Essentra plc

Half Year Results 2025

29 July 2025

Welcome and Overview

Scott Fawcett
CEO

ESSENTRA

Agenda

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H1 2025 summary

H1 in line with expectations, with improving momentum

- £152.4m revenue, 1.1% lower on a constant currency basis[1]
  - EMEA -4.5%, with the rate of contraction easing through Q2
  - Americas +0.7%, returning to growth in the period
  - APAC +9.5%, continuing to be supported by continued China export market growth to the rest of Asia
- Sequential revenue and new order intake improvement compared to the H2 2024 exit rate
- Adjusted[2] operating profit £16.5m, representing adjusted[2] operating margin of 10.8%
- Excellent adjusted[2] cash conversion of 106%

We remain focused on the elements within our control

- Strengthening our positions in faster growing end-markets, including energy transition and digital infrastructure
- Continuing to invest in new product developments in access hardware and sustainable plastic products
- Operational and commercial initiatives have been actioned through H1, including footprint review and pricing initiatives
- Close control of overhead costs while balancing re-investment with regional volume demand

Well-positioned to deliver enhanced shareholder value as markets improve

- Diverse footprint, with well-positioned supply chains, providing flexibility to adjust demand where appropriate
- Strong balance sheet providing optionality for growth, including bolt-on acquisition opportunities

1. *Like-for-like excluding the impacts of foreign exchange*
2. *On a continuing operations basis, before amortisation of acquired intangible assets and adjusting items*

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Financial performance

Rowan Baker
CFO

Financial performance

Total revenue	£152.4m	H1 2024: £159.7m
Adjusted[1] operating profit	£16.5m	H1 2024: £21.8m
Adjusted[1] operating margin	10.8%	H1 2024: 13.7%
Adjusted[1] Earnings per Share	3.4p	H1 2024: 4.6p
Adjusted[1] operating cash conversion	105.5%	H1 2024: 80.3%
Net debt to adjusted EBITDA[1,2]	1.5x	H1 2024: 1.1x
Return On Invested Capital	9.3%	H1 2024: 11.5%
Interim dividend per share	0.8p	H1 2024: 1.25p

Numbers presented on a reported basis

1. *On a continuing operations basis, before amortisation of acquired intangible assets and adjusting items*
2. *Presented excluding lease liabilities*

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Income statement

- Gross margin dilution in H1 in line with expectations, led by volume, geographic sales mix and Turkish inflation
- Cost control remains disciplined and under regular review in line with volumes
- Margin improvement in H2 expected to be driven by specific commercial and operational initiatives actioned in the first half including a review of our footprint and enhanced pricing initiatives
- Reduction in 2025 HY effective tax rate due to provision release

£m	2025 H1	2024 H1	Constant currency
Revenue	**152.4**	**159.7**	**(1.1)%**
Gross profit	66.5	74.1	(7.5%)
Gross margin	***43.6%***	***46.4%***	***(300) bps***
Adjusted operating profit[1]	**16.5**	**21.8**	**(19.8)%**
Adjusted operating profit margin	*10.8%*	*13.7%*	*(250) bps*
Net finance expense	(4.0)	(4.1)	
Adjusted profit before tax[1]	12.5	17.7	(25.0%)
Effective tax rate	*22.4%*	*25.7%*	
Adjusted basic EPS[1]	3.4p	4.6p	(21.8%)

1. *Adjusted to exclude intangible amortisation of £5.5m and an adjusting items pre-tax charge of £5.7m along with associated tax impact*

