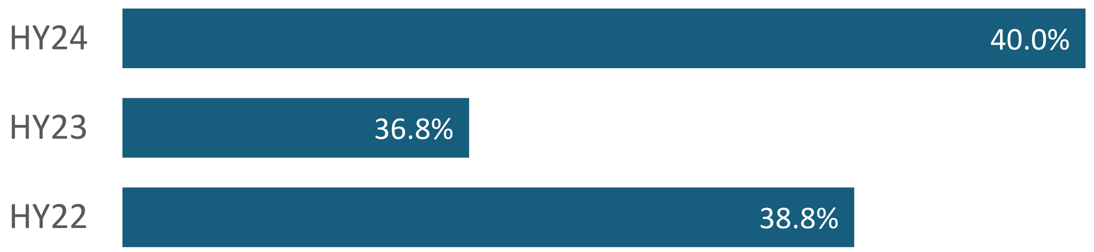
Financial highlights

Revenue (CER)[1] (£m)

+3.5%

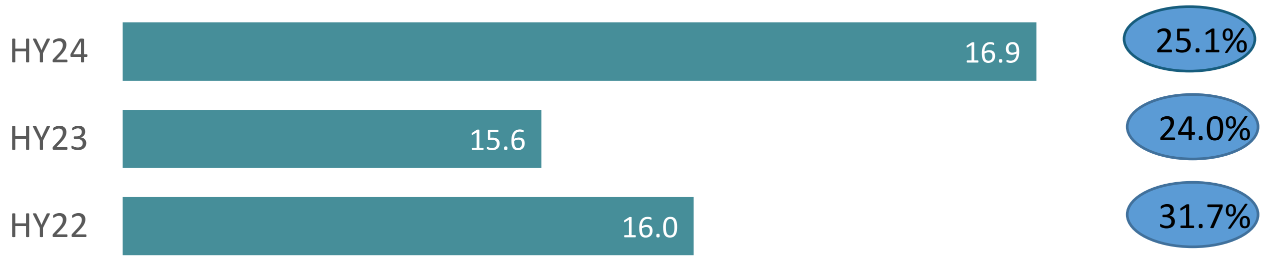
Adjusted gross margin (CER)[1] (bps)

+320bps



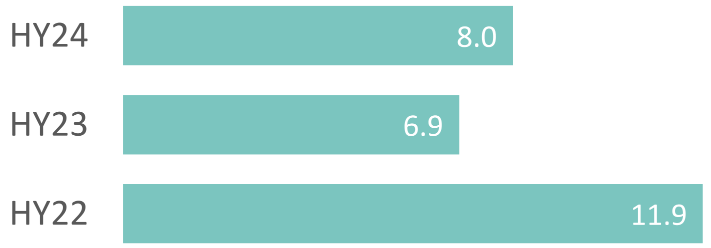
Adjusted EBITDA (CER) (£m) & margin[1] (bps)

+8.3% & +110bps



Adjusted PBT (CER)[1] (£m)

+15.9%

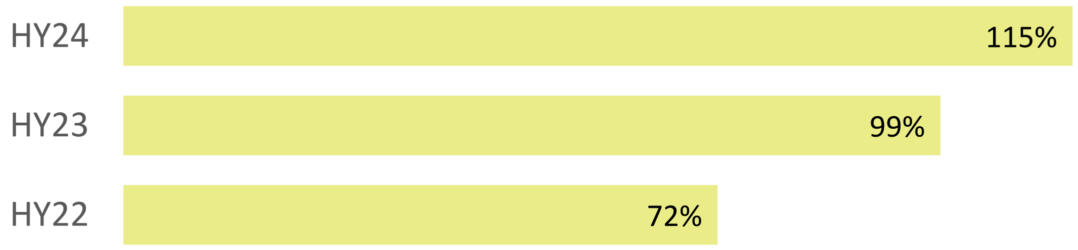


Net debt leverage[2]

1.76x (FY23: 2.19x)

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

+1,670bps



1. Adjusted results exclude adjusting items (see note 16 of the interim 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

A return to balance sheet strength

Reducing net debt leverage remains a key priority for the Group, with previously reported targets to achieve less than 2.0x leverage by the end of FY24 and 1.5x leverage by the end of FY25

In the first half of the year, the Group has made significant and accelerated progress via two core strategies, to leave the Group comfortably below its FY24 year end target, six months ahead of schedule

Self-help
Strong focus on cash generation and conservation brings leverage down to just

<2.0x

Reverse equity raise
£8.4m of net proceeds secured in June 2024, further accelerate efforts to

1.76x

Looking ahead:

- A measured approach – we will continue to carefully balance this key priority with the essential continuation of investment into the business to protect the Group's long term growth prospects
- We now expect to achieve our second net debt leverage target of 1.5x ahead of the end of FY25
- Our stated ongoing leverage appetite remains unchanged at between 1.0x to 2.0x

Banking update

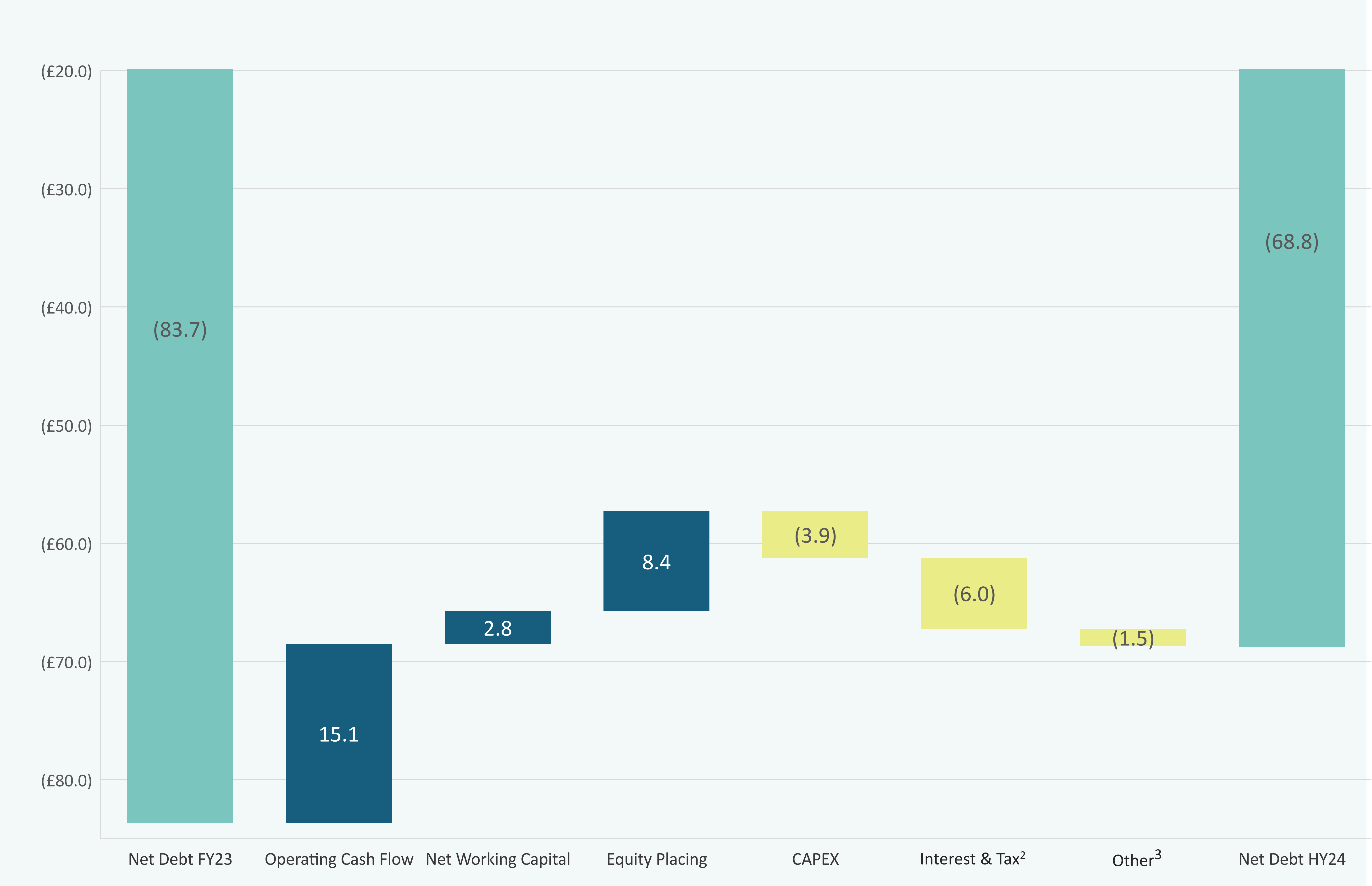
A proactive approach to secure today

- 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 £80m revolving credit facility out to 25 October 2026

A roadmap for the future...

