

Continued market leadership

Well positioned for sustainable growth

Stelrad Group plc

Results for the six months ended 30 June 2025

 **Stelrad**[®]
Group plc



Agenda

- Overview
- Financial review
- Business review
- Summary and outlook
- Q&A



Trevor Harvey
Chief Executive Officer



Leigh Wilcox
Chief Financial Officer



Overview

Trevor Harvey
Chief Executive Officer

2025 INTERIM RESULTS SUMMARY

Continued market leadership, resilient underlying financial performance

- Industry leading market share at 19.9%⁽¹⁾ (2023: 20.9%) with the reduction due to the impact of market mix in the countries we serve
 - **Excluding Russia, market share was 25.4% (2023: 25.3%)**
- On Time In Full (OTIF) delivery was 99% (2024: 98%) in the UK & Ireland, a key point of differentiation versus our competitors
- Adjusted operating profit up 1.1% to £15.9 million
- 4.6% revenue decline due to challenging macroeconomic conditions
- Contribution per radiator remained stable at £20.33 supported by active margin management providing strong operational leverage
- 2% increase in interim dividend
- Well placed to achieve Board expectations of further profit growth for FY25, which remain unchanged
- Non-cash exceptional items of £12.0 million relating to impairment charge on the assets of Radiators SpA



⁽¹⁾ BRG Building Solutions, May 2025. In the 20 European countries (including Turkey and Russia) for which 2024 steel panel radiator share data is available (which represented 94% of the European market in 2023).










Financial review

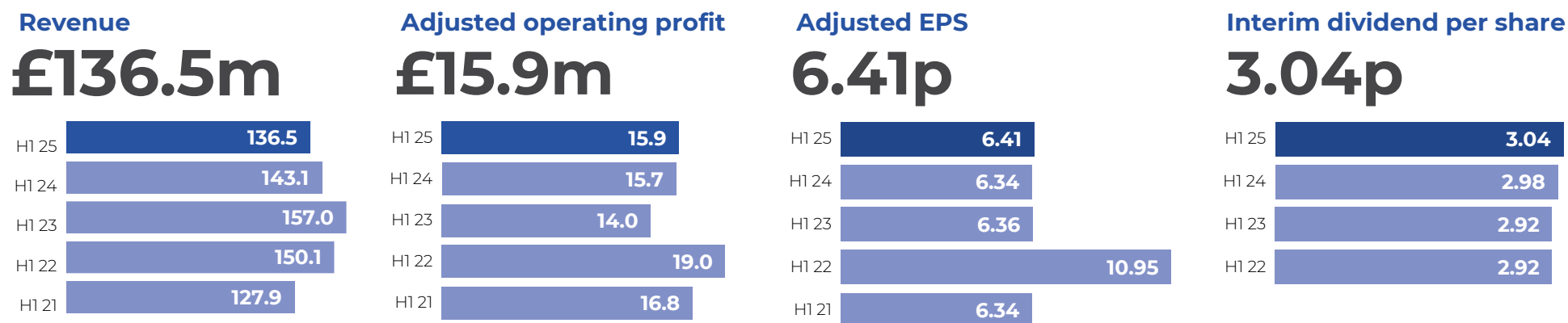
Leigh Wilcox
Chief Financial Officer

H1 financial performance snapshot

Strong adjusted operating profit despite revenue decline

Revenue	Adjusted operating profit	Adjusted operating profit %	ROCE % (LTM)	Dividend	Adjusted operating cash conversion	Leverage (before lease liabilities)
£136.5m (H1 24: £143.1m) Down 4.6%	£15.9m (H1 24: £15.7m) Up 1.1%	11.7% (H1 24: 11.0%) Up 0.7 ppts	26.9% (H1 24: 26.4%) Up 0.5 ppts	3.04p (H1 24: 2.98p) Up 2%	60.5% (H1 24: 57.7%) Up 2.8 ppts	1.48x (H1 24: 1.49x) Down 0.01
4.8% decline in sales volume partially offset by increases in radiator size	Ongoing operational excellence and margin management	Strong operating performance despite decline in sales volumes	Improved operating performance and stable asset values	Reflects balance sheet strength and confidence in future growth prospects and cash generation	Investment in working capital to ensure Stelrad is well placed to respond to market demand	Driven by EBITDA growth
						

Resilient performance in challenging market conditions

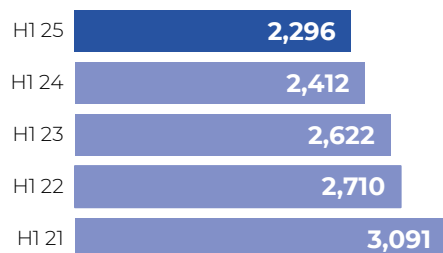


- Group revenue was negatively impacted by a 4.8% decline in sales volumes offset in part by further increases in average radiator size
- Group adjusted operating profit increased by 1.1% to £15.9 million, benefitting from favourable material price, structural currency benefits, ongoing operational control and margin management
- Adjusted earnings per share of 6.41p
- Growth in dividends per share despite suppressed earnings, reflecting the Board's confidence in the Group's prospects and balance sheet
- Detailed income statement is included in the appendices