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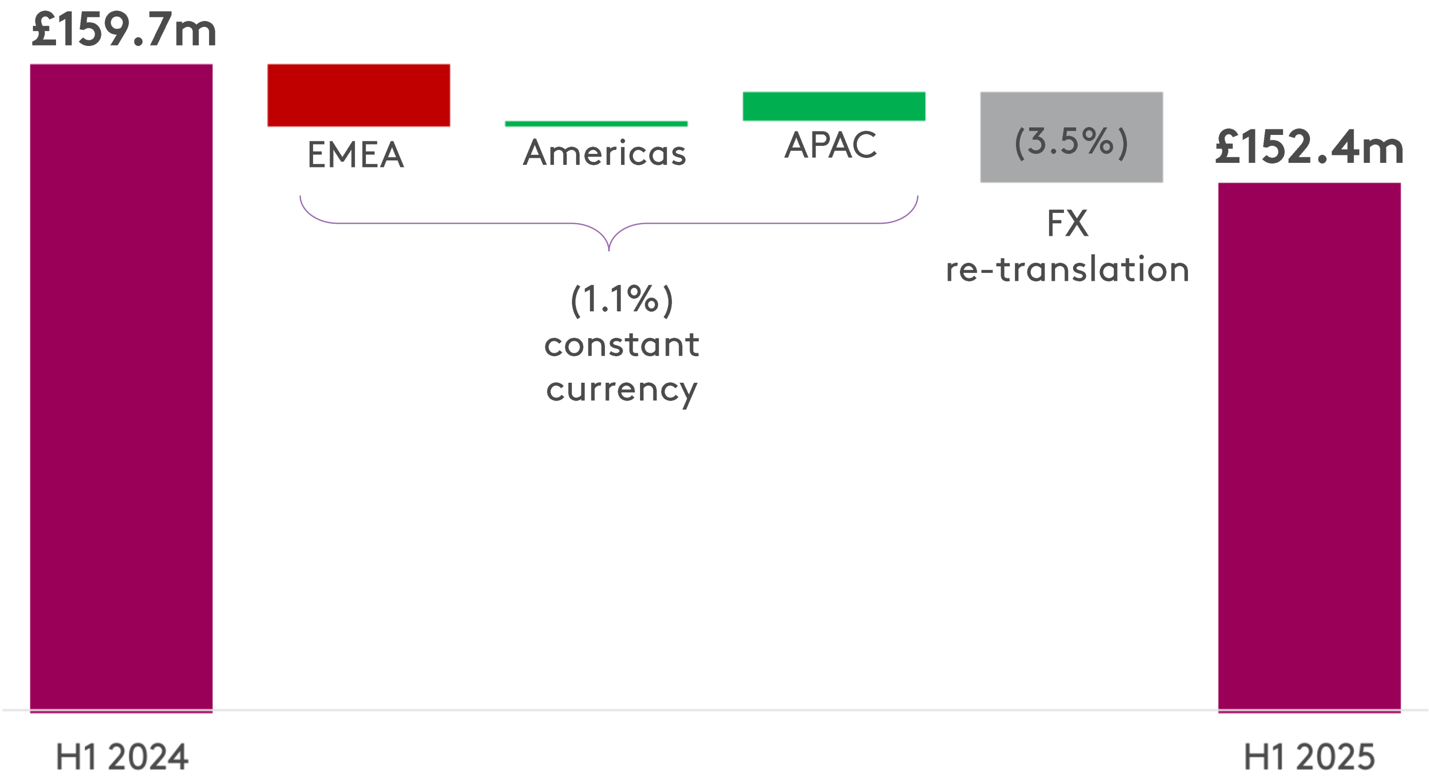
Revenue bridge

- -1.1% constant currency[1] revenue decline:
  - EMEA -4.5%
  - Americas +0.7%
  - APAC +9.5%
- Movements mainly volume led, with pricing improving through Q2
- Sequential improvement compared to the H2 2024 exit rate, with further momentum from Q1 2025 into Q2
- Strong H1 2024 comparatives, set to ease through H2



1. *Like-for-like excluding the impacts of foreign exchange*

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Adjusting items

- £4.9m SaaS costs incurred, in line with guidance, primarily in relation to ERP deployment
- £0.8m defined pension legacy scheme charges

	H1 2025	H1 2024
	£m	£m
Software as a Service ("SaaS")	4.9	4.8
Relating to acquisitions, disposals and restructuring	0.5	1.1
Defined benefit pension scheme charges[1]	0.8	0.8
Other[2]	(0.5)	1.1
Total	**5.7**	**7.8**

1. *Defined benefit pension scheme charges which no longer pertain to the continuing operations of the Group*
2. *Release of provisions associated with property and historic indemnity*

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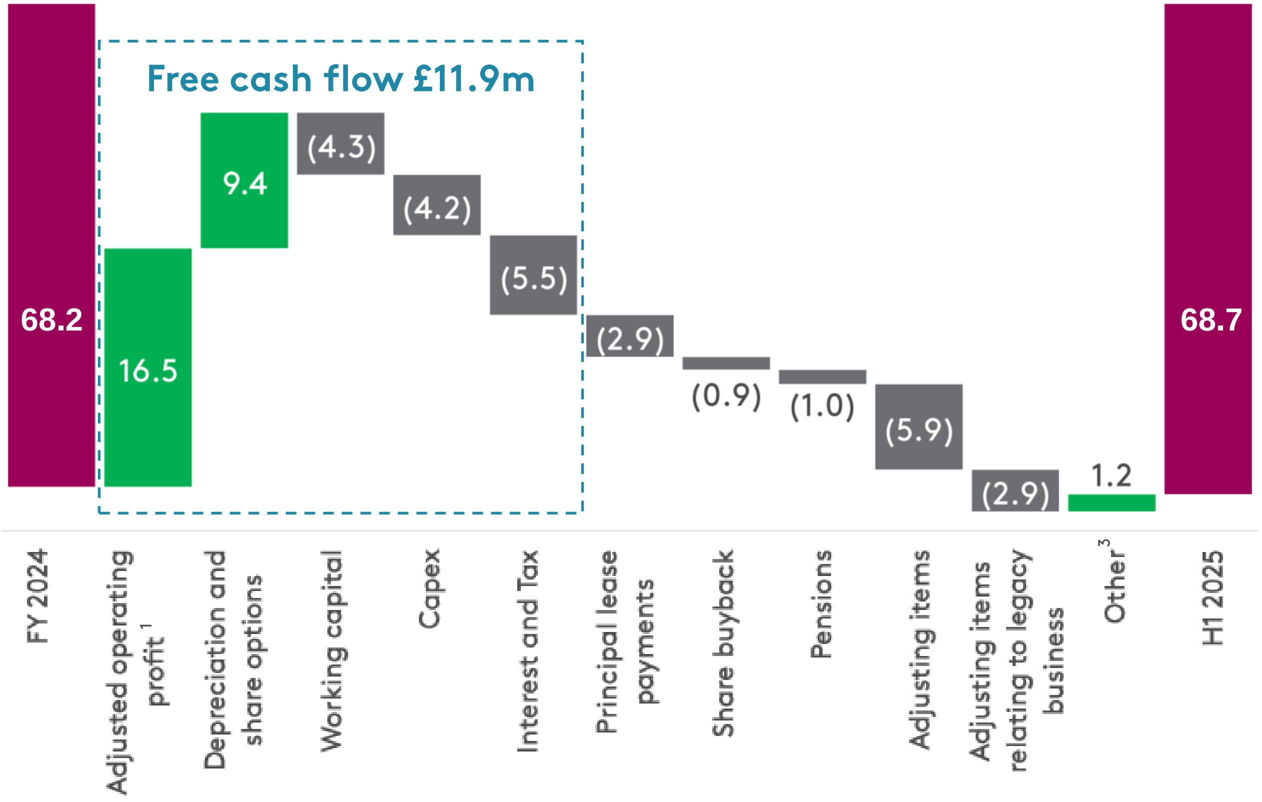
Adjusted free cash flow and net debt