- With secure existing facilities and a return to balance sheet strength, the Group is now in the right place to look to the future
- A full competitive refinancing process will be initiated in FY25 to provide cost effective and flexible funding to support our medium-term investment driven growth aspirations
- To further support that process, in August 2024, the Group's new experienced Head of Treasury joined the business

Net debt bridge – Prioritising cash generation and gross debt reduction



Working capital:

- Enhanced working capital management drives a further £2.8m reduction (FY23: £2.3m)
- Working capital as a percentage of sales decreases to 10.6% (FY23: 16.7%)

- **Investment:**
  - Prudent, but balanced capital expenditure leads to reduced spend of £3.9m (HY23: £6.5m)

- **Financing:**
  - Reverse equity raise generates net proceeds of £8.4m
  - Interest costs remain high, with savings expected in FY24 due to the leverage margin ratchet mechanism and the reduction in gross debt

[1] Gross and net debt is shown excluding accrued interest of £1.7m and ROU lease liabilities £4.5m, and net of £1.4m of loan arrangement fees, as defined in our banking facility agreement
[2] Interest costs of £4.6m exclude the non-cash amortisation of arrangement fees of £0.5m
[3] Includes £0.8m of principal lease payments (HY23: £0.5m)

Adjusted gross margin by division (CER)

Division	HY24 Gross margin	HY23 Gross margin	Commentary
Kettle Controls	**38.2%**	**37.2%**	• Strong early growth in our high margin regulated/less regulated markets and lower sales into the lower margin China market drives a favourable product mix • Improved production scheduling reduces negative overhead recovery impacts
Billi	**49.1%**	**46.3%**	• Continued high margin delivery, highest out of our three divisions • Results exclude loss making Halopure, to reflect expected sale in FY24 • Margins increase as our newly restructured high margin UK business reports strong growth
Consumer Goods	**29.6%**	**22.2%**	• Streamlined Consumer Goods division through rationalisation of product lines and reduced headcount • Prioritising strong margin product launches and a focus on higher margin sales to key OEMs • Positive impact of sales price increases secured over the last 12 months
Group	**40.0%**	**36.9%**	

Restructuring and rebasing the business

The Group has taken a number of key strategic decisions over the last six months to streamline the business for the future, build a more efficient platform for growth and to aid cash conservation

As a result of those decisions, we are reporting adjusting items in our HY24 results, including:

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

Kettle controls £1.2m
- Part closure of our Ramsey manufacturing site
- Deferral of capital expenditure projects impacts fixed term licensing debtors

Halopure £2.5m
- Decision to sell impairs underlying net assets to reflect expected nominal fair value less costs to sell
- Pre-sale redundancy programme

In addition to the above, the business is in the final stages of negotiating a one off, non-recurring settlement amount with a key OEM customer, in recognition of reduced supplier support arrangements in recent years. This is expected to be in the region of £2m

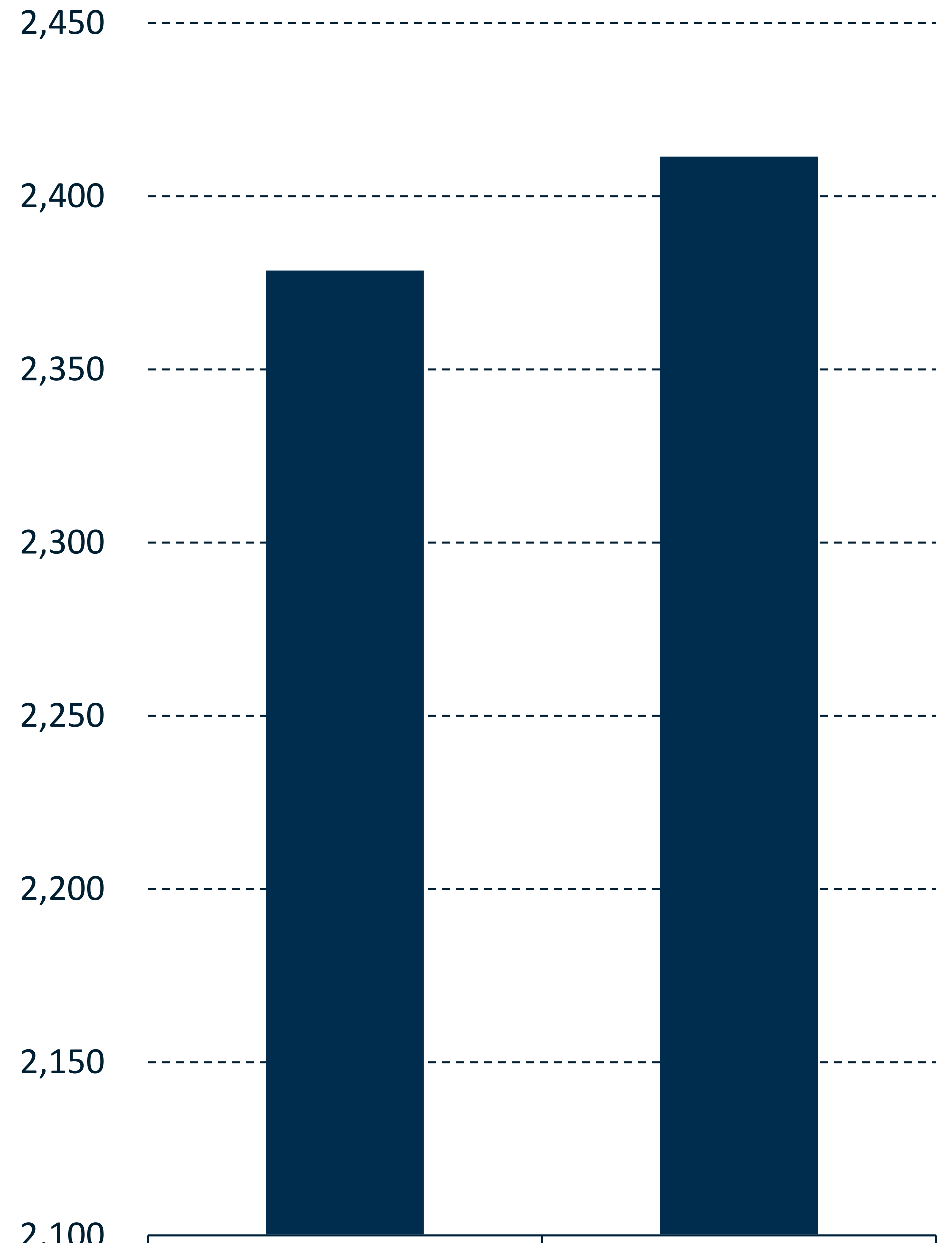
Other adjusting items totaling £1.0m, include a settlement agreement regarding property transferred as part of the LAICA acquisition and certain central restructuring costs