Robust contribution per radiator providing strong operating leverage

Radiator volumes sold

2,296k units



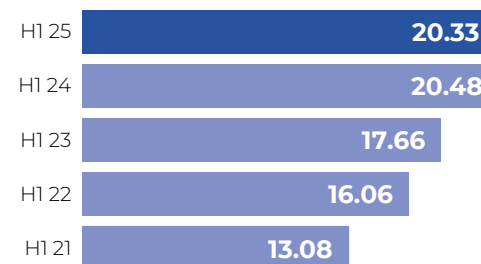
Premium panel radiator penetration

5.7%



Contribution per radiator

£20.33



- Total sales volume reduced by 4.8% year on year with continued high interest rates and inflation supressing RMI and new build activity
- Volume increases in Belgium, Poland, France and Germany driven by sustainable competitive advantages of flexible, well-invested, lowest-cost manufacturing, leading levels of product availability and customer service and a competitive position of scale
- Proportion of premium panel products in line with prior year at 5.7%, with further progress expected as the economic environment improves
- Contribution per radiator remains in excess or £20 at £20.33, providing the Group with strong operating leverage for market recovery

REVENUE

Revenues fall in subdued volume environment

Revenue by geographical market	H1 2025 £m	H1 2025 % of total	H1 2024 £m	Movement £m	Movement %
UK & Ireland	65.1	47.7	69.1	(4.0)	(5.8)
Europe	62.9	46.1	66.8	(3.9)	(5.9)
Turkey & International	8.5	6.2	7.2	1.3	17.9
Total	136.5	100.0	143.1	(6.6)	(4.6)

UK & Ireland

- 9.6% decrease in sales volumes
- Increase in average size of radiators sold
- Price increases applied to recover ongoing inflationary cost increases

Europe

- 3.8% decrease in sales volumes
- Increased volumes in Belgium, Poland, France and Germany
- Adverse sales volumes to Sweden, Italy and Baltics
- European revenue negatively impacted on consolidation by the average GBP rate strengthening against the Euro by 1%
- Adverse country and customer mix

Turkey & International

- 29.5% increase in sales volumes
- Higher sales volumes to Turkey at lower average selling prices and margins

ADJUSTED OPERATING PROFIT

Radiator size benefits and structural currency gains offsetting decline in sales volumes

Adjusted operating profit by geographical market	H1 2025 £m	H1 2024 £m	Movement £m	Movement %
UK & Ireland	15.0	15.1	(0.1)	(0.3)
Europe	3.6	3.7	(0.1)	(5.4)
Turkey & International	0.7	0.9	(0.2)	(17.6)
Central costs	(3.4)	(4.0)	0.6	14.7
Total	15.9	15.7	0.2	1.1
Total as percentage of revenue	11.7%	11.0%		

UK & Ireland

- Lower sales volumes
- Increase in the average size of radiators
- Favourable selling and material prices
- Currency benefits from Turkish production

Europe

- Net volume decline
- Adverse country and customer mix
- Currency benefits from Turkish production
- Radiators SpA to focus on electrical and design ranges
- Market has strong operating leverage

Turkey & International

- Favourable volumes at lower margins

Central costs

- Non-recurring consultancy costs related to the appraisal of premium panel strategies in 2024
- LTIP costs increase year on year

CASH FLOW

Investment in strategic working capital, leverage reduced

	H1 2025 £m	H1 2024 £m	Movement £m
EBITDA	21.8	21.7	0.1
Gain on disposal of property, plant and equipment	(0.1)	(0.1)	-
Share-based payments	0.6	0.3	0.3
Working capital	(9.0)	(7.6)	(1.4)
Working capital – exceptional items	-	(2.2)	2.2
Net capital expenditure	(3.7)	(3.1)	(0.6)
Cash flow from operations	9.6	9.0	0.6
Income tax paid	(4.8)	(4.0)	(0.8)
Net interest paid	(3.0)	(3.7)	0.7
Free cash flow	1.8	1.3	0.5

	£m
Opening net debt – 1 January 2025	(67.6)
Free cash flow	1.8
Dividends	(6.1)
Non-cash lease movements	(0.4)
Foreign exchange differences	(0.8)
Closing net debt – 30 June 2025	(73.1)
Less finance leases	8.3
Closing net debt before lease liabilities – 30 June 2025	(64.8)
Leverage	1.48x

Cash flow and net debt

- Adjusted operating cash flow conversion of 60.5% (H1 24: 71.5%)
- Strategic investment in working capital through a proactive UK price realignment
- UK tax payments increased with full utilisation of historic losses
- Leverage 1.48x (June 2024: 1.49x)

Exceptional items – Radiators SpA

	£m
Impairment of goodwill	2.6
Impairment of customer relationships	1.4
Impairment of property, plant & equipment	5.7
Inventory provision	2.3
Exceptional items	12.0

- Radiators SpA business has been exposed to declining market volumes in France and Germany
- Operating margins have deteriorated despite fixed cost management
- Business has been impacted by a low margin, latterly loss-making contract
- Decisive exit has been made from loss-making contract effective from end of 2025, which will improve margins and allow further fixed cost reduction
- Business will focus attention on electrical and designer product ranges – the key ranges that underpinned the strategic rationale for the acquisition in 2022
- Product range will be rationalised to provide greater operational efficiency

Balance sheet, taxation, dividends and ROCE

Taxation

- Effective tax rate 33.0% (H1 24: 31.5%) on an adjusted basis
- Tax rate increased year-on-year due to non-cash deferred tax movement caused by Turkish inflation and currency devaluation mismatch
- Tax losses now fully utilised in the UK