- Adjusted[1] free cash flow of £11.9m
  - 106% adjusted[1] operating cash conversion (85% target)
  - Capex 3% of sales
- Strong balance sheet with funding headroom
  - Net debt of £68.7m, leverage of 1.5x[2]
  - £37.3m of £200m RCF drawn
  - RCF +1 year extension exercised, securing funding to 2030 on the same terms
- Additional cash inflows expected in H2
  - Ongoing improved profitability
  - Final tranche of deferred consideration from Filters transaction
  - Proceeds from facility asset sales, including legacy business property

Net debt bridge to 30 June 2025[2]



1. *Adjusted to exclude amortisation of acquired intangible assets and adjusting items*
2. *Presented excluding lease liabilities*
3. *Movement in loan hedging derivatives, pre-paid facility fees and foreign exchange*

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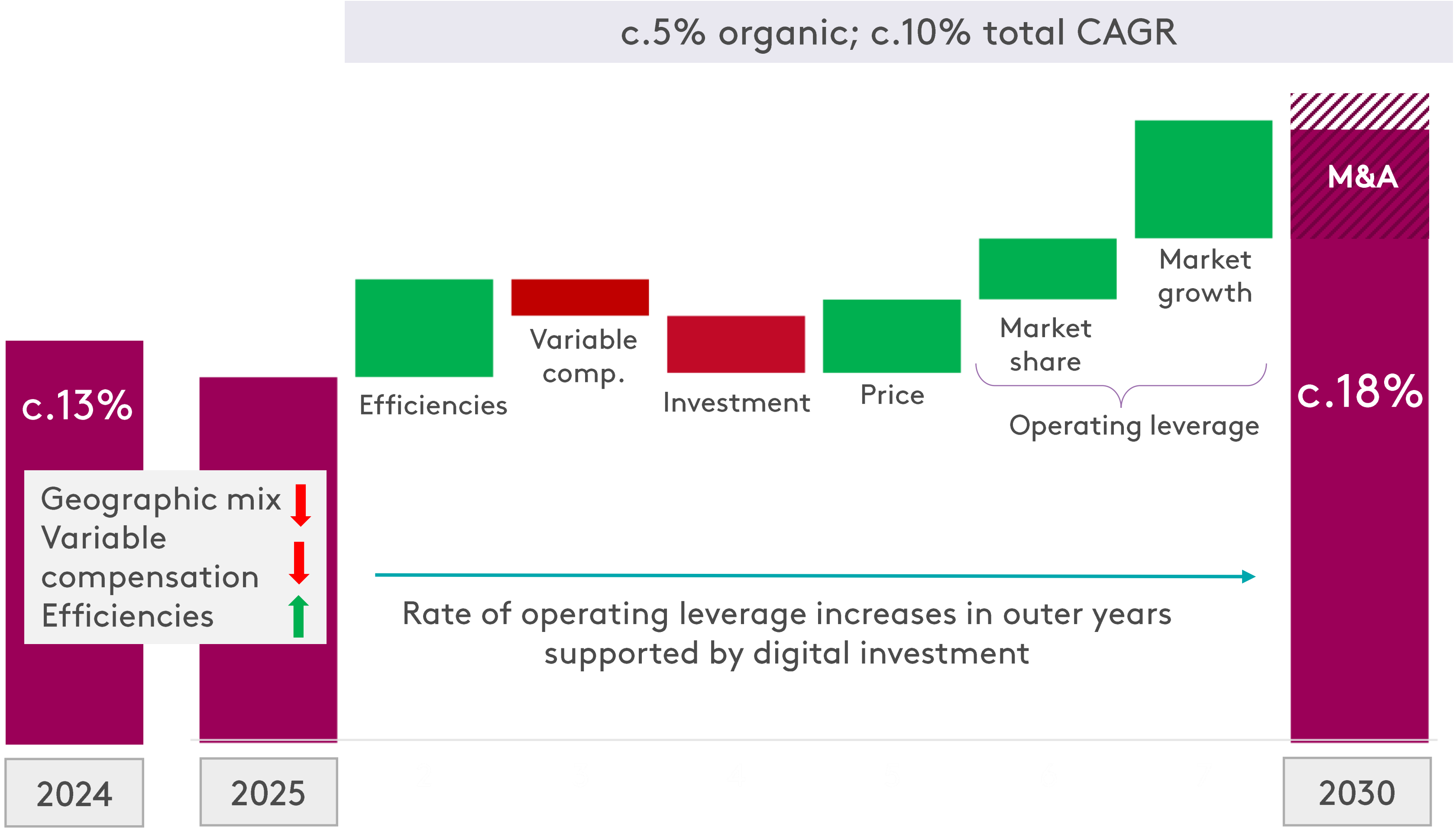
Medium term c.18% adjusted operating margin target