03.
Business categories

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

Small Appliances: market dynamics

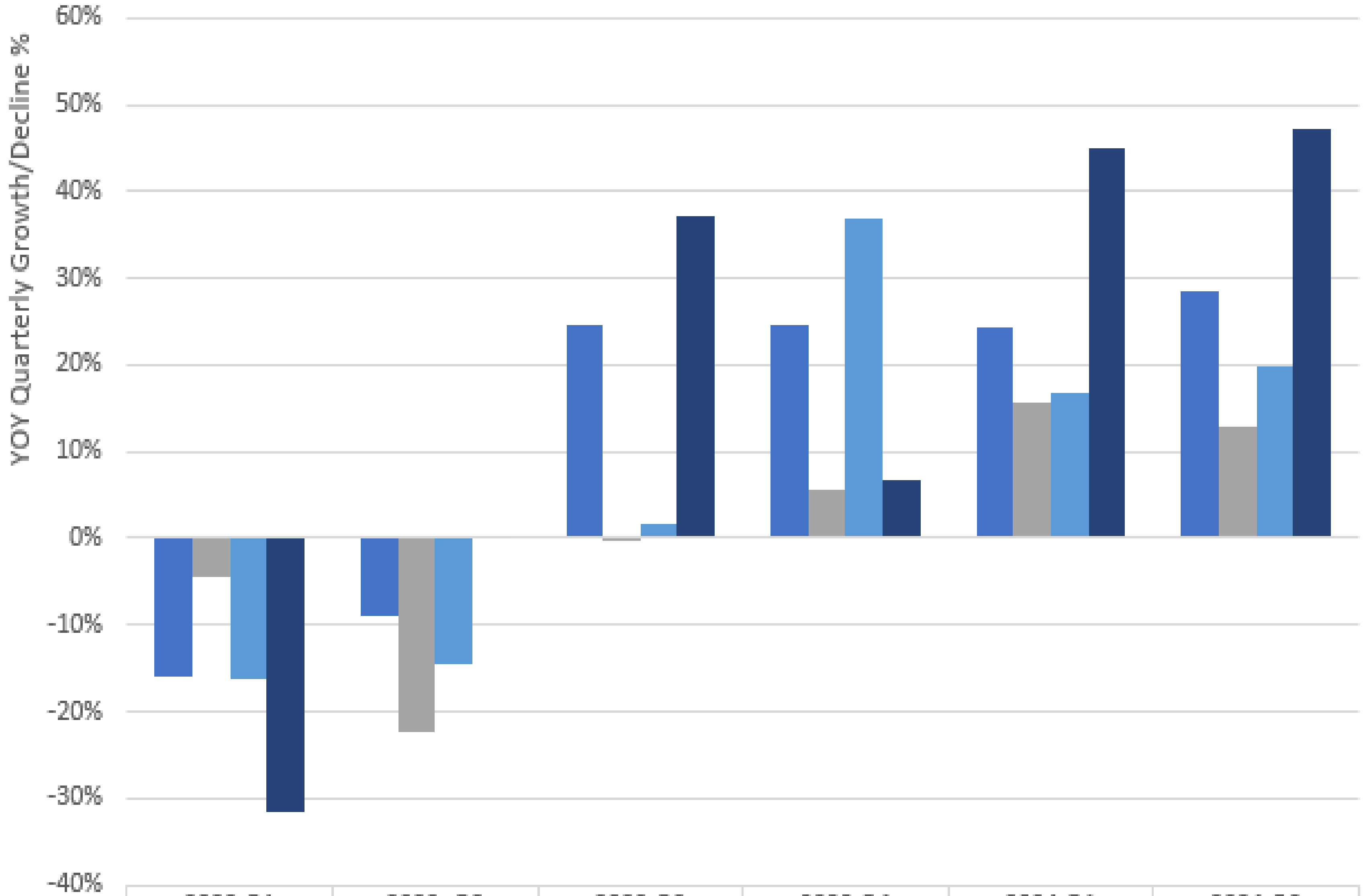
Global Small Appliance Volume: 2023-2024



	2023	2024
Global Small Appliance Volume	2,379	2411.5

Anticipated global volume increase +1.4%

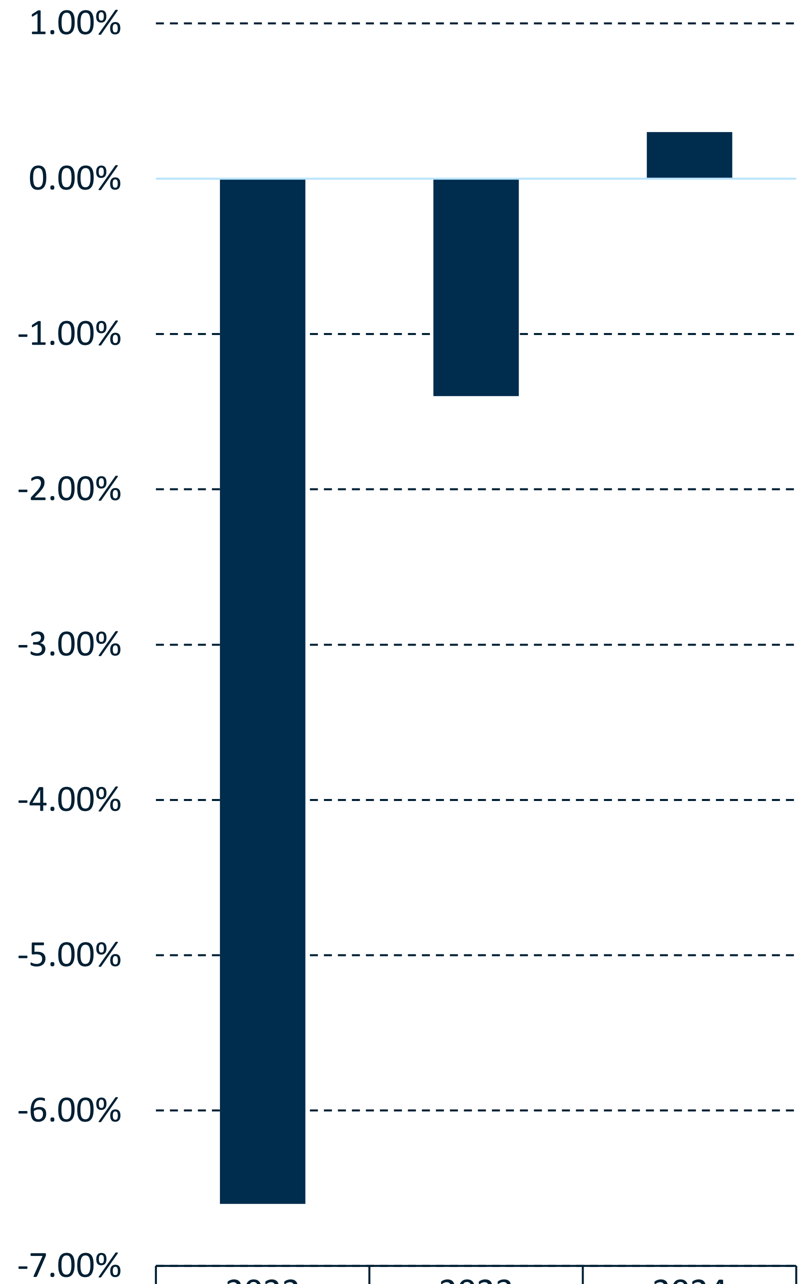
SDA Exports from China – YoY Quarterly Growth



	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
EMEA	-16%	-9%	24%	25%	24%	29%
APAC	-4%	-22%	0%	6%	16%	13%
NAM	-16%	-14%	2%	37%	17%	20%
LATAM	-32%	0%	37%	7%	45%	47%