Dividends

- Interim dividends of 3.04 pence, 2.0% increase on 2024
- In line with progressive dividend policy and reflecting confidence in future prospects and cash generation, despite trading headwinds

Return on capital employed

- LTM ROCE % increased to 26.9% (H1 24: 26.4 %)
- Favourable adjusted operating profit performance
- Impairment of assets offset by investment in working capital and higher value of Euro assets

Group credit facilities

- Group revolving credit facility: £76.0 million
- Group term loan facility: €28.3 million
- Both expire November 2026
- £17.9 million undrawn at period end
- Cash of £17.6 million at period end

Technical guidance

- Market environment expected to show some improvement in H2 2025
- Benefit of lower steel prices expected to be realised in H2 2025
- Other key input prices are expected to remain stable in 2025
- Capital expenditure and working capital investment in line with expectations
- Leverage, based on net debt before lease liabilities, is expected to fall during H2 2025 as working capital reduces
- Group tax rate expected to be c.31% with some non-cash deferred tax movements in Turkey possible due to the relationship between inflation and currency devaluation

MEDIUM-TERM TARGETS

Progress towards medium-term targets

Market share improvement (Data released annually)	Medium-term target: 1–2% 2024: stable	Market share is stable, excluding Russia, with weak UK market diluting gains elsewhere
Contribution per radiator	Medium-term target: >£21.0 H1 25: £20.33	Underlying contribution per radiator is strong, average diluted by country mix
Operating profit margin	Medium-term target: 13% H1 25: 11.7%	0.7ppts improvement in period, despite volume reduction
Adjusted operating cash flow conversion (Full year figure)	Medium-term target: >90% 2024: 80.3%	Progress towards target despite strategic investment in working capital during 2024 and 2025
Return on capital employed %	Medium-term target: >30% H1 25: 26.9%	0.5 ppts improvement in the period, with working capital high point at June 2025

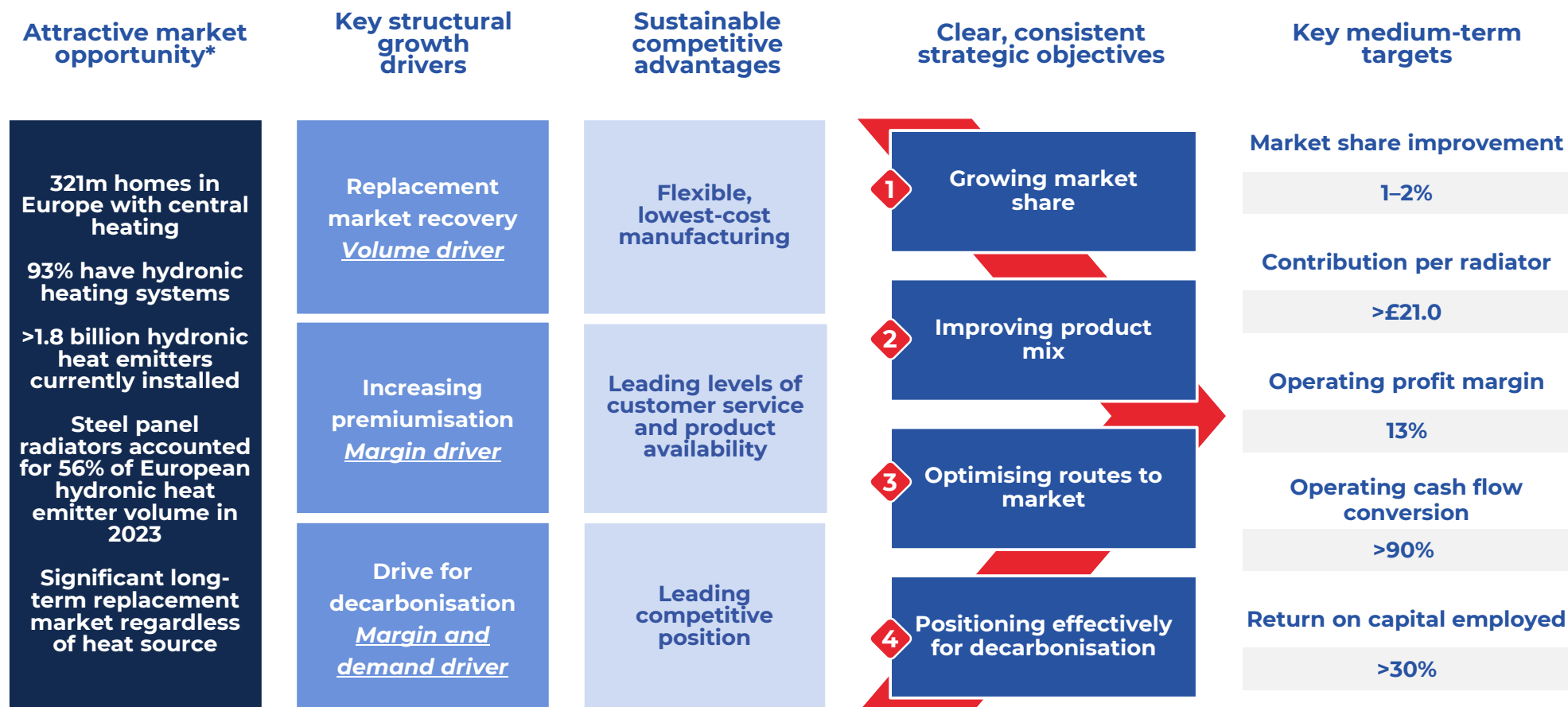


Business review

Trevor Harvey
Chief Executive Officer

BUSINESS REVIEW

The Group is well positioned for profitable, sustainable growth...