- Pricing discipline offsetting inflation
- Enhanced operating leverage and scale through focus on footprint, product and end-markets
- Efficiencies include procurement, automation and benefits from digital investment
- Market recovery will drive stronger returns and improved operating leverage



Regional update

Scott Fawcett
CEO

EMEA

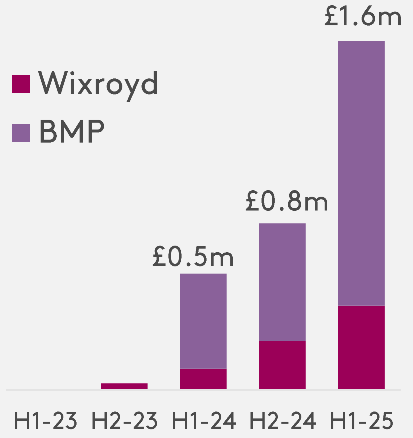
Signs of improvement in market conditions

- Revenue -4.5% constant currency compared to the prior year
- Year on year new order growth, supporting momentum at the start of H2
- Strength in access hardware (led by Turkey) serving faster growing end-markets including energy transformation and digital infrastructure
- Adding manufacturing resource in Turkey and BMP TAPPI in response to improving demand driven by cross-sell
- ERP deployment on track. Four ERP deployments have taken place in 2025 to date
- Temporary margin dilution to 48.7% due to volume, geographic sales mix, Turkish inflation and short-term investment in service
- H2 volumes remaining consistent with levels seen in Q2 alongside enhanced pricing initiatives will support margin accretion and revenue growth in the second half of the year

	H1 2025	H2 2024	H1 2024
Revenue	82.0	73.9	89.4
Gross Profit	39.9	36.8	47.2
Gross Margin %	48.7%	49.8%	52.8%

Numbers presented on a reported basis

Executing cross-sell from new product launches via M&A



- Strong acceleration of revenue from new business
- Wixroyd success in Europe across machine and automation
- BMP TAPPI success expanding the protection product range, including our sustainable product offering

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Americas

Improving opportunity pipeline and customer activity levels. Focus on gaining market share

- Revenue +0.7% constant currency compared to the prior year, supported by pricing initiatives
- Stabilisation within the wider industrial environment, including growth in distributor end-channels
- Well-positioned to respond to tariffs, demonstrating resilience and also gaining new business
- A targeted approach to sales price increases in response to the tariff environment and cost inflation, particularly through Q2
- Closure of Costa Rica site and transfer of operations to Mexico facility, well positioned to support current and future regional demand with improved lead-times
- Further gross margin accretion anticipated through H2, supported by operational leverage, footprint efficiencies and full benefit of pricing actions taken in H1

	H1 2025	H2 2024	H1 2024
Revenue	50.0	47.5	51.3
Gross Profit	19.4	18.5	19.5
Gross Margin %	38.8%	38.9%	38.0%

Numbers presented on a reported basis

Driving efficiencies through manufacturing investment

- $1.3m investment in Erie to upgrade dip mould manufacturing capability
- Expected to drive efficiencies with increased capacity and utilisation with newer technologies
- Waste reduction and energy costs, supporting sustainability agenda

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APAC

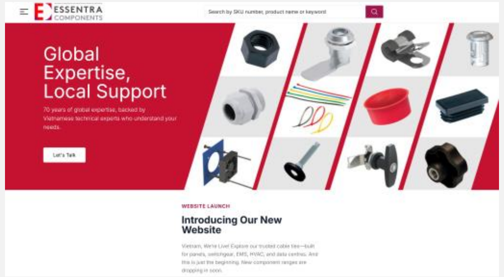
China export market to rest of the APAC region continues to drive growth

- Revenue +9.5% constant currency compared to the prior year
- Mixed domestic market in China; growth continues to be led by the export market to the rest of the APAC region
- Access hardware product range and higher growth end-markets such as renewable energy and telecoms remain strong
- Investment in South East Asia, including launch of new Vietnamese website and enhancement of service proposition in Thailand
- Operating model and go to market approach in Japan reviewed to achieve greater commercial reach
- Temporary margin dilution through H1 due to mix of customer projects manufactured in China. A number of higher margin projects remain in the pipeline, with footprint efficiencies and pricing initiatives expected to drive margin accretion in H2

	H1 2025	H2 2024	H1 2024
Revenue	20.4	21.3	19.0
Gross Profit	7.2	7.7	7.4
Gross Margin %	35.3%	36.2%	38.9%

Numbers presented on a reported basis

Improving our route to market through investment in digital



- Brand new site for the Vietnamese market.
- Built on a new technology stack, trialling new product taxonomy and user interface
- Modernising Essentra's digital capabilities which will continue through H2

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Strategic update

Driving growth through market focus and targeted strategic investment

Our **strong balance sheet enables disciplined investment** in future growth through:

- New product introductions
- Sustainable products
- Digital, sales and marketing
- New products via acquisitions

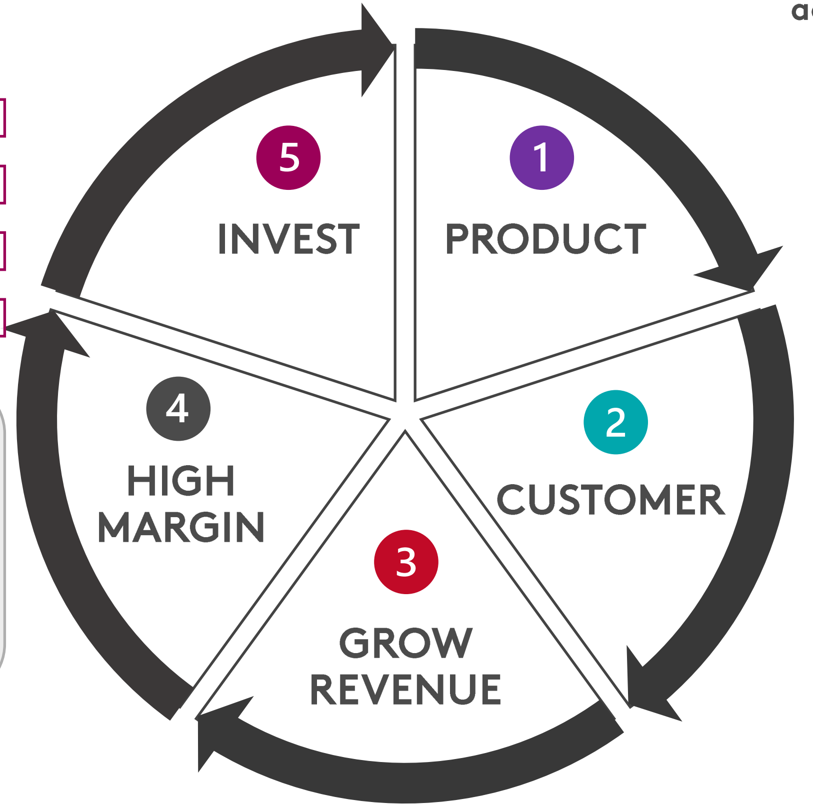
HIGH TRANSACTIONS

HIGH MIX

HIGH MARGIN

HIGH CASH CONVERSION

c.64k Customers	c.500k Orders
c.70k Products	c.£500 AOV



Breadth and depth of product expertise across low-cost components:

- Protection
- Electronics hardware
- Fastening solutions
- Access hardware
- Machine & automation

In a market of millions of potential **customers,** Essentra focuses on **five customer sectors:**

- Digital infrastructure
- Specialist vehicles
- Energy transformation
- Defence
- Equipment machine building

We **grow revenue** through:

- **Winning** customers through deep product expertise in one category
- **Growing** customers by cross selling across our product categories
- Keeping customers by being **hassle-free**

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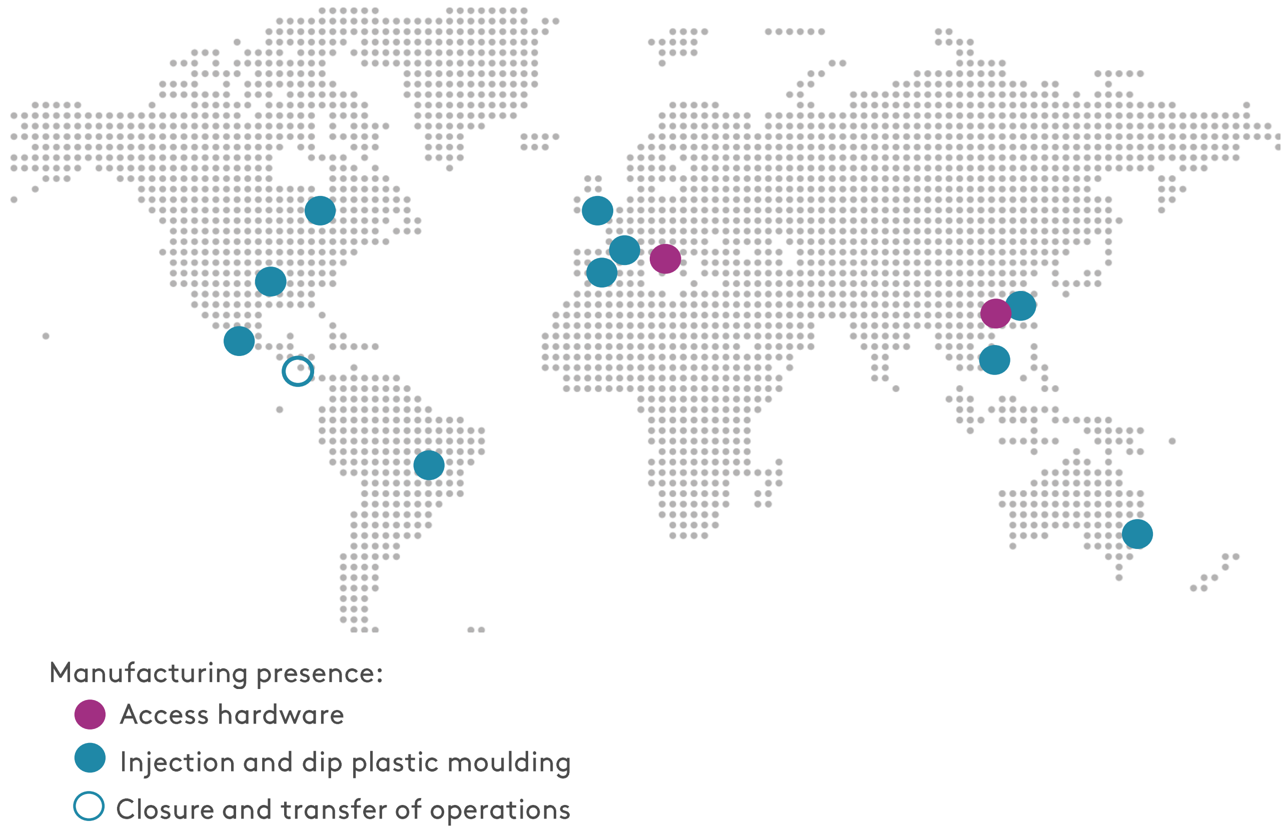
A diverse footprint with well-positioned supply chains

