

Stelrad Group plc (Stelrad) is a leading specialist manufacturer and distributor of radiators in the UK, Europe and Turkey, selling an extensive range of standard and premium steel panel radiators, low surface temperature (LST) radiators, towel warmers and other design radiators to more than 500 customers annually.

CORE BRANDS

c.45%



#1 brand in Europe and the UK

Stelrad's premier radiator brand and the market leader in Europe and the UK by volume

c.20%



Sold in Europe and the UK

Stelrad's primary brand in Belgium and France, sold throughout Western Europe; in the UK, products are sold primarily via independent merchants to minimise channel conflict

c.15%



Sold in Europe and Turkey

Stelrad's primary brand in Turkey and other Eastern European markets; highly regarded as a credible high quality / low cost brand

<c.1%



Sold mainly in Denmark and the UK

Premium designer radiator brand acquired in 2018

>c.19%

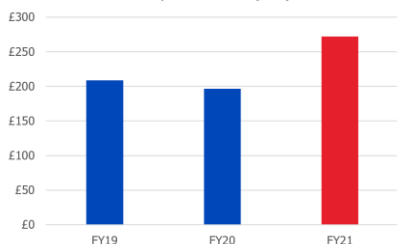


Sold mainly in the UK

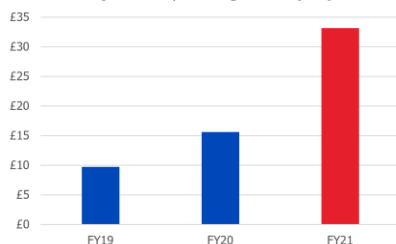
Dedicated customer brands for wholesalers and larger distributors

TRACK RECORD OF GROWTH, WITH SECTOR LEADING MARGINS AND EXCELLENT CASH GENERATION

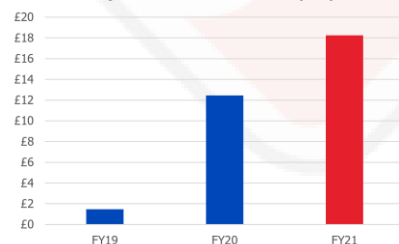
Group Revenue (£m)



Adjusted Operating Profit (£m)



Adjusted Free Cash Flow (£m)



LATEST FINANCIALS H1 2022

REVENUES

+17.4%

ADJUSTED OPERATING PROFIT

+13.1%

LEVERAGE

1.1x

INTERIM DIVIDEND

2.92p

	H1 2022	H1 2021	Increase/(decrease) %
Revenue	150.1	127.9	17.4
Adjusted operating profit, £m **	19.0	16.8	13.1
Adjusted operating profit margin, % **	12.7	13.1	(0.4pp)
Adjusted profit after tax, £m **	13.9	8.1	72.7
Adjusted Earnings per share, pence **	10.95	6.34	72.7

**Adjusted figures are stated before exceptional items, foreign exchange differences, the impact of IAS 29 and tax thereon where applicable. See note 9 in our [H122 interim results statement](#) for a reconciliation of adjusted profit after tax. See note 5 in our [H122 interim results statement](#) for a reconciliation of adjusted operating profit. See the finance and business review in our [H122 interim results statement](#) for a reconciliation of adjusted free cash flow.

HISTORY

1960s

Manufacture of Steel Panel radiators commences at Nuth (Netherlands) and Mexborough (UK)

1998/99

Caradon PLC simplifies its portfolio with focus on four divisions: Boilers, Radiators, Bathrooms and Showers

2001

Disposal of Twyford Bathrooms and Mira showers reflecting strategy to focus on Boilers and Radiators

2013

Leveraged buyout of Ideal Stelrad Group led by Bregal Capital

2018

Acquisition of Hudevad a designer radiator manufacturer based in Denmark

2021

Successful IPO on the London Stock Exchange's Main Market in November 2021

1991

Manufacture of Steel Panel radiators commences at Çorlu (Turkey)