*Source: BRG Building Solutions, October 2024

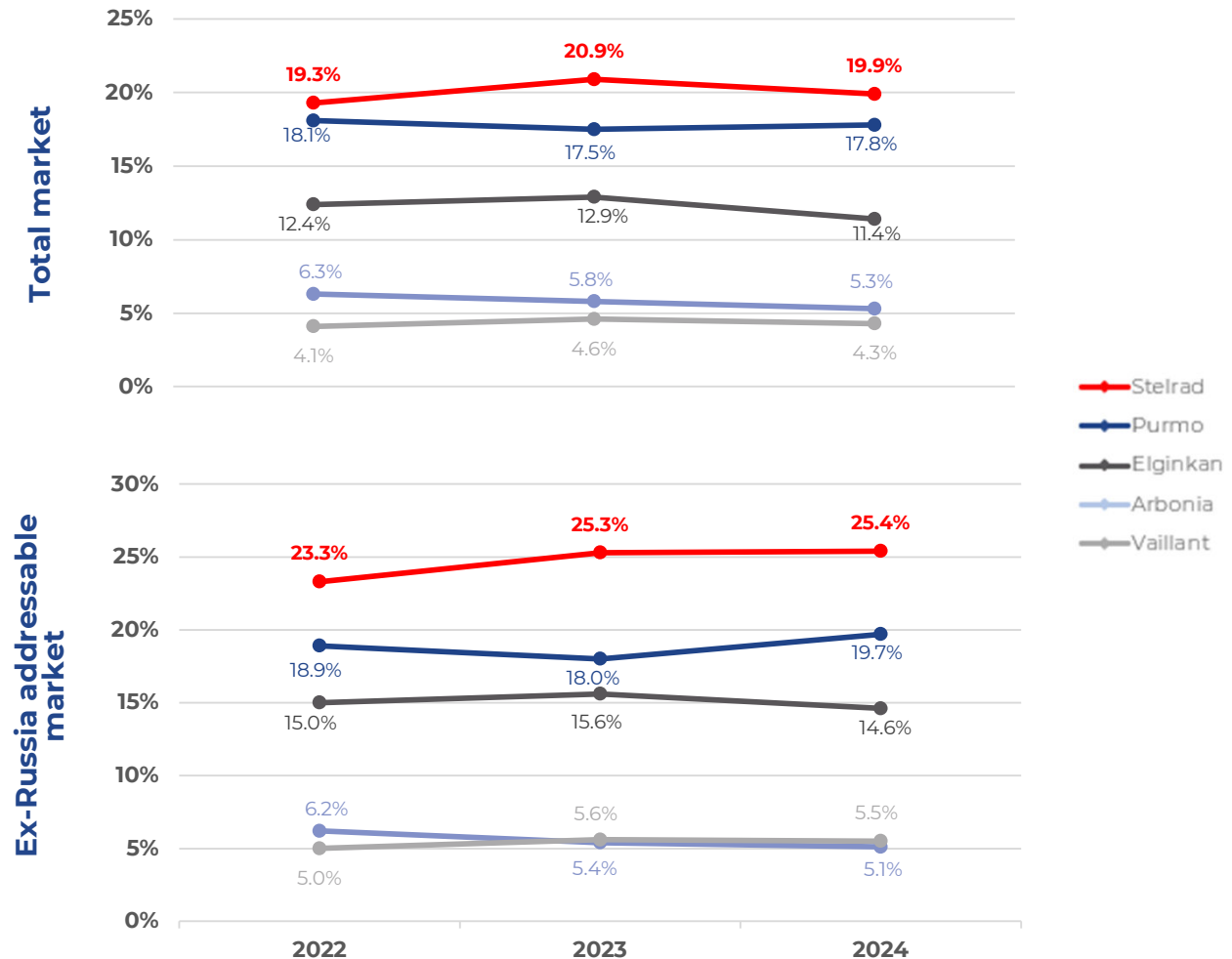
BUSINESS REVIEW

The supplier of choice regardless of market conditions

- c.75% of steel panel manufacturing now relocated to low-cost locations
- Annualised optimal production capacity of c.7m radiators
- Industry-leading on-time-in-full delivery rate of 99% (H1 24: 98%)
- All of which underpin our sustained market leadership position, with European (ex Russia) market share of 25.4%
- Total market share impacted by market mix across the countries we serve, with reduced market volumes in key territories (UK) & growth of Russian market

