Investor Presentation
Interim Results

Period ended 30 June 2022

01.
Financial, Operational and Strategic Highlights

H1 2022 Highlights

Financial

- The Group reported revenue of £50.7m, a decrease of 7.3% versus the same period in prior year and an increase of 15.5% versus the same period pre-Covid as revenues were adversely impacted by the ongoing conflict in Ukraine on certain peripheral geographies
- Adjusted gross profit margin was 38.5% (H1 2021: 37.5%) driven by the Group's ability to manage costs and to flex variable overheads in line with sales performance
- Net debt increased to £61.3m (FY 2021: £51.2m) as a result of further drawdowns to fund net working capital, capital expenditure and employment earn-out payments. This represents a net debt/adjusted EBITDA ratio (calculated on a trailing twelve month basis) of 1.6x
- The Board is maintaining an interim dividend of 2.75p per share (H1 2021: 2.75p)

Operational

- Production efficiency of core kettle products improved with 77% of all assembly lines now fully automated.
- In the appliances category, there has been some promising signs of consumer market penetration of product ranges.
- In the water category, new distribution and private label contracts have been secured with reputable distributors, retailers and brands
- The sustainability agenda for 2022/23 remains high on the agenda as the Company delivers on Scope 1&2 targets, analyse Scope 3 emissions and continue to focus on other KPIs
- New Strix.com website launched demonstrating the Company's vision of the future

Commercial

- Successfully implemented further product price increases across the full kettle controls range and water categories (the most recent was with effect from 1 May 2022)
- Maintained market leading market share position of 56% of the global kettle controls market by value
- Strong recognition for Strix domestic appliances. Aurora achieved the Quiet Mark award, Housewares' Sustainable Product of the Year and nominated for Best New Product: Small Domestic Appliance at the ERT Awards. The Visione induction kettle was awarded both the German Design Award 2022 and the Red Dot design award

Medium Term Targets

	Objectives	Updates
1	Double revenues over the next 5 years (2020 – 2025) primarily through growth in Water and Appliance Categories	✓ Performance in kettle controls category has been adversely impacted by the ongoing conflict in Ukraine on certain peripheral geographies. Water category showed an improvement reflecting the success of online market place launches. Appliances category also saw a slight increase following promising signs of consumer market penetration for its Aurora and Dual Flo product ranges
2	Continue to grow market share in kettles from 54% to 57%	✓ Kettle Safety Controls category is a very resilient business and despite the significant number of headwinds, it has maintained its market leading position of 56% of the global kettle controls market by value
3	Do more with less – Execute on our ESG commitments to provide a safer sustainable future for our customers	✓ Strix's sustainability agenda for 2022/23 remains high on the agenda as it delivers on its Scope 1&2 targets, analyses its Scope 3 emissions and continues to focus on its other KPIs ✓ Dual running of factories has had a one off impact on emissions which will not be repeated in future years
4	Maintain attractive progressive dividend policy linked to underlying earnings	✓ Given the confidence in the continued strength of its cash generation of the Group, the Board declares an interim dividend of 2.75p per share
5	Seek further earnings accretive acquisitions within our core competencies and key markets	✓ The Company continues to seek the acquisition of technologies that will add further strategic value across the Group and has a buoyant pipeline of opportunities it is tracking closely. Following the successful integration of LAICA, the Group is now actively considering a number of potential acquisition targets
6	Continued focus on efficiency measures and strategic initiatives	✓ Strix has previously benefitted from its ability to adjust its highly variable cost base and it will be implementing a further range of efficiency measures and strategic initiatives to manage costs during this period in order to minimise the impact of the challenging operating environment and ongoing cost inflation

02.

Financials

Financial Highlights

Revenue (£m)

(7.3%)

Revenue decreased by 7.3%. As stated in the pre-close trading update released in July, revenues have been adversely impacted by the ongoing conflict in Ukraine, resulting in a decrease for the kettle controls category

Adjusted Gross Profit[1] (£m)

(4.9%)

Gross profit reduced by 4.9%, driven by a reduction revenue of 7.3% which was offset slightly by a higher gross margin of 38.5% vs 37.5% in H1 2021

Adjusted EBITDA[1] (£m)

(8.6%)

Adjusted EBITDA fell 8.6% to £15.9m as result of investment in resources bench strength in the commercial area to meet medium-term targets and higher marketing spend to support water and appliance products

Adjusted PAT[1] (£m)

(5.7%)

Adjusted PAT fell 5.7% to £11.6m driven by fall in EBITDA and higher interest costs being offset by a reduced tax expense from tax credits in Italy and the adoption of tax measures in China related to the factory move.

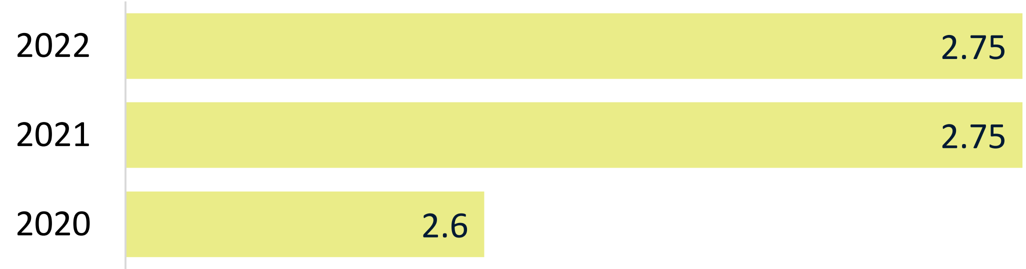
Net Debt[2] (£m)