2000

Leveraged buyout of Caradon Plumbing from Caradon PLC led by HSBC Private Equity

2005

Leveraged buyout of Ideal Stelrad Group (boilers and radiators) led by Warburg Pincus

2015

Beginning of capital investment programme. Disposal of Ideal Boilers

2019-2021

Continued operational rationalisation with further production moved to Turkey

2022

Acquisition of specialist Italian manufacturer and distributor, DL Radiators

Steel panel radiators represent the dominant residential heat emission technology in Europe, the UK and Turkey. Demand is predominantly supported by the replacement market, reducing exposure to economic cycles

DRIVERS OF DEMAND



Average age of European housing stock > 30 years old



2% – 3% p.a. forecast residential RMI growth rate until 2023 across the Group's core geographies



Residential New Build growth outlook is forecast at **c.3% p.a.** to 2023



33% (residential) **19%** (non-residential) RMI share of European construction spending in 2019⁽¹⁾



€0.5bn total RMI spending in 2019⁽¹⁾

¹ 2019 construction spending (value) in Residential and New, excluding Infrastructure

Overall market value is growing, driven by positive underlying market activity and continued adoption of Premium Steel panel radiators, offset to an extent by the longer radiator lifecycle

24.4m Radiators

Total addressable market across the Group's six core geographies with an estimated value of £1.1bn

LEADERSHIP TEAM

Stelrad Group plc is led by a highly experienced management team based in the UK, which has successfully achieved industry leading performance through the market cycle



BOB ELLIS
Chair

- Joined Stelrad as Non-Executive Director since 2009 and became Chair in 2013
- A chartered management accountant with over 40 years of industry experience
- Chairs, or is a Director of, a number of Private Equity backed businesses in the UK and the USA



TREVOR HARVEY
Chief Executive Officer and Managing Director of all Business Units

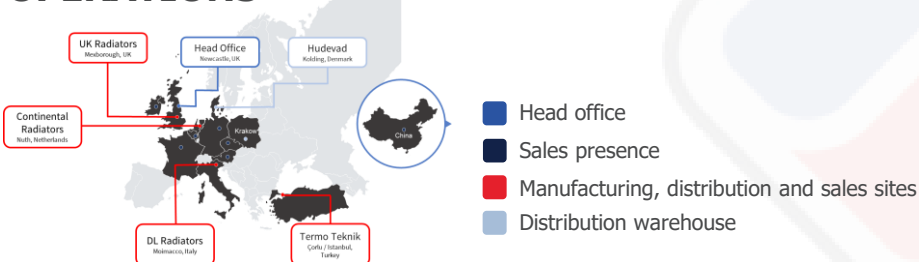
- Joined Stelrad in 2000
- A graduate engineer with over 40 years of industry experience
- Previously Managing Director at Myson from 1988 – 2000 before leading the management buyout of Caradon Plumbing



GEORGE LETHAM
Chief Financial Officer

- Joined Stelrad in 2003
- A chartered accountant with over 40 years of industry experience (PwC, Blue Circle and American Standard)
- Formerly Finance Director of several of Blue Circle's international subsidiaries and of Armitage Shanks from 1990 – 99

OPERATIONS



GROWTH PLAN BASED ON FOUR KEY AREAS

Improving product mix

Positioning effectively for decarbonisation

Growing market share

Optimising routes to market

DECARBONISATION



- Net zero targets have clear implications for the heating market.
- Market participants expect a gradual shift away from current heat source technologies, with hydronic systems likely to remain the long term winners beyond 2030
- There is visible long-term demand for steel panel radiators, which are compatible with the expected evolution to lower carbon options such as heat pumps and alternative boiler types.
- Stelrad has been proactive in introducing and promoting products compatible with low carbon, low temperature heating systems such as heat pumps.
- Stelrad is already producing higher heat output radiators compatible with low system temperatures and is actively marketing to distributors and specifiers on this topic.
- Trusted advisor to customers – Stelrad can often influence which heat emitter is used.

CONTACT US

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 **Stelrad**
Group plc