European steel panel radiators*

Top 5 manufacturers' share evolution 2022-2024



*Source: BRG Building Solutions, June 2025

Including in our key European markets

#1 in the UK

- 52.1% share: -0.5ppts vs 2023, +0.6 ppts vs 2022

#1 in the Netherlands

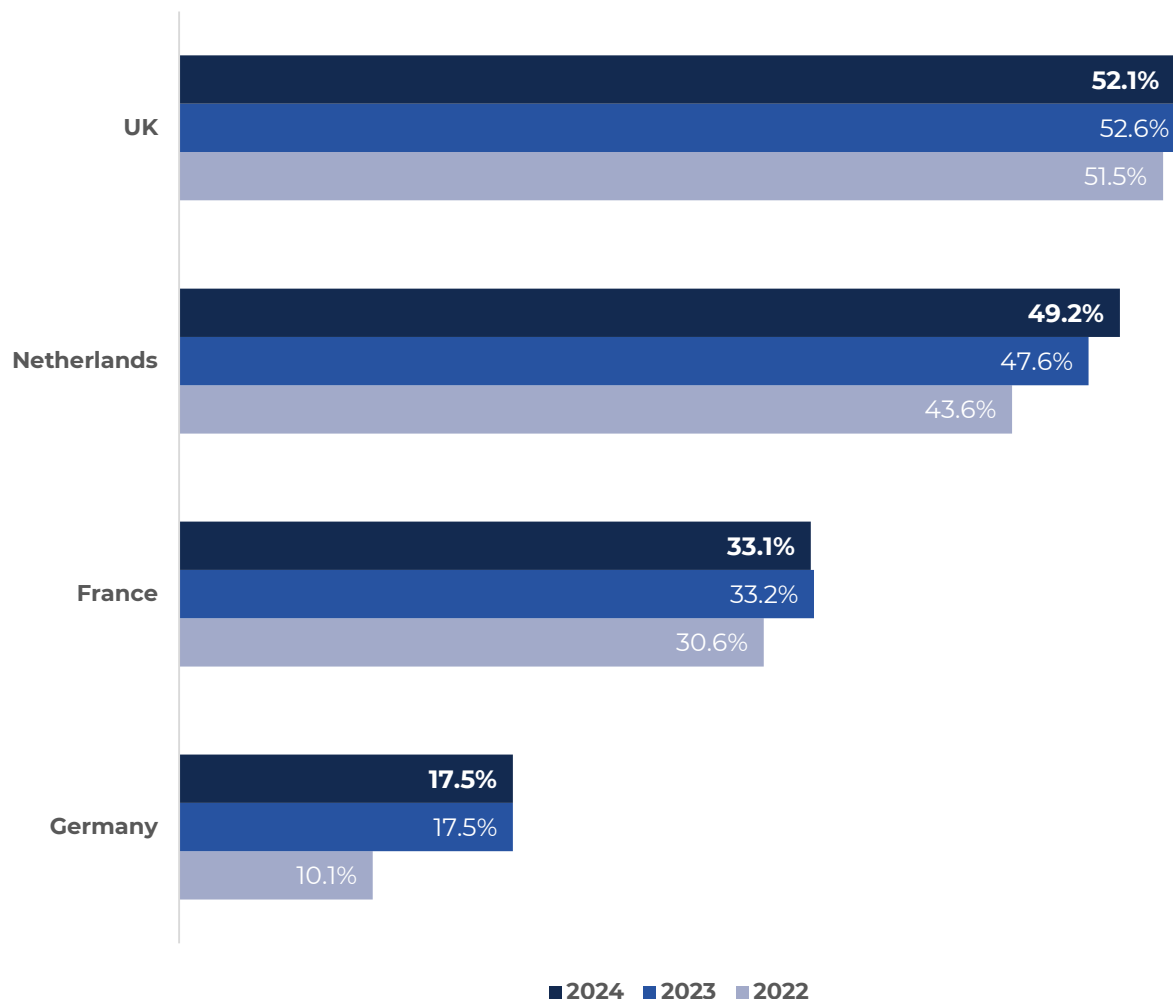
- 49.2% share: +1.6 ppts vs 2023, +5.6 ppts vs 2022