33.3%

The Group's net debt position increase to £61.3m (FY 2021: £51.2m) driven by net working capital (£4.2m), capital expenditure (£4.8m) and acquisition earn-out payments (£1.7m)

Dividends (Pence per share)

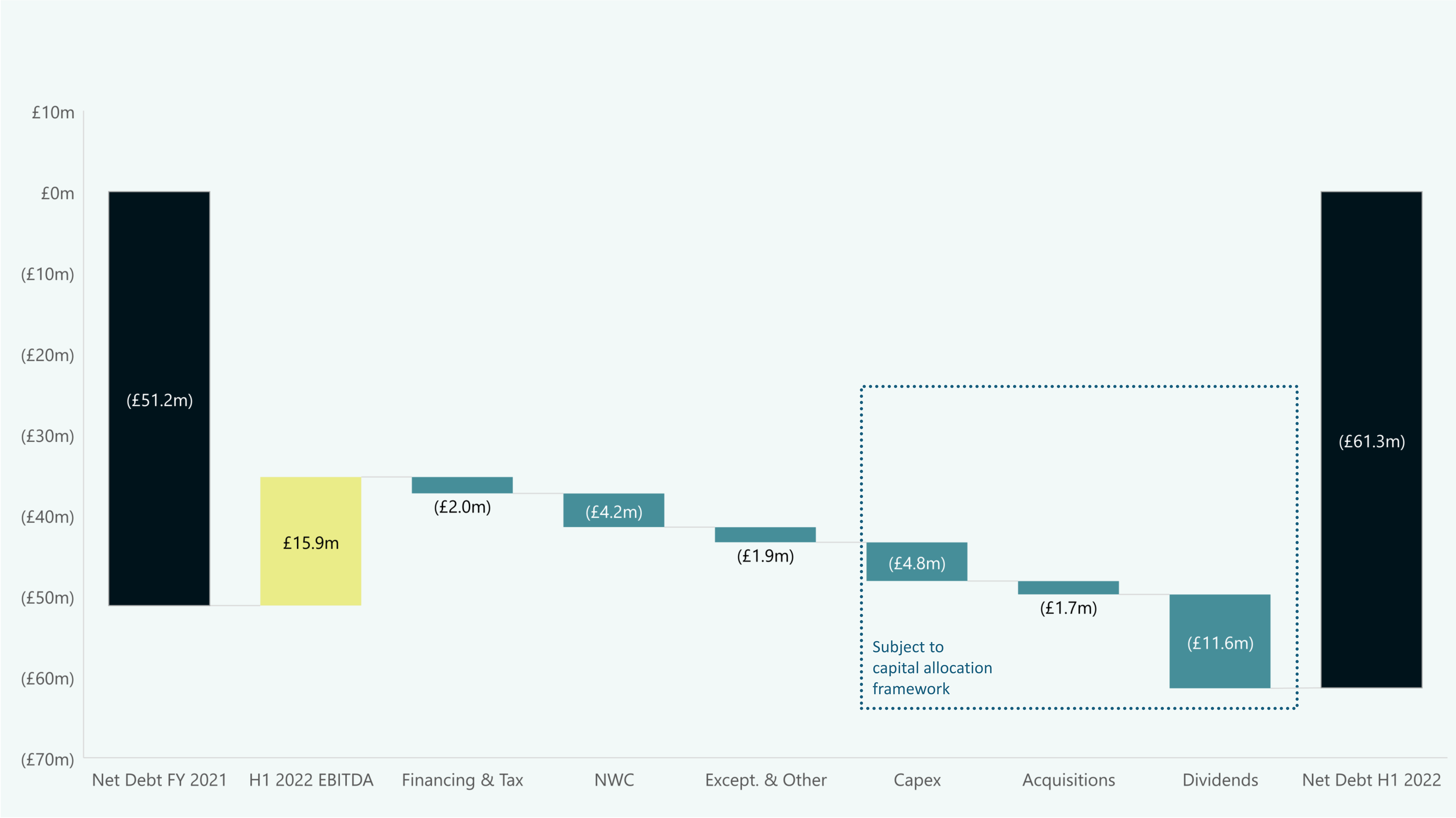
0.0%



Given the confidence in the continued strength of its cash generation of the Group, the Board declares an interim dividend of 2.75p per share (H1 2021: 2.75p).

[1] Adjusted results exclude exceptional items, which include share based payment transactions, COVID-19 related costs, other reorganisation and strategic project costs. Adjusted results are non-GAAP metrics used by management and are not an IFRS disclosure.
[2] Net debt excludes the impact of IFRS 16 lease liabilities, pension liabilities, deferred tax liabilities and earn-out provisions on satisfaction of performance conditions.

Cash Flow



Commentary

Financing & Tax: £2.0m outflow

(H1 2021: £2.3m outflow) primarily increased due to interest charges, partially offset by savings on IFRS16 lease payments and taxes.

Net working capital: £4.2m outflow

(H1 2021: £0.4m outflow) predominantly driven upward by an increase in inventories as a result of increased holding to minimise potential supply chain disruptions, along with slower demand in H1. Payables decreased due to supplier payments, offset by decrease in receivables due to VAT receipts for completion of new factory.

Exceptional & Others: £1.9m outflow

(H1 2021: £2.6m outflow) Exceptionals costs in H1 2022 mainly relate to restructuring costs, acquisition-related strategic projects, and disaster recovery costs associated with the cyber incident in Feb-2022.