Growth across most key geographies

UK Electricals Retail Growth



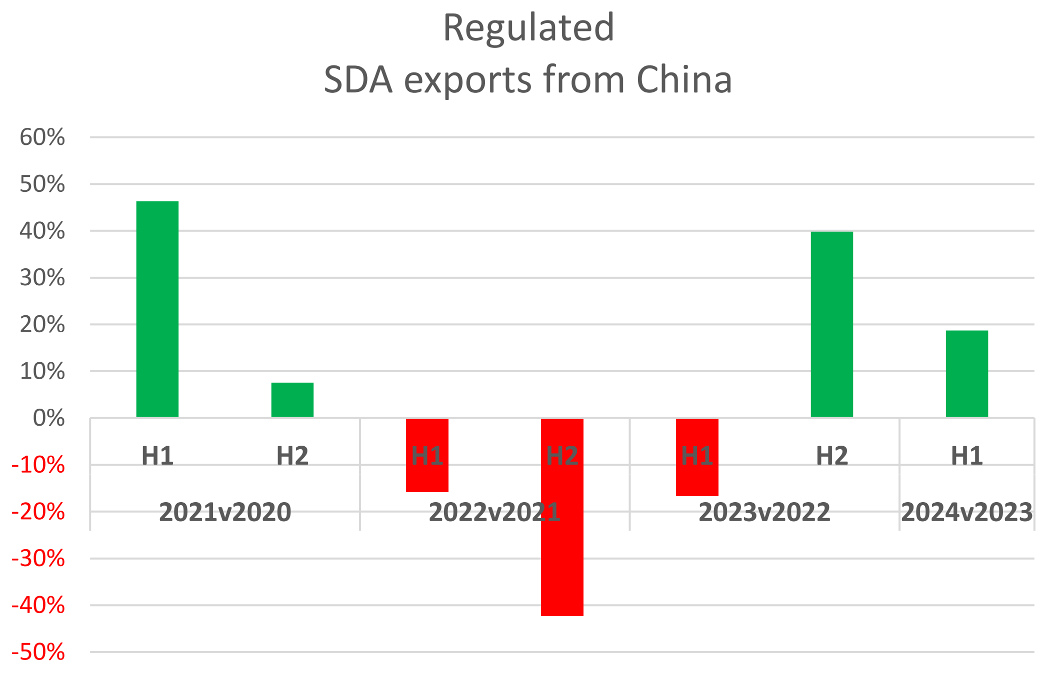
	2022	2023	2024
UK Electricals Retail Growth	-6.60%	-1.40%	0.30%

Flat retail growth

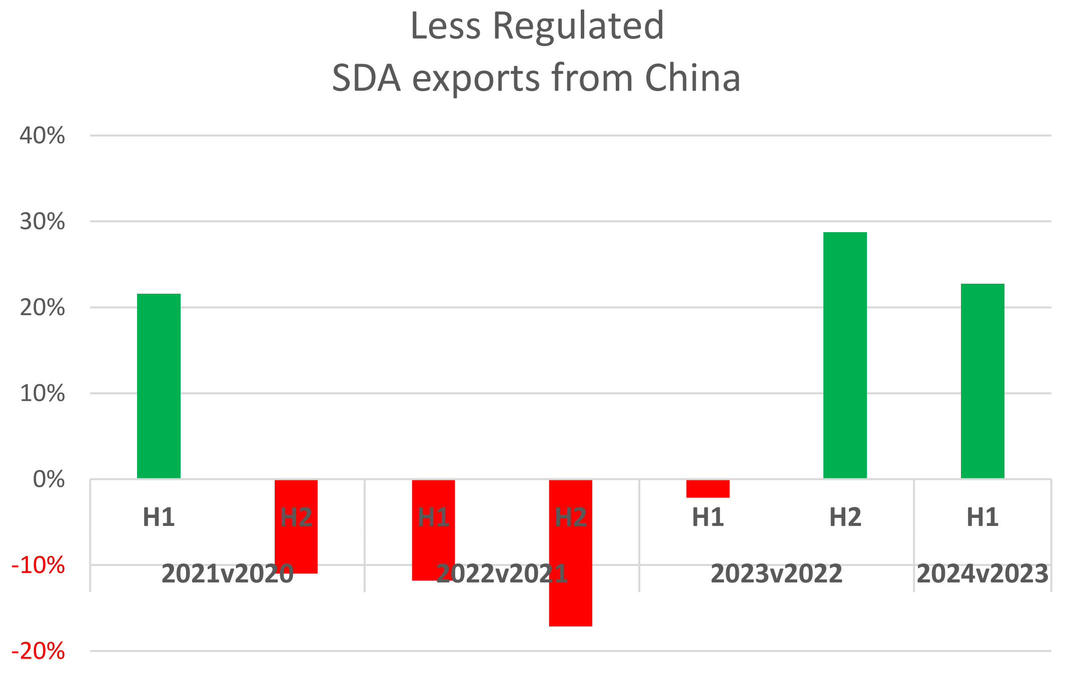
Source: Statista, BHETA (Global Data), Strix Management Data