- Predominantly local-for-local manufacturing and distribution model with a regional management structure
- Diverse footprint and well-positioned supply chains against a tariff backdrop
- We continued to assess our footprint and optimise our operations in H1
  - Closure of Japan facility and review of go to market approach
  - Closure of operations in Costa Rica and transfer to Mexico
- We retain capacity and remain well-positioned to take advantage of market recoveries when they occur

~90% of Americas and EMEA manufactured products are sold in region

~60% of China manufactured products are sold in region



Sustainability focus is enhancing our proposition

We continue to innovate and develop relationships with our customers to identify new commercial opportunities

- The sustainability Centre of Excellence continues to drive the development of new and more sustainable products
- We continue to explore more innovative materials such as bio-based alternatives to conventional polymers. 43 new trials have been completed in 2025 so far (2024 FY: 46)
- First 100% post-consumer recycled content range launched including c.1,000 products within the general protection product category

We are focusing on renewable energy and energy saving initiatives across the manufacturing footprint

- Percentage of materials from sustainable sources across manufactured polymer ranges increased to 20% in H1 2025, from 18% at the end of 2024
- On track to hit 2030 SBTi target of 50% reduction in scope 1 and 2 emissions by end of 2025

ESG Ratings

CDP 2024:

- A- Climate Change
- B Water Security
- B- Forests

CDP Discloser 2024

Ecovardis: Gold

GOLD | Top 5%
ecovadis
Sustainability Rating
JUL 2025

MSCI: AA

MSCI ESG RATINGS
AA

CCC	B	BB	BBB	A	AA	AAA

Sustainalytics: Medium

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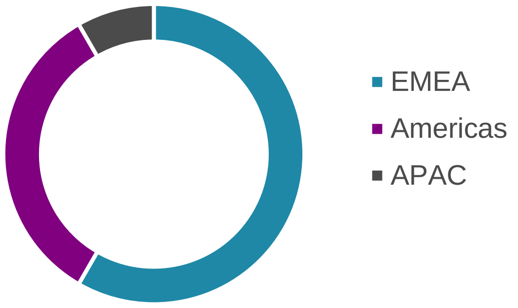
We maintain an active pipeline of value-enhancing M&A

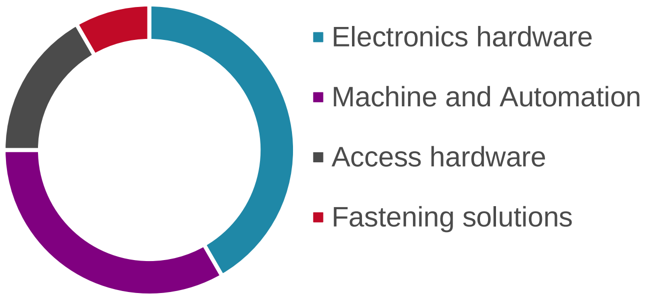
- We continue to apply a disciplined approach to assessing inorganic opportunities
- Focus on expanding our product offering and targeting new product capabilities
- ESG considerations increasingly included within selection process
- Rigorous financial framework, seeking a post-synergy hurdle ROIC of >15% by year 3
- Targeting to buy at 6-9x EBITDA for bolt-on acquisitions, improving to 4-7x EBITDA after synergies

> 100 on radar	> 50 relationships	> 25 focused priorities	Up to 4 active conversations *(75:25 bilateral v process)*