Capital expenditure: £4.8m outflow

(H1 2021: £8.5m outflow) primarily driven by the purchase of PPE and capitalised development costs, with a decrease due to factory capex incurred in 2021 at a rate not repeated in 2022

OCF[1] to EBITDA conversion ratio: 41%

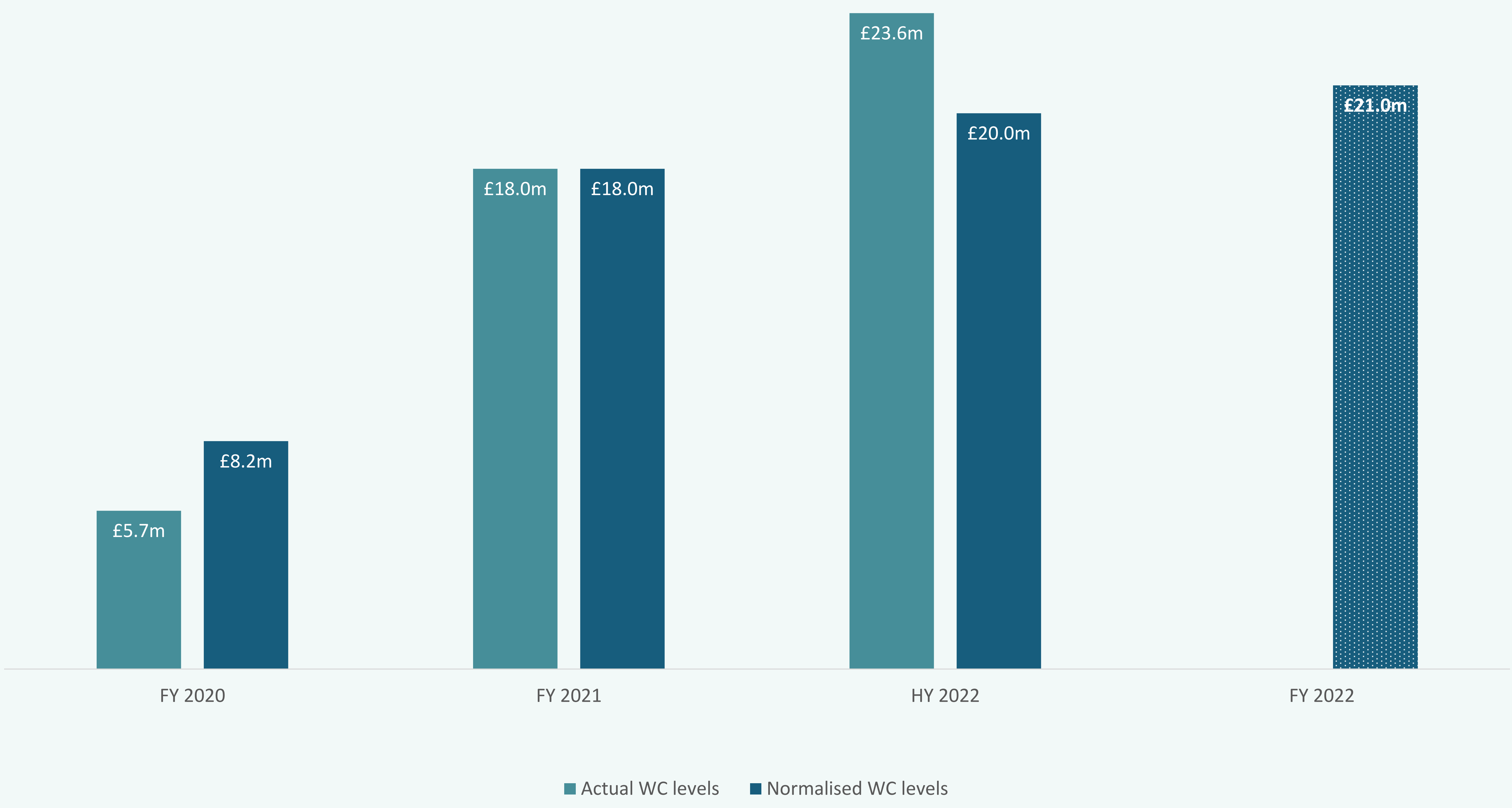
(H1 2021: 48%) Lower compared to previous period, due to high net working capital outflows and a lower "cash EBIT"

FCF[2]: £3.1m

(H1 2021: £3.9m) mainly caused by lower OCF; specifically higher working capital movements relating to inventory, compared to the prior year and reduced cost relating to capex and financing activities

[1] OCF is defined as: 'Cash generated from operating activities' less 'Net cash used in investing activities excluding acquisitions.
[2] FCF is calculated as: OCF less Capex, Net interest, Tax paid, ROU lease creditor payments.

Net Working Capital Balance



Commentary

- Net working capital which includes inventories, trade and other receivables, and trade and other payables (including tax liabilities, excluding short-term portions of long-term liabilities) increased year after year.
- Main reasons for the increases were:
  - H1 2021 creditors were higher than normal (reducing net working capital) due to the new factory project which was completed in Aug-2021. Creditors reduced significantly at FY 2021 year-end into H1 2022 as the creditors were settled.
  - FY 2021 and H1 2022 forward purchases of inventories to minimise supply chain disruptions.
  - Changes in mix of LAICA debtors resulted in increase in debtors days in FY 2021 and H1 2022.
- Adjacent chart shows normalised working capital patterns adjusting for factors mentioned above. Normalised net working capital at H1 2022 would be c.£20m and at FY 2022 would be c.£21m.