Small Appliances: market dynamics

Small Domestic Appliances (SDA) market growth, exports from China

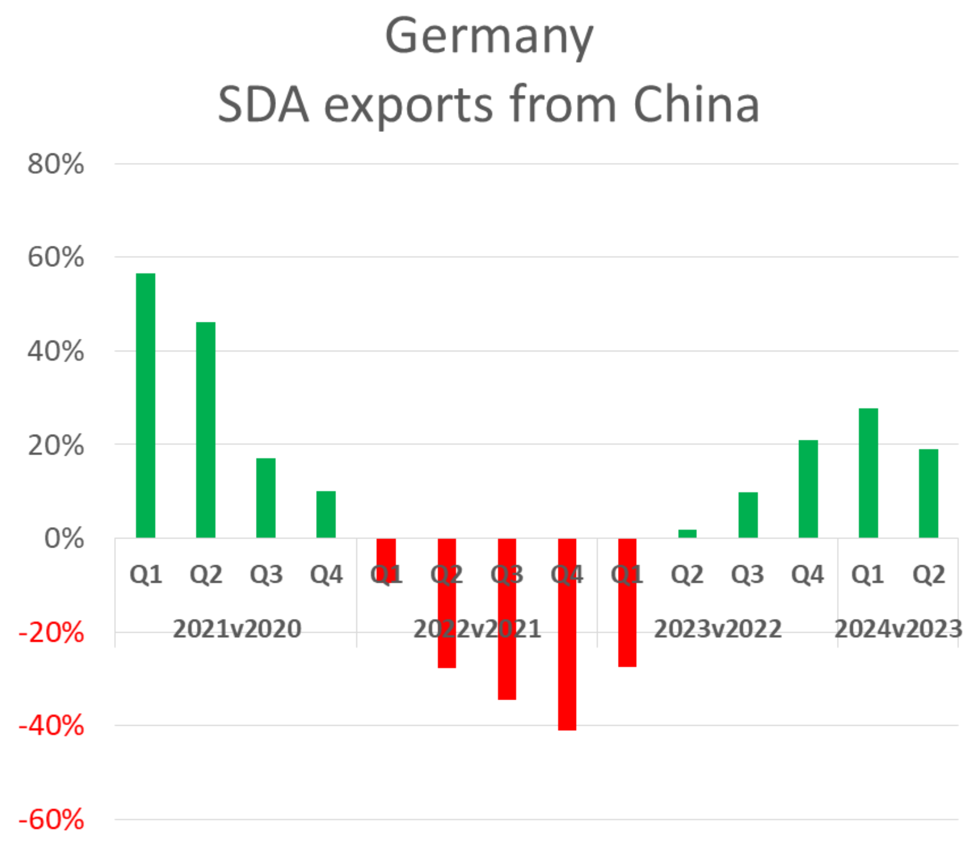


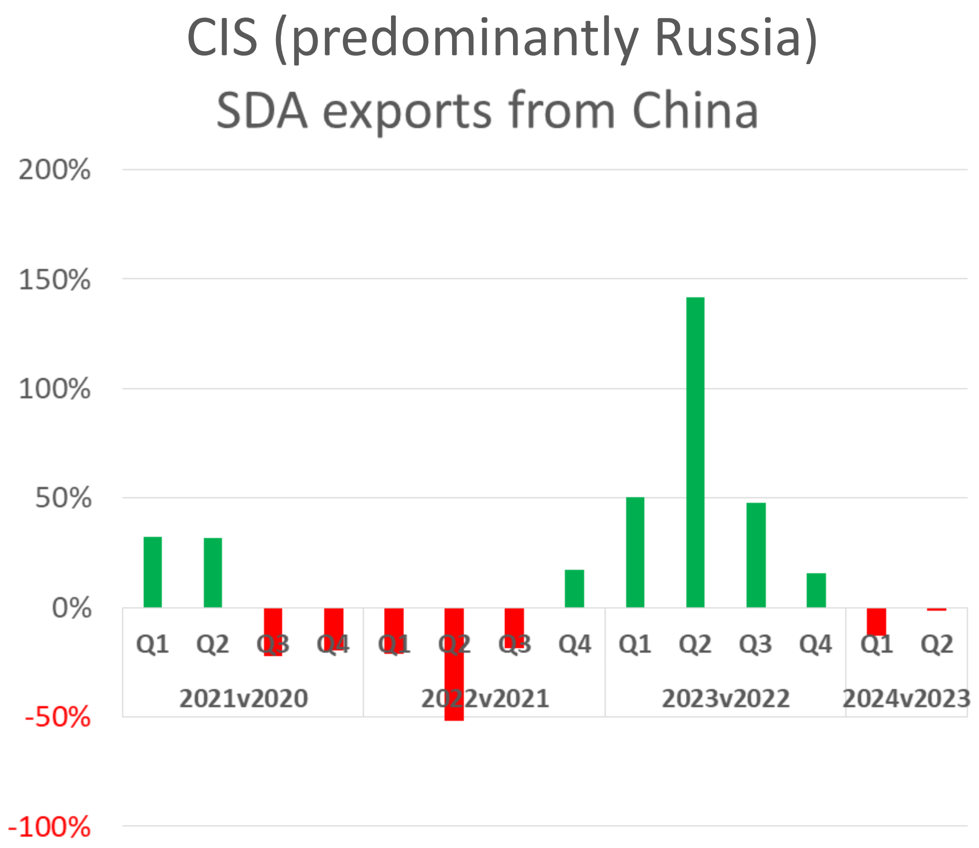
- The **Regulated Market** showed +19% in HY24
- USA and Netherlands are the key positive drivers
- Still too early to confirm whether the improvement in sales across the regulated and less regulated markets is due to stock refill or an underlying improvement in consumer demand especially given more volatile trading conditions in Q3

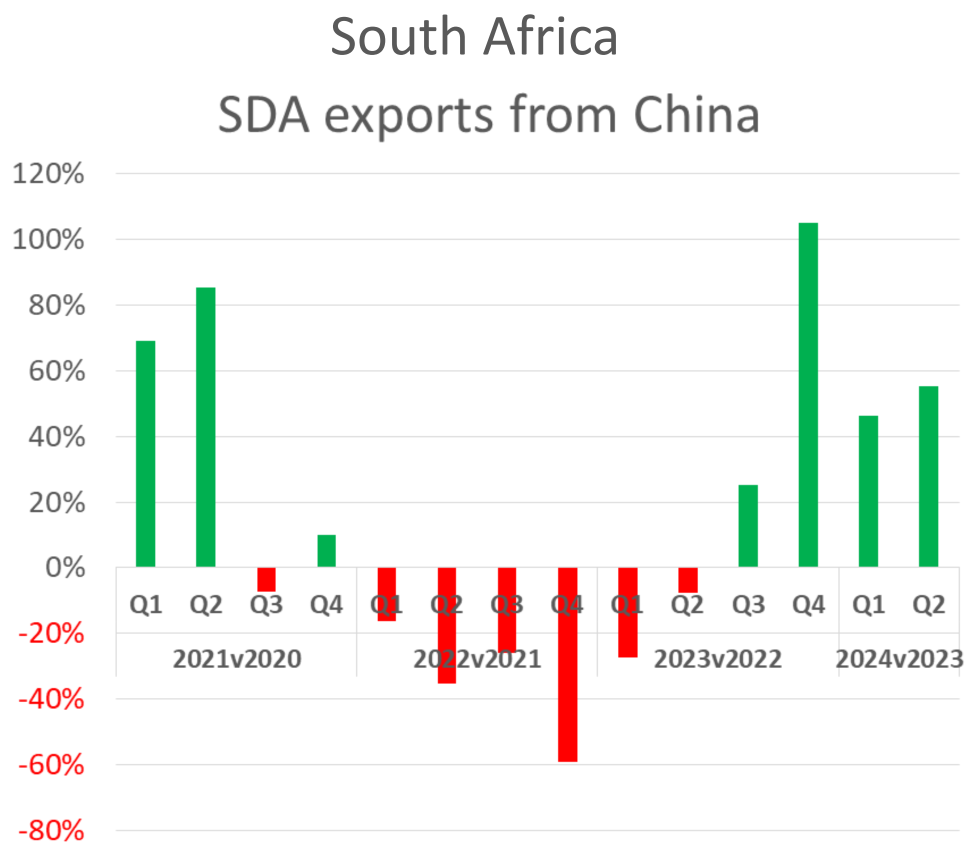


- The Less Regulated showed +23% in HY24
- Margins are slightly lower in this more cost-competitive market sector