Focused priorities by geography



Focused priorities by product expertise



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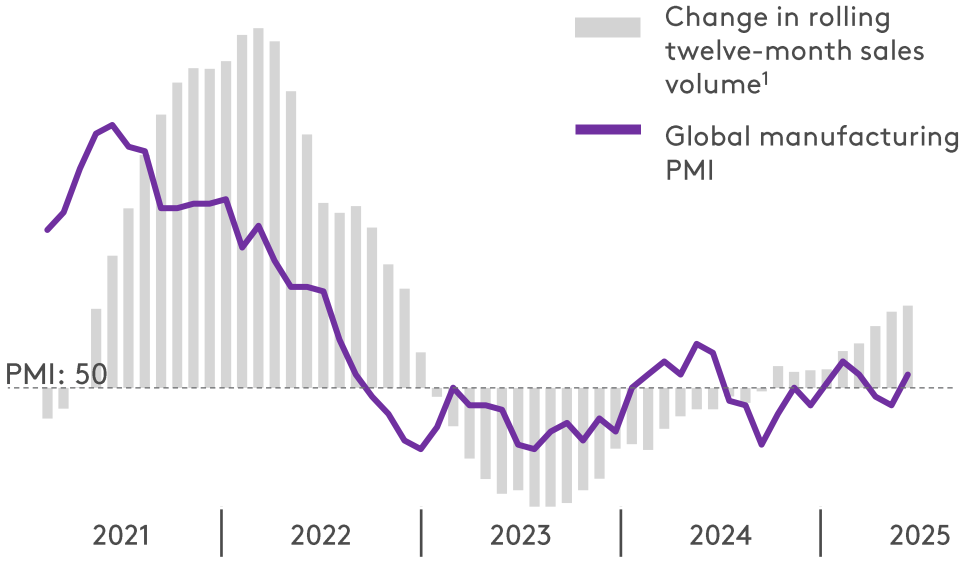
Outlook

Signs of improvement, whilst operating in mixed market conditions

Underlying volume trends remain closely correlated with PMI

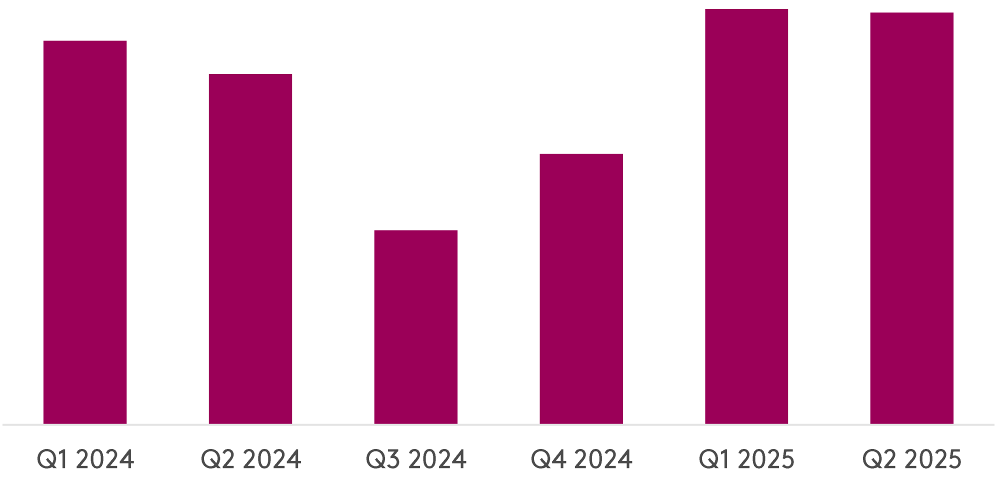
Sales volume[1] and PMI correlation



We have a wide range of product capabilities and end-customers, increasing our exposure to high growth markets and reducing cyclicality over time

Daily order intake improving across all three regions

Orders per working day



Improved new order intake year on year, with momentum compared to the 2024 exit rate as we head into the second half

1. Internal metric. Volume defined as: same customers, buying the same products. Excluding price, new customers, and new product sales.

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2025 outlook

The Board's expectations remain unchanged

- The group has traded as anticipated through H1
- Management retains its cautious approach to growth in 2025 given the mixed trading environment
- H2 margin expansion supported by
  - Maintenance of Q2 exit volumes
  - Enhanced pricing initiatives
  - Footprint efficiencies and optimisation of go-to market strategies

- We remain committed to our medium-term targets

We remain focused on market share growth, delivering on the elements that remain within our control

- Unique manufacturing and distribution business model
- Predominantly local-for-local footprint, with capacity to support growth and provide flexibility to take advantage of global trade dynamics
- Driving operational excellence to ensure customers receive enhanced levels of service
- Optimising and delivering efficiencies to support operating leverage and margins
- Increasing our product offering in faster growing end-markets, including investing selectively in bolt-on M&A, with attractive returns

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Q&A

Essentra plc

Half Year Results 2025

29 July 2025

Appendices

Strong business model supporting delivery of medium-term targets

- Supplier of low cost but essential components, where service is the key customer purchasing criteria
- History of organic & inorganic growth resulting in diverse customer, product and geographic mix
- Uniquely consolidating 5 different product categories into a single proposition
- Manufacture 2/3^{rds} of the product offer delivering strong product expertise and flexibility
- Established supply chain serving OEM customers directly with high levels of customer service (2024 NPS 43)
- Highly engaged workforce delivering customer satisfaction
- Combination of manufacturing and direct to customer service enables strong and resilient margin and cash performance
- <5% market share in a highly fragmented market, considerable opportunity for further value-added acquisitions