Net Debt

Net debt

At 30 June 2022

£61.3m

£51.2m at 31 December 2021

Net debt / adjusted EBITDA[1]

ratio at 30 June 2022

1.6x

1.3x at 31 December 2021

Net working capital draw from trough to peak

£7.2m

£11.3m net working capital draw at 31 December 2021

Cash and facility headroom

At 30 June 2022

£18.7m

With facility termination date of October 2025

Bank covenant requirement:

Net debt / adjusted EBITDA[2] ratio

<2.5x

for period ending 30 June 2022

Maximum intra year 2021 working capital draw

39%

of cash and facility headroom at 30 June 2022

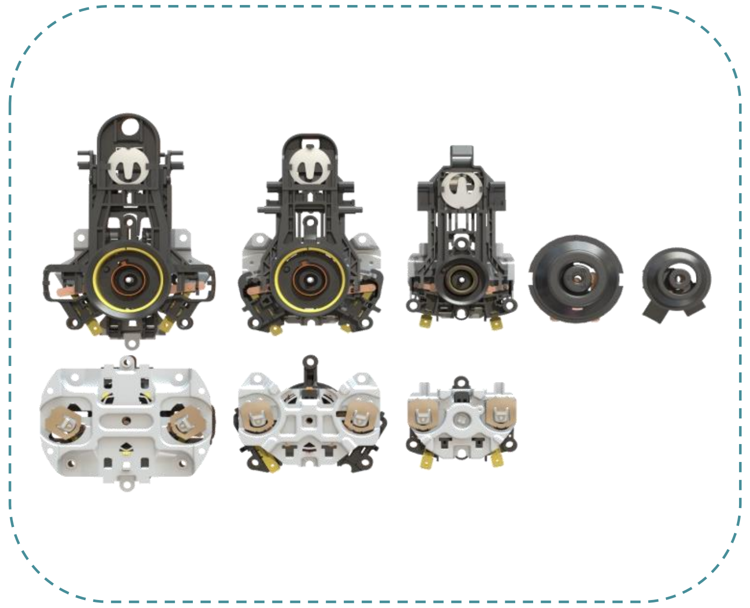
[1] Net debt excludes the impact of IFRS 16 lease liabilities, pension liabilities, deferred taxes and earn-out provisions on satisfaction of performance conditions. As at 30 June 2022, IFRS16 lease liabilities equated to £2.4m, and amounts accrued for performance and employment earn out provisions equated to £6.0m & £1.3m, respectively.

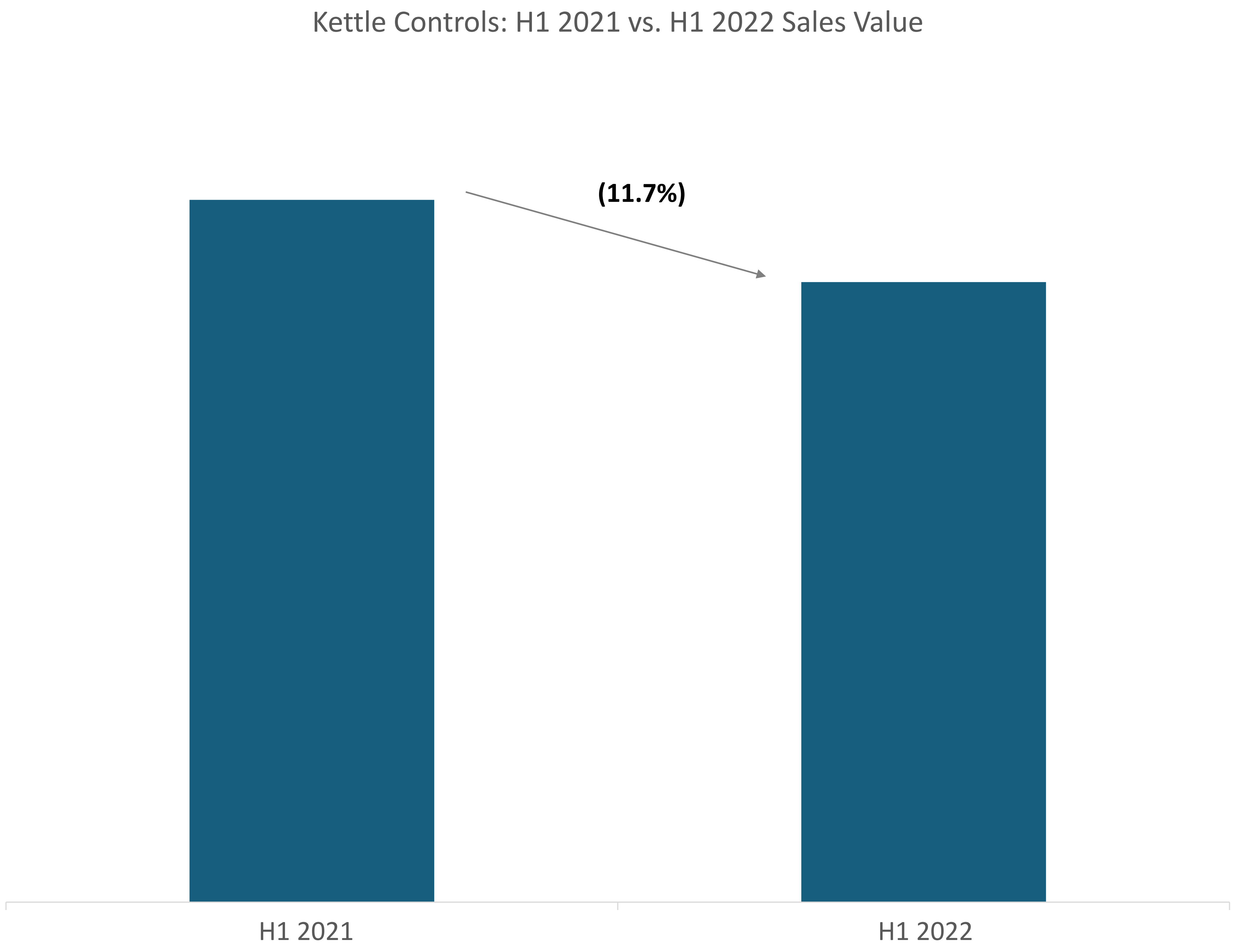
[2] For Bank covenant purposes, the net debt/adjusted EBITDA ratio is calculated pre-IFRS16 adjustments following its adoption by the Group on 1 January 2019.