Key Strix SDA Markets by geography



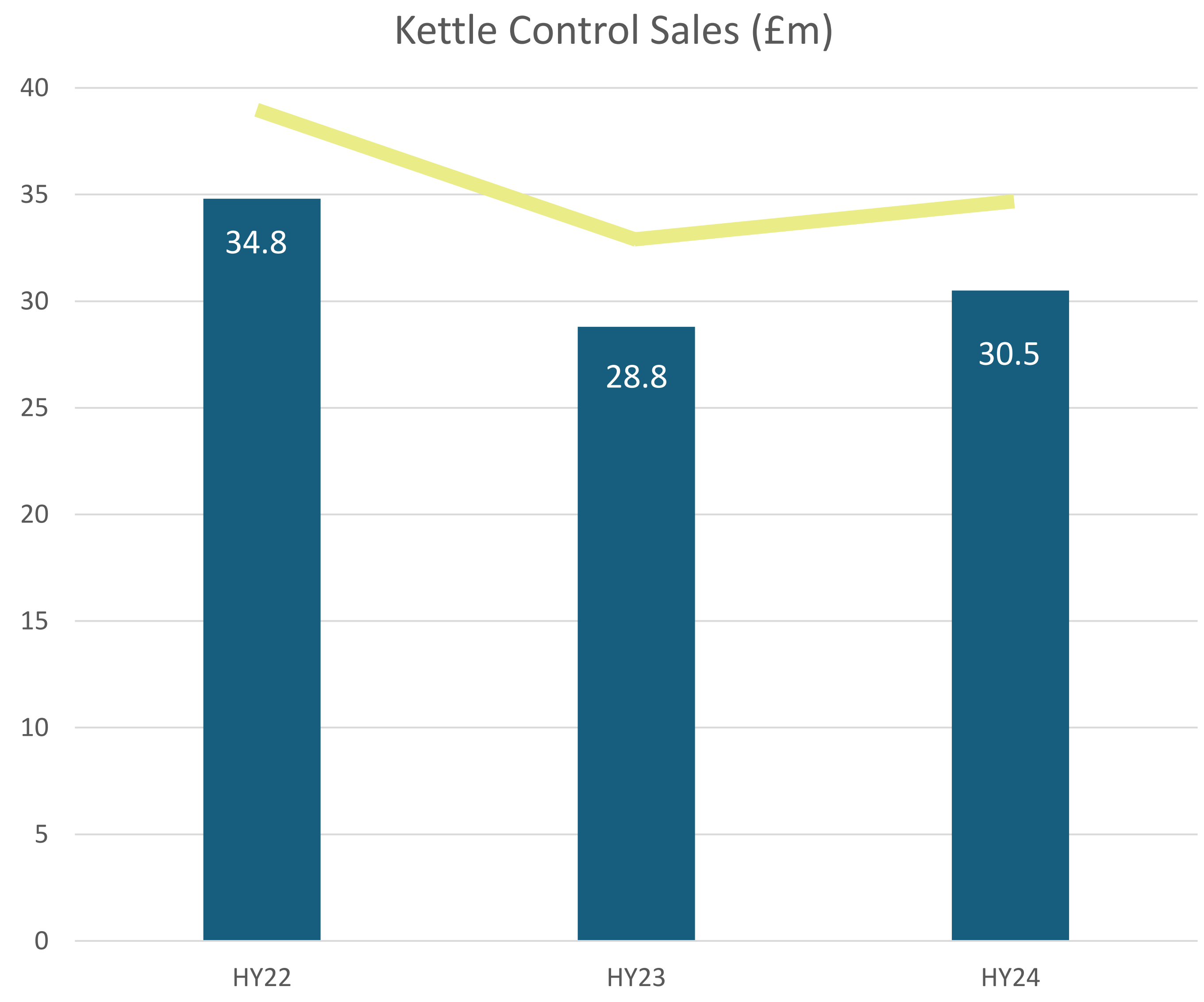




Kettle Controls

Kettle Controls Net Sales: 2022 - 2024

+ 5.9% increase in revenues



HY24 Overview

- Kettle Controls contributed revenues of £30.5m (HY23: £28.8m), up 5.9%, on the first half of 2023
- Continued to see growth and a stronger sales mix, with a focus on the higher margin regulated and less regulated markets, although Strix has seen relatively lower trading levels for parts of Q3
- Still too early to confirm whether the improvement in sales across the regulated and less regulated markets is due to stock refill or an underlying improvement in consumer demand. Clearer visibility of true consumer demand across the whole market is expected in the second half of the year
- Strix sees commodity prices remaining high adding pressure to gross margins, to help mitigate these risks, the Group enters into forward commodity contracts or makes payments in advance
- New range of low-cost controls designed and approved for production. Tailored to the domestic China and selected Less Regulated market requirements, to increase Strix’s target addressable market
- The first Next Generation (Series Z) control samples introduced to key OEMs and brands across the world
- Defensive action taken against patent infringement in Less Regulated Markets, with more actions identified for the second half of the year

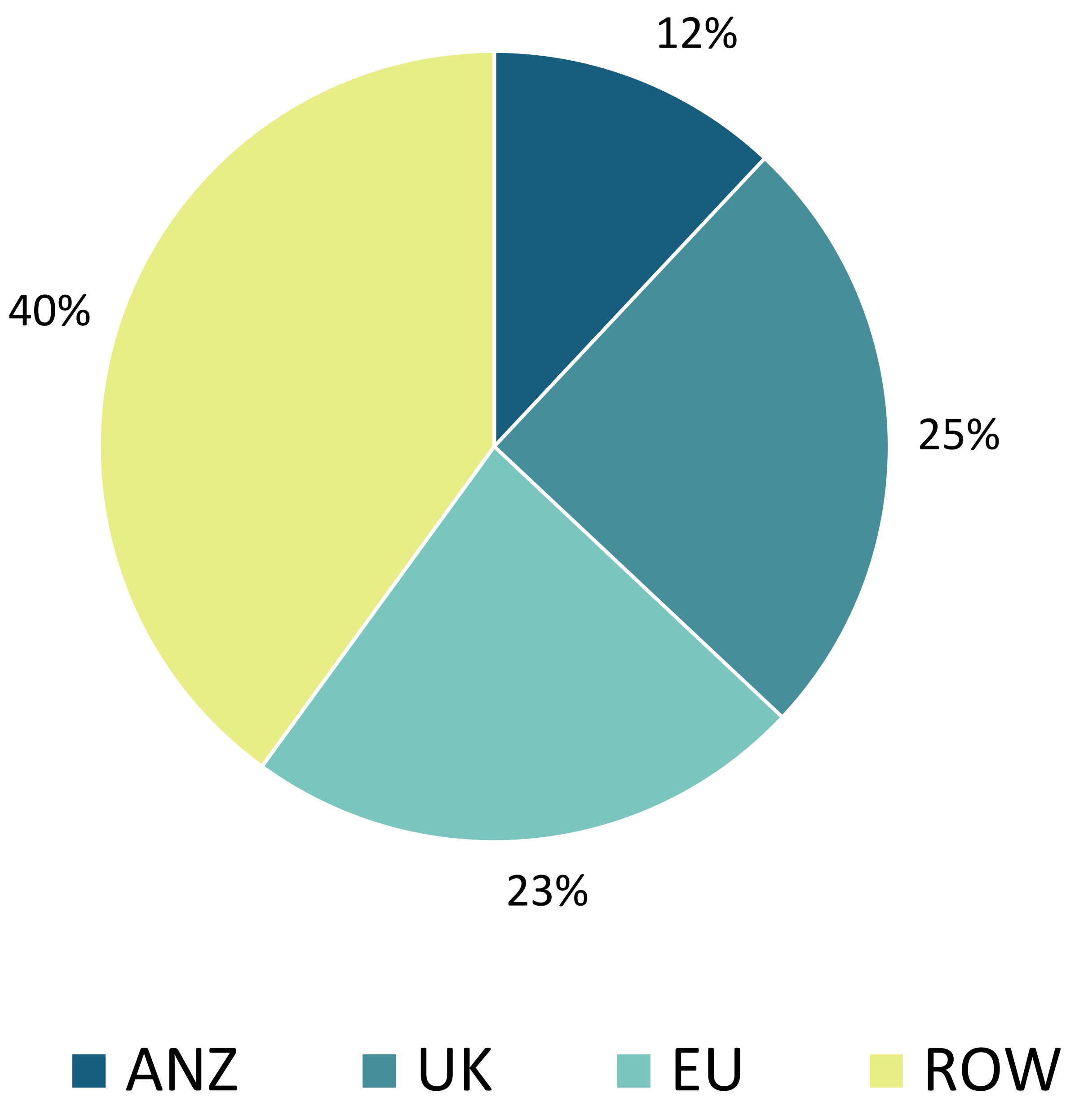
What’s Coming? Key Initiatives in the second half

- First sales of new low-cost controls for the domestic China market, ongoing promotion to key customers
- Design work begins on new appliances based on the Next Generation (Series Z) controls using pre-production samples. Work on the new volume production line already underway in preparation for FY25 launch
- Promotional activities celebrating the 3 billionth Strix kettle control planned for Q4, highlighting Strix brand value and longstanding partnerships with major OEMs

Billi – market overview

Global Boiling Water Tap Market

Estimated market size* in 2024 = £576m



*Data source for global market size: STATS Market Research. Geographical splits derived from analysis of multiple data sources and local expertise.