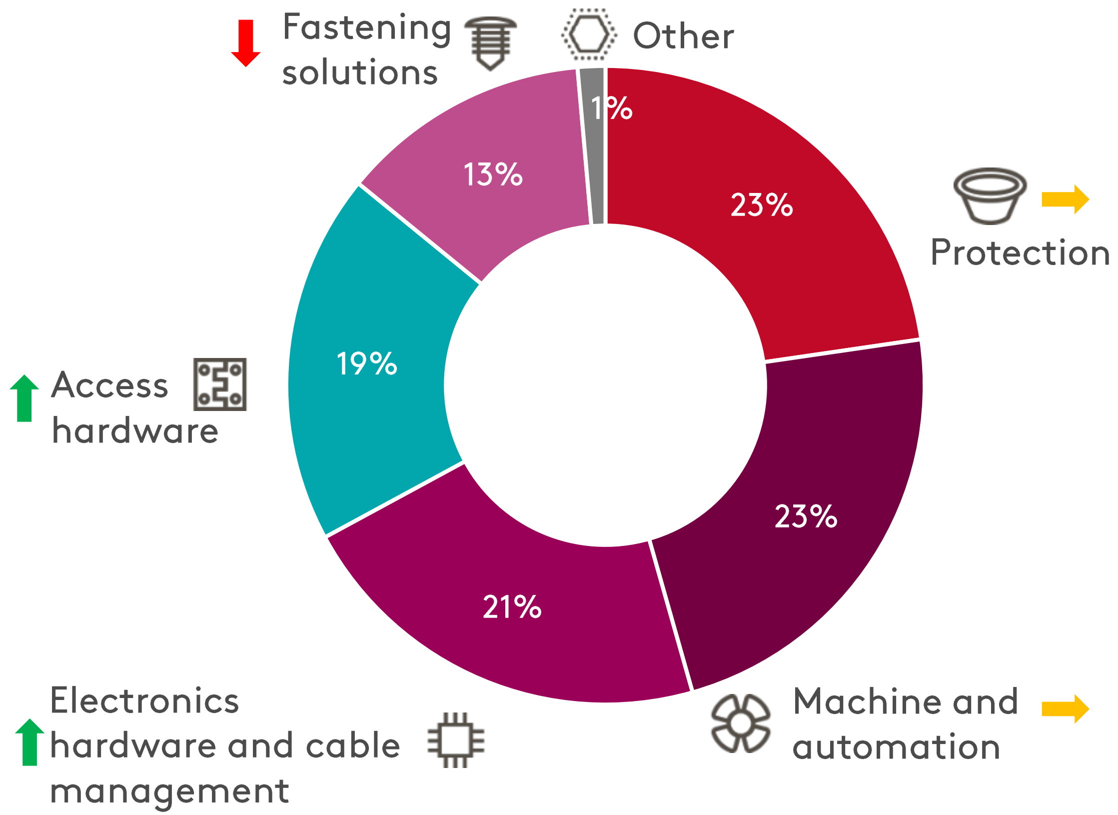
- Revenue Growth c.5% organic (c.10% including M&A)
- Adjusted operating profit margin c.18%
- Cash conversion > 85%
- Leverage < 1.5x [1]
- ROIC > 15%
- Maintain dividend cover in the order of 3.0x adjusted earnings

Note:
1. Excluding IFRS-16 lease liabilities

Product expertise across diverse industries

We uniquely bring together a wide range of product capabilities, which enables us to serve a wide range of end-customer markets

- We continue to focus on customer sectors where we can gain market share
- Growth of access hardware, targeting growth markets such as energy transition and automation
- Protection products focus on increasing the use of more sustainable raw materials
- Unlocking cross-selling opportunities across categories



ESG Framework

Our Planet

Planet

Driving resource and energy efficiency, reducing emissions and embracing renewables

Our Culture

Culture

A safe, supportive work environment that champions equality and celebrates diversity

Our Communities

Communities

Working with suppliers to ensure ethical practices and contribute to equitable economies

Volunteering our time and supporting good causes

Our Components

Components

Developing innovative products using renewables, recyclables, reusables and biodegradables

Our Customers

Customers

Providing a hassle-free service that helps customers achieve their sustainability goals

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A clear capital allocation policy

Organic

- Capital investment remains core to strategic growth
- Capex to be maintained between 4 – 5% of sales

Innovation

- Sustainable new product development and propositions
- Digitalising the customer experience

Acquisitions

- Strong pipeline of potential acquisitions
- Addition of product adjacencies enables higher organic growth through cross-sell

Shareholder returns

- Committed to maintaining dividend cover in the order of three times adjusted earnings
- The pace of the share buyback programme deployment is dependent on other capital allocation opportunities, particularly the availability of earnings accretive M&A

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Income Statement – Reported basis

	H1 2025 £m	H1 2024 £m
Adjusted operating profit	16.5	21.8
Intangible amortisation of acquired assets	(5.5)	(5.9)
Adjusting items	(5.7)	(7.8)
Reported operating profit	**5.3**	**8.1**
Net finance charge	(4.0)	(4.1)
Profit before tax	**1.3**	**4.0**
Taxation expense	(1.0)	(1.5)
Net income	**0.3**	**2.5**
Net loss from discontinued operations	-	(1.2)
Profit for the period	**0.3**	**1.3**

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Banking facilities

- £200.0m Revolving Credit Facility ("RCF"), £37.2m drawn 30 June 2025
- $102.5m of long dated US Private Placement debt (“USPP”) with an average coupon rate of 3.8%

Type	Amount	Interest Rate	Maturity
RCF	£200.00m	Floating	July 2030
USPP	$32.80m	3.62%	July 2028
USPP	$34.85m	3.90%	July 2031
USPP	$34.85m	4.00%	July 2033

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