03.

Kettle Control Category

2020 – 2025 Revenue Growth Drivers: Kettle Controls H1





Market Share maintained at 56%
in a market softening @15%

China Market
adversely impacted by prolonged Covid shutdowns

Less Regulated Market
adversely impacted by Ukraine conflict

Regulated Market
adversely impacted by recessionary fears / cost of living crisis.

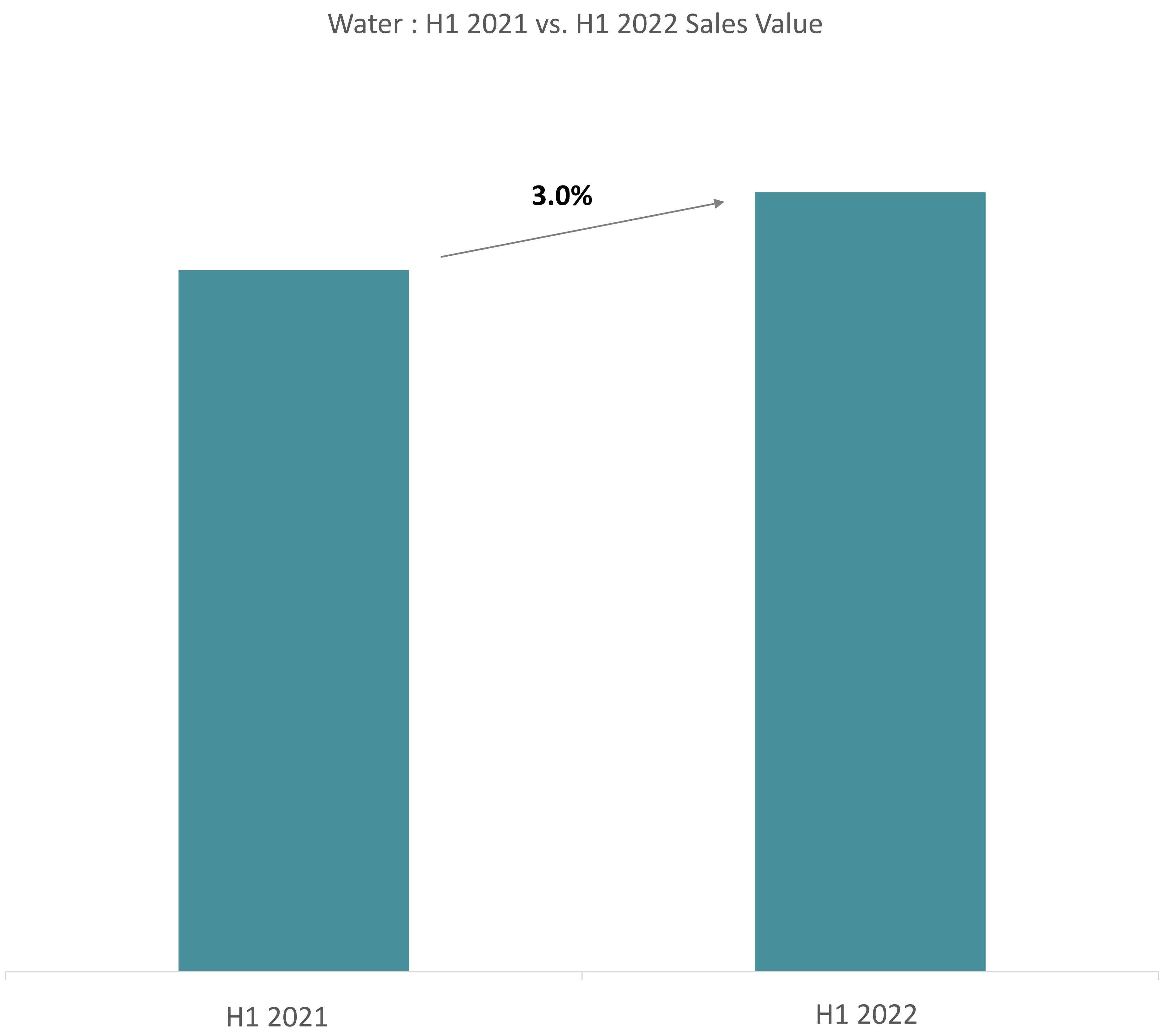
04.

Water Category

2020 – 2025 Revenue Growth Drivers: Water (Commercial & Domestic) H1

H1 Progress & Highlights

- Shipped first order for major Canadian retailer.
- Shipped first order for major European electronics retailer.
- Shipped first production of new Aqua Optima Jugs.
- Completed first production of new Perfect Pour Jugs.
- Launched Laica Double Wall Fast Disk Bottle.
- Laica Fast Disk Carafe features at Amazon event in Italy.