ANZ = Australia and New Zealand

Market trends driving growth

- Sustainability initiatives targeting reduction of single use plastics seek to replace traditional bottled water with reusable vessels, requiring water dispensing systems
- Consumers actively moving away from sugary beverages and towards calorie-free alternatives, including filtered and sparkling water
- Concern over 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

Market Insights

- The global boiling water tap market comprises residential and commercial applications, with an approximate 60:40 split in the ANZ, UK and EU regions
- Hospitality, restaurant and food service applications fall within the commercial sector
- Estimated market growth forecasts for 2024-2030 range between CAGR 5.9% (larger capacity units) and CAGR 7.5% (small-mid size capacity units)
- Global market not fully accessible with current Billi commercial focused product range. Work underway to ascertain estimated addressable market size and market share

Billi

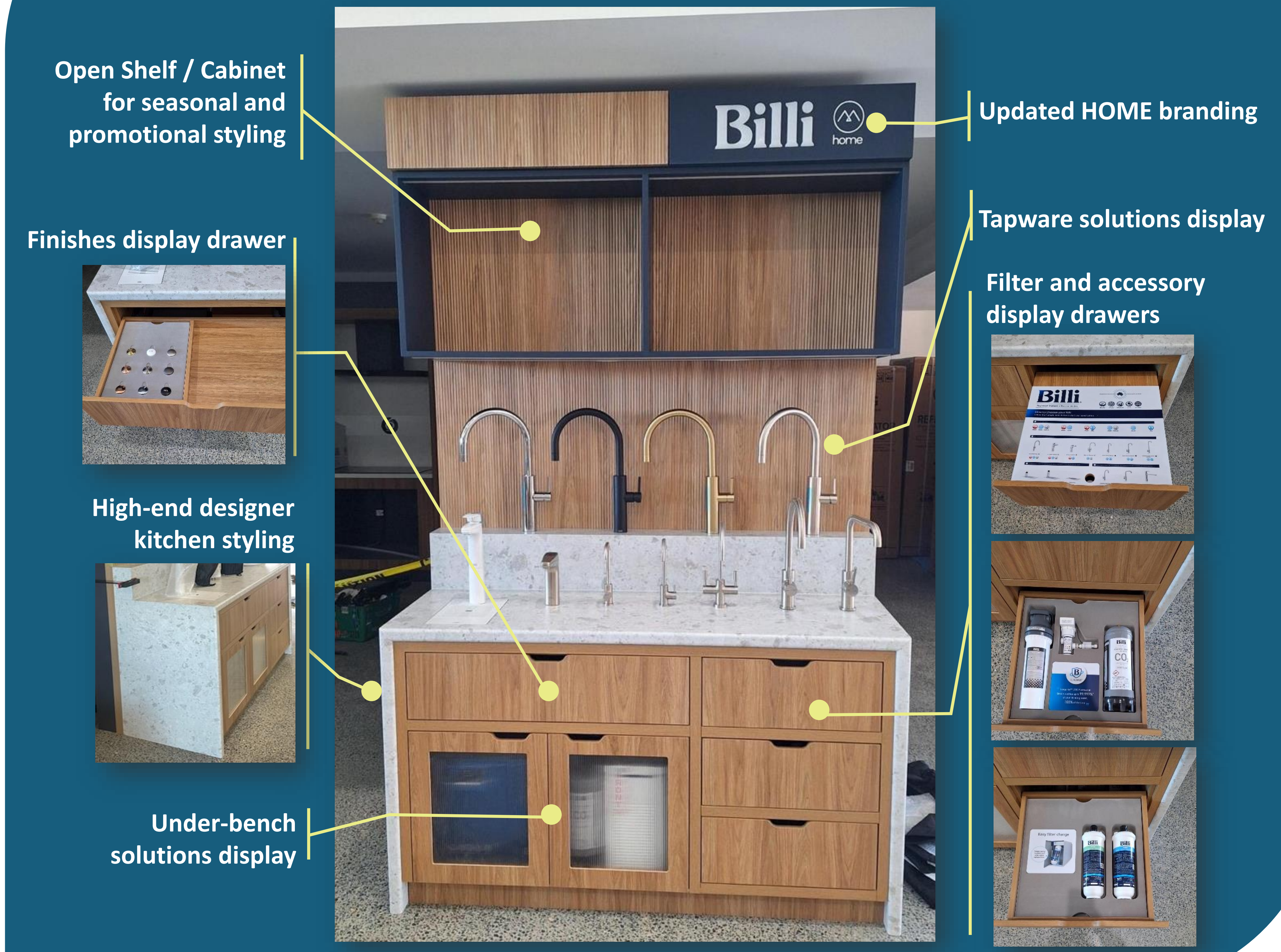
HY24 Highlights

- The integration of Billi into the Strix portfolio is progressing well and contributed £22.2m (HY23: £21.4m) to Group revenue (at CER), up 3.7%
- Leadership team and functional re-structuring completed
- OmniOne under-bench unit launched in Australia and New Zealand (slightly behind schedule) with commercial and residential applications
- European expansion via strategic sales and service partners has commenced with initial agreements secured
- South East Asia exports delivering double digit growth
- High single digit growth expected for FY24 due to the short-term delays in the launch of certain key products

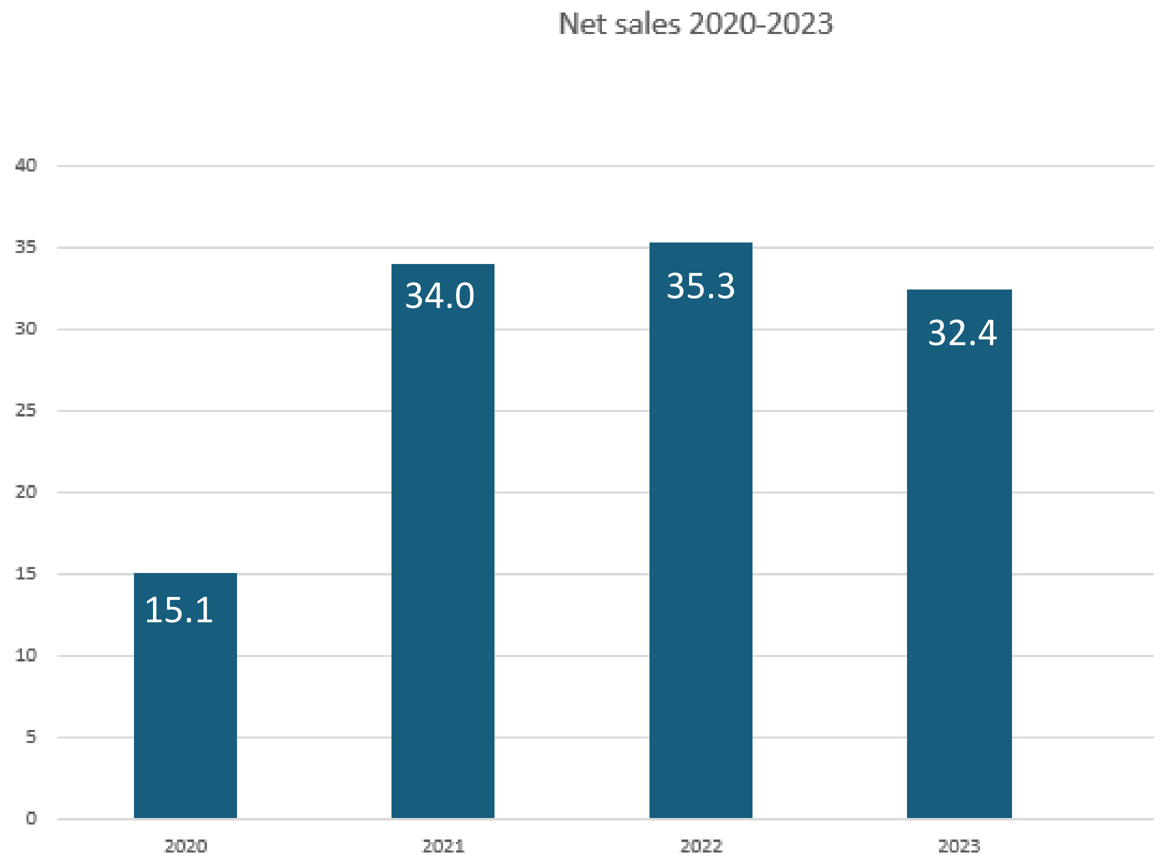
What's Coming? Key Initiatives in the second half