#1 consolidated in France

- 33.1% share: -0.1 ppts vs 2023, +2.5 ppts vs 2022

#3 in Germany

- 17.5% share: in line with 2023, +7.4 ppts vs 2022



A clear strategy to capitalise on long-term structural opportunities

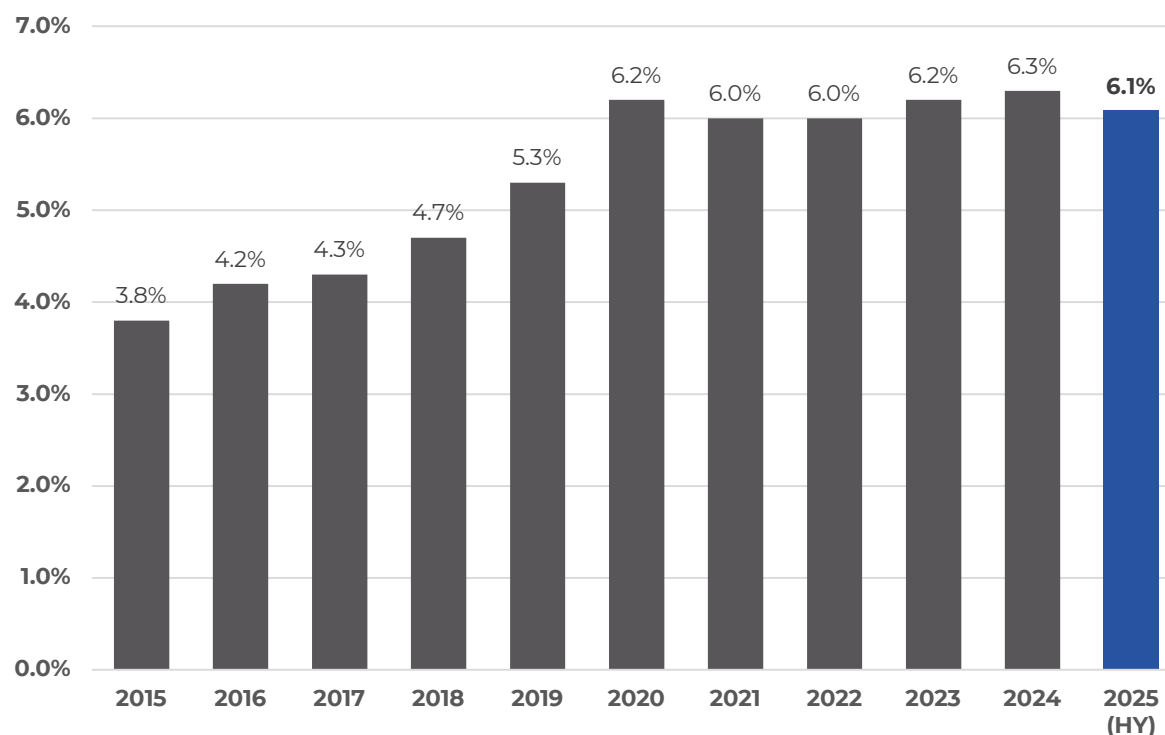
Growth driver	Strategic focus		Key initiatives
Increasing premiumisation	1	Leverage Stelrad trade strengths	<ul style="list-style-type: none">▪ Leverage Stelrad's strong brand positions▪ Support installers and merchant staff in upselling▪ Installer marketing to address barriers to recommendation▪ Optimise Stelrad.com consumer journey▪ Further invest in targeted consumer marketing▪ Assess channel partnership opportunities
	2	Boost Stelrad consumer appeal	
	3	Optimise distribution	
Drive for decarbonisation	1	Promote high output conventional radiators	<ul style="list-style-type: none">▪ Further extend multipanel, multiconvector radiator portfolio▪ Introduce new hybrid heat emitter ranges▪ Continue to leverage Stelrad's brands and channel access to drive electric radiator sales in core markets
	2	Develop hybrid products for low temperature systems	
	3	Introduce electric ranges into core markets	

Significant progress against strategy to drive premium panel penetration

- Marginal decline in premium panel % as a result of low UK consumer confidence
- UK remains a highly attractive opportunity for premium steel panel growth, with a low penetration rate versus Western Europe (premium sales between 5-26%)
- Tangible progress made against our strategy to drive adoption of designer radiators as the market leader
- Stelrad.com refresh launched, optimising the customer journey
- 48 hour designer radiator service launched

Premium steel panels radiator mix

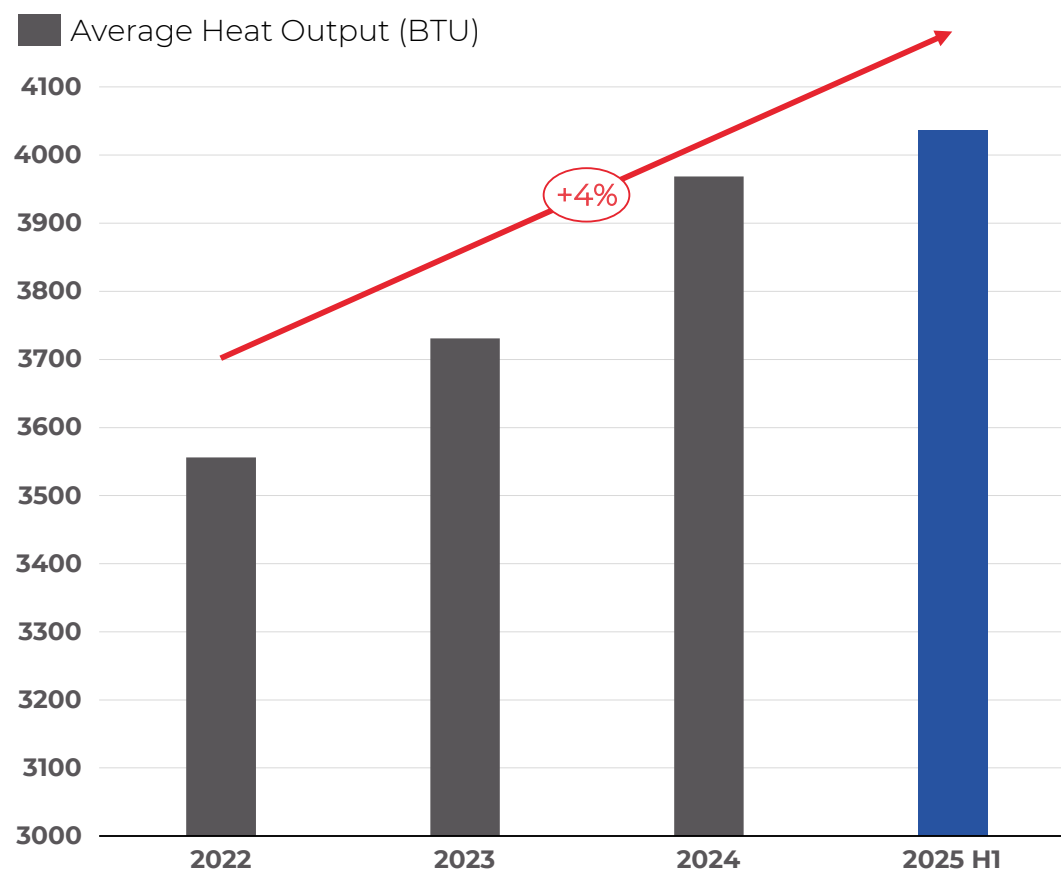
Volume as a % of steel panel radiators sold