Market Growth
5% CAGR
2022 - 2025

New Products
New innovative designs
Leading technology
Engineered for each region

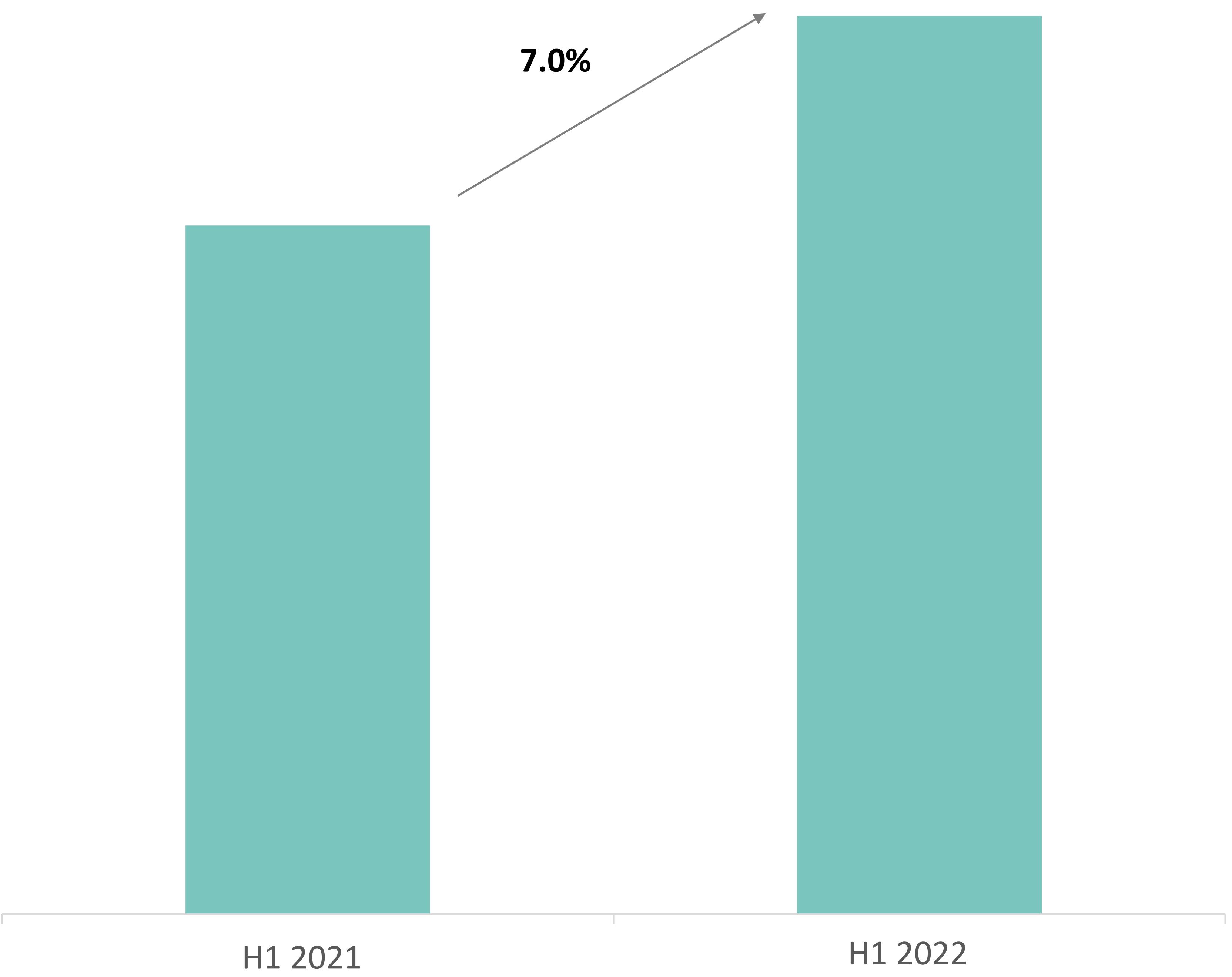
Global Position
Recognised challenger to leader

Market Expansion
China

05.
Appliances Category

2020 – 2025 Revenue Growth Drivers: Appliances

Appliances: H1 2021 vs. H1 2022 Sales Value



Market Growth
3% CAGR
2022 - 2025

Successful launch of world's fastest sterilizer-dryer with leading USA Baby Care brand.

Visione Induction Kettle wins Red Dot award & German Design award / Special Mention

Aurora wins housewares award: **Sustainable Product of the Year 2022**, and is now sold across UK, WEUR and NAM

06.

ESG

ESG Developments

Sustainability now firmly embedded within Strix continuous improvement philosophy and interim sustainability report now published

Category	Actions
Scope 1 & 2 emissions	Renewable energy contracts signed for all major facilities. Solar installations in China to supply 10% of group's energy needs. Developing plans for hard to eliminate emissions.
Scope 3	Developing Scope 3 inventory including supplier and customer engagement. Developing forward roadmap including mitigation/reduction strategies.
Resource efficiency	Continued elimination of waste assisted by 73% automation of key lines. Reworking of scrap – recycling at record levels (98.2%).
Product development	Enhanced lifecycle analysis. Development of new product roadmap and accelerated product launches of sustainable driven products (e.g. water filters)
Health & safety	All facilities ISO45001 certified. Continued training to target zero accidents.
Employee development & wellbeing	Training programmes accelerated (hours per employee doubled 2021) with addition of e-learning capabilities
Gender diversity	Women in senior roles at record levels (27%). Continue proactive development of internal talent and external recruitment.