- OmniOne launch in UK and Europe
- Global launch of the Billi Multi-Function Tap, compatible with multiple under-bench units
- Continuation of discussions with strategic partners and distributors to establish a platform in Europe
- 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

Australia retail displays refreshed for new product launches



Consumer Goods



Market trends driving growth

- Sustainability initiatives to reduce demand for single use plastics by replacing traditional bottled water with reusable vessels which require water dispensing systems
- Consumers are increasingly prioritising health and wellness, replacing consumption of sugar laden beverages with filtered and sparkling water
- Concern over waterborne diseases and contaminants driving demand for filtered and purified water dispensing units
- Increasing consumer appetite for high quality coffee machines is accompanied by growing demand for water filtration systems required to maximise taste and machine lifespan

HY24 Highlights

Revenue of £14.5m (HY23: £14.7m) at CER

Restructuring for profitability

- Positive impact on profit levels already visible following ongoing restructuring and rebasing of the division
- Strix is currently concentrating on the EMEA region as a catalyst for mid-term growth, in support of its strategy to focus on increasing profitability, market presence and product development

Production shift and acceleration

- Filter production previously carried out in China has been shifted to Europe, increasing manufacturing capacity and driving acceleration of production volumes of filters for the European market
- HY24 saw the completed development of a new white label appliance with water filtration capabilities for a key OEM, to be produced in Strix's Chinese facility in Q4

HY24 Key Initiatives Progress

- Launched two new vacuum sealing products (for food preservation)
- Renewed certification under ISO 13485 and ISO 9001 and continued ongoing renewal of present certification under ISO 14001 and ISO 45001
- Launched new distribution stream for LAICA brand in China
- Launching new white label appliance in HY25 with key OEM
- Focus on higher margin OEM sales and extension of LAICA brand presence

LAICA 50th anniversary

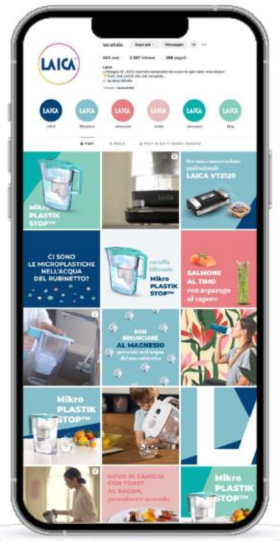
50 years of wellbeing at home

This year Strix Consumer Goods is proud to celebrate LAICA's 50th birthday
Celebrating this milestone, LAICA has embarked on an exciting repositioning of the brand towards wellbeing at home. This journey has led the Company to develop innovative products and solutions that improve the daily well-being of our customers.

A refreshed style to stand out and engage LAICA's target customers;
In alignment with the brand-refresh strategy, LAICA has refreshed 'how we show up', in order to stand out and engage its customers. This includes a stronger tone of voice and a refreshed colour palette, as represented in the LAICA50 logo which will be utilised across key touchpoints during the 50th year's celebration period.

Filtration Campaign - Focusing on increasing awareness of LAICA's water filtration range and conversion capability, LAICA has put foundations in place in Italy to launch a campaign and signal the start of the next 50 years for LAICA. This activity includes:

- Strategy & product positioning review & revamp
- Communications review & refresh
- Conversion assessment & campaign optimisation



Campaign Video - Coming Soon

Celebrating & setting the vision for the next 50 years

STAKEHOLDER DAY
LAICA welcomed important partners from banks to suppliers, agencies and other stakeholders to celebrate half a century of excellence and innovation. This event offered a chance to journey through the pivotal moments of LAICA's history, to unveil its vision and projects and to thank its partners for their ongoing support.

CELEBRATING WITH EMPLOYEES AND FAMILIES
LAICA organised a special evening for its employees and their families. The event highlighted the Company's core values: family and well-being. It was a way of thanking those whose dedication and hard work makes the Company stronger.

Sustainability

CDP DISCLOSURE INSIGHT ACTION

Environment post Scope 1&2 net zero achieved

- Scope 1 focus remains on how to reduce emissions with investment in more efficient boilers, EVs etc
- Scope 2 now 100% green power or Strix's self-generated solar power, hence the focus has shifted to absolute reduction in consumption of energy usage and intensity (both per piece and per £m)
- Project M1 relocating from Ramsey to China positive for all Scopes (including Scope 3 through reduced transportation emissions)
- Inaugural CDP submission score for 2022 'C rating'
- Greater focus towards biodiversity and nature to ensure compliance with forthcoming TNFD

Other Actions

- LAICA developing stand-alone sustainability capability and reporting to assist relationships with local stakeholders, including financial
- Following the introduction of the strict regulation enforced by the Italian legislative Decree 231/01 in 2023, in June of this year, LAICA was awarded the high coveted three stars legality rating by Italian governmental agency, guaranteeing correct and legal competition in the market (AGCM)
- Greater focus on the Group's social agenda through structure and incentivisation, significantly increasing employee community engagement and events
- ISO roll-out across the group continues with Billi applying for both ISO14001 (Environmental) & ISO45001 (OHSAS) by the year end
- Work underway to evaluate adoption of ISO14064 (reporting & validation of GHG emissions)

Key strategic objectives

"Developing leading, innovative technology in the fields of water heating, safety control systems and drinking water treatment."

Kettle Controls

- Profitably grow revenue through the introduction of innovative new products focused on sustainability, safety and convenience - including a new range of controls to increase the addressable markets within the unregulated and the China domestic market
- Leveraging the Group's global manufacturing footprint to drive cost efficiency and improve sustainability

Billi

- Leverage new product development and expand the geographical distribution in both residential and commercial markets
- Priority will be placed on expansion into Europe and further product development to support the residential market opportunities
- South East Asia and Middle East are also key markets

Consumer Goods

- Following a divisional restructure, a refreshed and robust strategy will see LAICA in Italy becoming a highly profitable centre of excellence for the Group
- Grow market share through innovation, world class sourcing and commercial excellence
- Focus will be on geographical expansion and rationalisation of products to maximise profitability

"Right People, Right Place, Right Skills, motivated and engaged to deliver our strategic objectives."

Outlook statement

- The rebasing of the business has made significant progress in the first half of the year which the Group expects to see continue to the year end. The Board is very pleased with the accelerated rate in which the leverage position has been reduced and the target of 1.5x is now expected to be achieved ahead of the end of FY25
- Following relatively lower trading for parts of Q3, Strix expects to have further clarity on the sales trends in the Kettle Control markets as it moves into its peak season, supported by further product launches to increase the Group’s target addressable market
- Billi’s expanding sales strategy is on track, generating initial sales in Europe with the division now expected to report high single digit growth for FY24 following the slightly delayed roll out of new products to the market
- Consumer Goods restructure has successfully positioned the division for profitable medium-term growth
- Currency headwinds and commodity prices continue to present obstacles, the Group is actioning various strategies to mitigate the effect of these where possible
- The Group’s return to a position of balance sheet strength, allows for the continued investment in its technology and innovation, future proofing the business
- The Board is pleased to confirm that notwithstanding the macro uncertainties, including relatively lower trading for parts of Q3 in regulated kettle controls, the Group is on track to report results for FY24 in line with market expectations

Thank You