THE DRIVE FOR DECARBONISATION

Decarbonisation remains a key, longer term opportunity

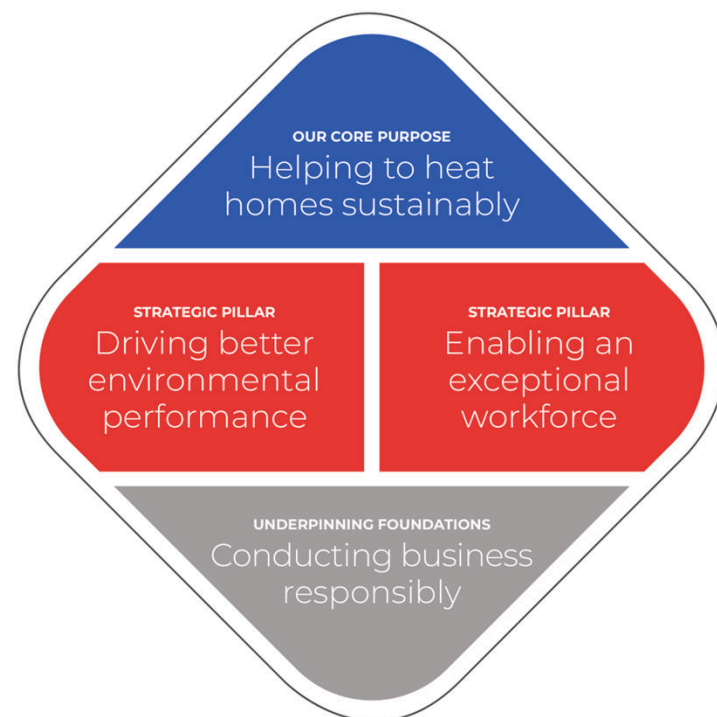
- Decarbonisation of commercial and residential property remains a long-term, structural tailwind
- Average radiator size has continued to increase for the third successive year, increasing 2.5% (vs H1 2024). CAGR of 4% since 2022
- Continue to further expand our high heat output and hybrid heat emitter radiator portfolios
- Leveraging our brand strength and channel access to drive electric radiator sales in core markets, enabled by Radiators SpA
- Sales of Vertical, K3 and H900 radiators have grown by 130% since 2022



With its Fit for the Future strategy, the Group is also making good ESG progress

In 2025, Stelrad:

- Published an environmental product declaration for the Green Compact range, showing significantly lower impact than other product ranges
- Reviewed and refined our supplier auditing process, simplifying and reinforcing requirements
- Achieved UK certification for sending zero avoidable waste to landfill
- Submitted our first Communication on Progress as part of our participation in the UN Global Compact initiative





Summary and outlook

Trevor Harvey
Chief Executive Officer



SUMMARY AND OUTLOOK

Well positioned for sustainable future growth in line with medium term targets

Outlook for the full year unchanged

- The Board expects a modest level of market volume improvement in the second half of the year augmented by the strength of Stelrad's market position, sustainable competitive advantages and operational excellence.
- Proactive margin management and cost discipline leave the Group well placed to achieve Board expectations of further profit growth for FY25, which remain unchanged.

Continued market leadership underpinned by operational excellence

- Competitive advantages continue to underpin market leadership
- OTIF delivery remains best in class at 99% ⁽¹⁾
- Contribution per radiator remains stable, supported by active margin management

Well positioned for profitable, sustainable growth

- Industry-leading addressable market share of 25.4% ⁽²⁾
- Supplier of choice for customers, regardless of market conditions
- Continuing to execute against our strategic priorities to drive adoption of premium and higher output radiators

“The key priority for the Group is to be prepared for an increase in volumes as and when market conditions improve. We know from our years of experience and long-standing position in the market that when volumes begin to recover, this happens at pace.”

⁽¹⁾ UK & Ireland

⁽²⁾ Excluding Russia



Questions





Appendices



STELRAD AT A GLANCE

Stelrad is Europe's leading radiator manufacturer

Our core purpose is helping to heat homes sustainably

1,400+
people

500+
customers

40+
countries

5
market leading brands

#1

In hydronic heat emitters

- 11.8% overall market share
- 20.2% steel panel market share
- Stelrad is Europe's #1 brand