07.
Outlook

Highly targeted acquisitions remain an important part of our value creation strategy

Approach

- Detailed acquisition framework in line with strategic goals
  - Enhance Mission and Vision
  - Primarily focused on bolt on acquisitions in Water and Appliance categories
  - Strengthen product and IP portfolio and/or deepen global distribution
  - Ability to extract revenue or cost synergies through implementing Strix best practice

Evaluation

- Highly selective evaluation methodology
- Follow investment and capital allocation frameworks
- Pipeline of opportunities being tracked, with active discussions on strategic targets
- Evaluated through a returns based methodology or where acquisition of IP would materially accelerate Strix's new product development

Progress

- Acquisition of LAICA in 2020 considerably augmented Strix's position in Water and provides a global platform to facilitate future organic and inorganic growth
- Integration has progressed on track (despite the challenges presented by Covid) and significant growth has been achieved under Strix ownership
- Previous acquisition of HaloSource expanded product portfolio through addition of Astrea and HaloPure brands

Delivering enhanced organic growth through carefully selected, value-enhancing acquisitions

Outlook Statement

- Macroeconomic and geopolitical uncertainty looks set to continue in the near term, presenting our markets with challenges over the next 12 months.
- In light of the significant and well-publicised macro headwinds which have resulted in a reduction in demand in the key export markets, adjusted profit after tax consensus for the full year is anticipated to be in range of £27m to £29m. This is based on an improvement in trading conditions within China which has already started to come through, the second half of the year always having been seasonally stronger than the first, the kettle safety controls category being a very resilient business, some promising signs of consumer market penetration of our product ranges and the recent success of online market place launches.
- Alongside this, Strix has successfully implemented further product price increases across the full kettle controls range and water categories (the most recent was with effect from 1 May 2022). Strix has previously benefitted from its ability to adjust its highly variable cost base and it will be implementing a further range of efficiency measures and strategic initiatives to manage costs during this period in order to minimise the impact of the challenging operating environment and ongoing cost inflation.
- Disposable incomes continue to be squeezed by rising inflation and interest rates, but crucially Strix do not yet know how policy makers will respond to this. Strix will be in a better position to judge how next year's performance might be influenced by the market backdrop later this year.
- The Group remains on track to deliver medium-term targets to double the Group's revenues primarily through growth in its water and appliances categories

08.

Appendices

Our Story

1951 – Castletown Thermostats founded by Eric Taylor, the inventor of a revolutionary thermostat used during the 2nd World War to control heated flying suits worn by bomber crews at high altitudes

1982 – Castletown Thermostats becomes Strix under John Taylor, the son of Eric Taylor

1985/6 – The R-series control, using an immersed heating element, and P-series cordless connector are launched

1988 – Becomes market leader as the 10 millionth control is produced

1995 – Receives the Queen's Award for export achievement. The 100 millionth control is produced

1996 – The U-series family of controls and P72 connectors are launched, a revolutionary underfloor heating system with 360 degree rotation

1997 – HaloSource begins commercialization of HaloPure

2000 – Receives the third Queen's Award for Enterprise: Innovation for the U-series control

2003 – 500 MILLION – The 500 millionth control is produced

2005 – Aqua Optima launches water filters globally

2007 – The EK controls and connectors are launched which offer user functionality never seen before

2009 – 1 BILLION – Celebration in July as the 1 billionth control is produced

HaloPure receives EPA and WQA approval

2011 – Aqua Optima launches the 'Evolve' range of water filters

2013 – Launch of baby formula maker, an innovation that addresses previously un-met consumer needs

2015 – HaloSource filed patent on new Lead removal technology

2016 – 25 MILLION – Aqua Optima sells 25 millionth filter

2017 – Floats on the London Stock Exchange

2 BILLION – The 2 billionth control celebration in November

2018 – HaloSource launches astrea ONE filtering water bottle

2019 – HaloSource joins Strix PLC

2020 – Laica joins Strix PLC

2021 – Company opens state of the art production factory in China

50 MILLION – Aqua Optima sells 50 millionth filter

2022 – Strix invited to become a supporter of Her Majesty The Queen: The Official Platinum Jubilee Pageant Commemorative Album.

PROUD TO PARTNER UNESCO BIOSPHERE ISLE OF MAN

Headquartered in the first Unesco Biosphere on the Isle of Man, Strix is a global leader in the design, manufacture and supply of kettle safety controls, other components and devices involving water heating and temperature control, steam management and water filtration.

Capital Allocation

Strix Group has significant liquidity providing financial flexibility to continue to deploy capital consistent with its allocation of capital priorities and is focused on investing in compelling growth opportunities

Operating Capital Expenditure

- **Operating capital expenditure of £4.8m** in H1 2022 demonstrating caution and prudence with capital, following from the completion of the China factory.

Strategic Value Accretive Acquisitions

- **Acquisition of LAICA S.p.A** in October 2020 for an initial consideration of €11.9m. This considerably augmented Strix's position in Water and provides a global platform to facilitate future organic and inorganic growth. Issues experienced as a result of Brexit have also been successfully overcome by utilising LAICA as the European base and the recent success of online market place launches has enabled Strix to continue to make strong progress in line with the Group's international growth aspirations.
- The Company continues to seek the acquisition of technologies that will add further strategic value across the Group and has a buoyant pipeline of opportunities it is tracking closely. Following the successful integration of LAICA, the Group is now actively considering a number of potential acquisition targets

Progressive Dividend Policy

- Given the confidence in the continued strength of its cash generation of the Group, **the Board declares an interim dividend of 2.75p per share** (H1 2021: 2.75p) and reiterates its intention to implement a progressive dividend policy that is linked to underlying earnings for the full year.

Conservative Balance Sheet

- The Group's net debt position, excluding earn-out provisions, as at 30 June 2022 increased to £61.3m (FY 2021: £51.2m) as a result of further drawdowns to fund net working capital, capital expenditure and employment earn-out payments. This represents a net debt/adjusted EBITDA ratio (calculated on a trailing twelve month basis) of 1.6x.
- The Group is in a strong financial position with significant liquidity providing flexibility to continue to deploy capital consistent with its allocation of capital priorities.

Sustainability Overview and Timeline

2020

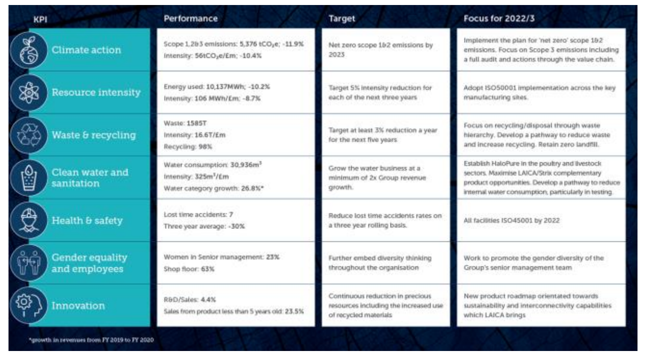
SDG analysis

First sustainability report published

Reporting structure implemented

2021

KPIs and targets set

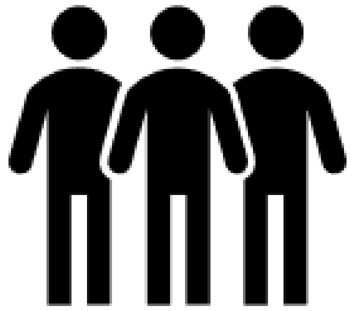


Integration of Laica

LAICA
ITALIAN DESIGN

Management strengthened

- NED with sustainability oversight
- Group CTO appointed
- Divisional Operations & Group Project Delivery Director



2022

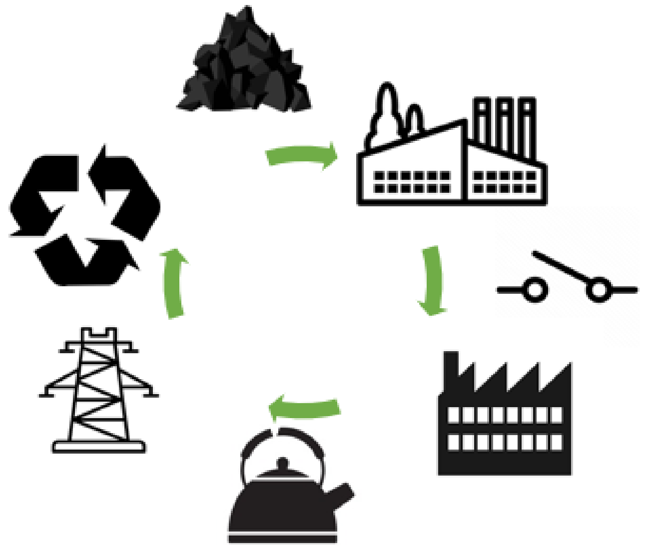
TCFD Reporting

Net Zero Scope 1 & 2 pathway developed and enacted

2023

Full implementation of TCFD - Scenario analysis

Scope 3 and lifecycle analysis including increased supplier engagement



Key Sustainability KPIs and Targets

KPI	Performance	Target	Focus for 2022/2023
Climate action	Scope 1, 2 & 3 emissions (business travel): 7,552 tCO_2e; +38% Intensity: 62.9 tCO_2e/£m; +12%	Net zero scope 1 & 2 emissions by 2023	Implement the plan for net zero scope 1&2 emissions. Focus on Scope 3 supply chain emissions and Life Cycle Assessments for New Products including a full audit and actions through the supply chain.
Resource intensity	Energy used: 14,626 MWh; +44% Intensity: 122 MWh/£m; +15%	Target 5% intensity reduction for each of the next three years	Adopt ISO50001 implementation across the key manufacturing sites
Waste and recycling	Waste: 1556T Intensity: 13.0T/£m Recycling: 99%	Target at least 3% reduction a year for the next five years	Focus on recycling/disposal through waste hierarchy. Develop a pathway to reduce waste and increase recycling. Retain zero landfill
Clean water and sanitisation	Water consumption: 46,110m^3 Intensity: 384m^3/£m Water category growth: 82.3%*	Grow the water business at a minimum of 2x Group revenue growth	Establish HaloPure in the poultry and livestock sectors. Maximise LAICA/Strix complementary product opportunities. Develop a pathway to reduce internal water consumption, particularly in testing
Health and safety	Lost time accidents: 13 Three year average: -32%	Reduce lost time accident rates on a three year rolling basis	All key facilities ISO45001 by end of 2022.
Gender equality and employees	Women in senior management: 26.6% Shop floor: 60%	Further embed diversity thinking throughout the organisation	Work to promote the gender diversity of the Group's senior management team
Innovation	R&D/Sales: 5.0% Sales from product less than 5 years old: 25.0%	Continuous reduction in precious resources including the increased use of recycling materials	New product roadmap oriented towards sustainability and interconnectivity capabilities which LAICA brings

*growth in revenues from FY 2020 to FY 2021

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