 **Stelrad**[®]

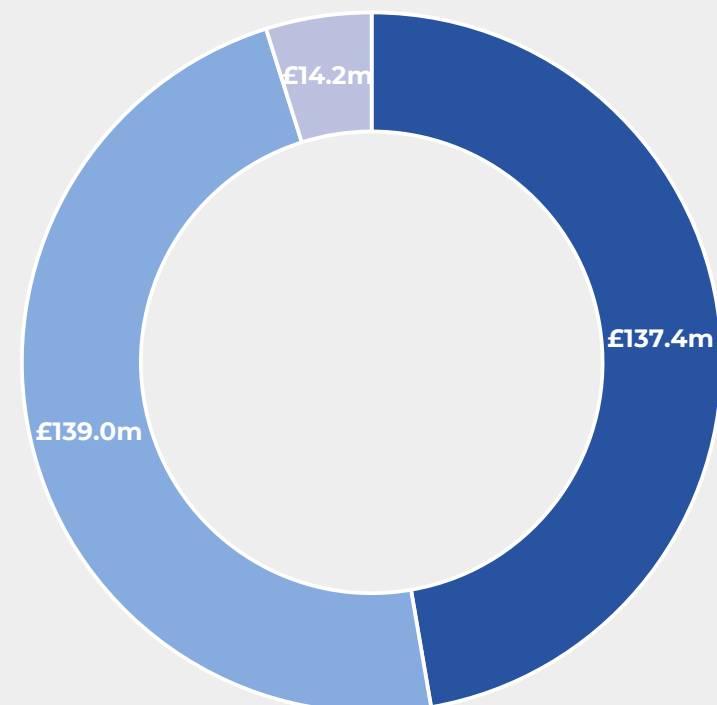
 **HENRAD**
Stelrad Group plc

HUDEVAD
RADIATOR DESIGN

 **termoteknik**

 **DL**
RADIATORS
ITALIAN
PROFESSIONAL
HEATING

2024 revenue £290.6m



■ UK & Ireland ■ Europe ■ Turkey & International

Capital allocation priorities



CONSOLIDATED INCOME STATEMENT SUMMARY

	H1 2025 £m	H1 2024 £m	Movement £m	Movement %
Revenue	136.5	143.1	(6.6)	(4.6)
EBITDA⁽¹⁾	21.8	21.7	0.1	0.5
Adjusted operating profit⁽¹⁾	15.9	15.7	0.2	1.1
Exceptional items	(12.0)	-	(12.0)	n/a
Amortisation of customer relationships	(0.1)	(0.1)	-	1.5
Operating profit	3.8	15.6	(11.8)	(75.5)
Net finance costs	(3.7)	(3.9)	0.2	5.0
Profit before tax	0.1	11.7	(11.6)	(99.2)
Income tax expense	(3.5)	(3.7)	0.2	4.2
(Loss)/profit for the period	(3.4)	8.0	(11.4)	(142.9)
(Losses)/earnings per share – basic (p)	(2.71)	6.30	(9.01)	(142.9)
Adjusted profit for the period⁽¹⁾	8.2	8.1	0.1	1.0
Adjusted earnings per share – basic (p)⁽¹⁾	6.41	6.34	0.07	1.0
Total dividend per share (p)	3.04	2.98	0.06	2.0

⁽¹⁾ Adjusted figures are stated before exceptional items, amortisation of customer relationships and tax thereon.

CONSOLIDATED BALANCE SHEET SUMMARY

	30 June 2025 £m	31 December 2024 £m
Non-current assets		
Property, plant and equipment	73.8	79.2
Intangible assets	0.5	4.6
Trade and other receivables	0.3	0.3
Deferred tax assets	6.2	4.8
	80.8	88.9
Current assets		
Inventories	69.8	67.3
Trade and other receivables	48.9	45.5
Income tax receivable	0.2	0.3
Financial assets	-	0.3
Cash and cash equivalents	17.6	18.6
	136.5	132.0
Total assets	217.3	220.9

	30 June 2025 £m	31 December 2024 £m
Non-current liabilities		
Interest-bearing loans and borrowings	87.8	83.3
Deferred tax liabilities	0.2	0.2
Provisions	1.8	1.9
Net employee defined benefit liabilities	4.5	5.1
	94.3	90.5
Current liabilities		
Trade and other payables	67.6	69.2
Interest-bearing loans and borrowings	2.5	2.2
Financial liability	0.5	-
Income tax payable	0.4	0.6
Provisions	0.7	0.8
	71.7	72.8
Total liabilities	166.0	163.3
Total equity	51.3	57.6
Total equity and liabilities	217.3	220.9

CONSOLIDATED STATEMENT OF CASH FLOW SUMMARY

	H1 2025 £m	H1 2024 £m	Movement £m
EBITDA⁽¹⁾	21.8	21.7	0.1
Gain on disposal of property, plant and equipment	(0.1)	(0.1)	-
Share-based payment charge	0.6	0.3	0.3
Working capital	(9.0)	(7.6)	(1.4)
Working capital – exceptional items	-	(2.2)	2.2
Net capital expenditure (including finance lease spend)	(3.7)	(3.1)	(0.6)
Cash flow from operations	9.6	9.0	0.6
Income tax paid	(4.8)	(4.0)	(0.8)
Net interest paid	(3.0)	(3.7)	0.7
Free cash flow	1.8	1.3	0.5
Dividends paid	(6.1)	(6.0)	(0.1)
Movements in borrowings	2.8	2.9	(0.1)
Cash outflow	(1.5)	(1.8)	0.3
Cash and cash equivalents at start of period	18.6	21.5	(2.9)
Cash outflow	(1.5)	(1.8)	0.3
Net foreign exchange difference	0.5	(0.3)	0.8
Cash and cash equivalents at end of period	17.6	19.4	(1.8)

⁽¹⁾ EBITDA is profit before interest, taxation, depreciation, amortisation and exceptional items.

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