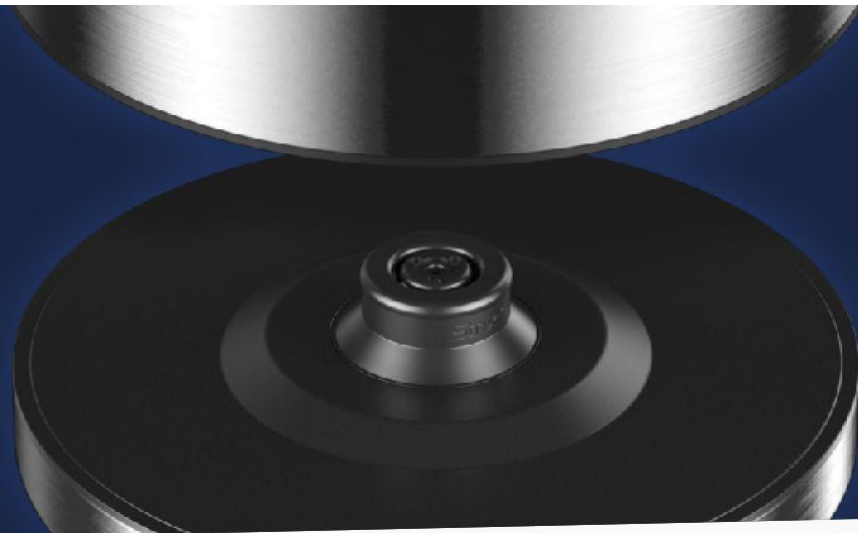


Strix Group Plc

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**INVESTOR PRESENTATION
INTERIM RESULTS 2018**

The Journey of Strix

Key history and development

Our history

Strix was established in 1982 on the Isle of Man and was initially focused on designing and manufacturing thermostatic controls for small domestic appliances. Strix developed and patented what would become key kettle safety control products, which led to it gaining significant market shares and becoming the leading global manufacturer of safety controls for kettles.



A brief history of Strix
During the Second World War, Eric Taylor, the company's founder, developed heated flights suits for the Royal Air Force which were electrically powered. In order to manage the risk of temperature regulation, Eric invented a bi-metal thermostat which was incorporated into the flight suit - the foundation of the modern kettle control.

In 1981, Eric's son, Dr John C Taylor, renamed the company, previously

Castletown Thermostats, to "Strix". Strix reached out to new markets outside of the UK and increased its presence on the Isle of Man by building its engineering and development centre on the island, as well as part of its key manufacturing facilities, which remain on the island to this day.

The Group reached a significant milestone by selling its 2 billionth control in November 2017 which is a demonstration of the quality of our products and our service.

Highlights



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Highlights



Solid trading performance in line with market expectations

- Revenues up 1.5% (c.4% on a constant currency basis) and Adjusted EBITDA up 4.3%
- Gross Profit increased by 3.5% to £16.3m versus H1 2017



Continued strong cash flow and improved net debt position

- Cash conversion at 97%, with net cash generated from operating activities at £15.2m due to working capital movements
- Net debt reduced from £51.9m to £37.9m since IPO



Delivered significant growth in Aqua Optima

- Share of UK market by value in H1 2018 has grown to >20% (including private-label sales)
- Delivered on major contracts with UK retailers



Maintained global market share of c.38% in kettle controls

- Market growth a consolidated 6% in H1 2018 versus 5% in H1 2017
- Strong growth achieved within USA, a market that has grown by more than 20%



Successful launch of U9 series of controls

- Over 70 U9 series projects undertaken since launch
- Over 1.1m U9 series products produced to 30 June 2018 with positive feedback from Brands and Retailers



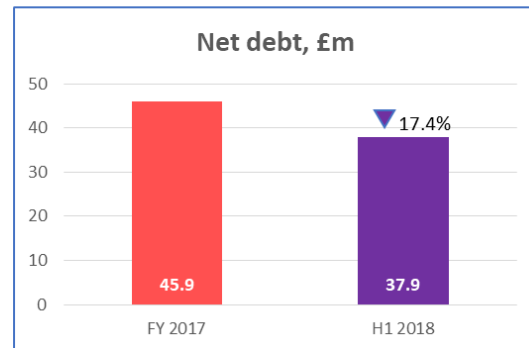
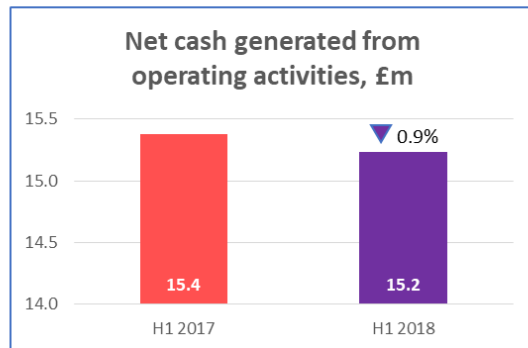
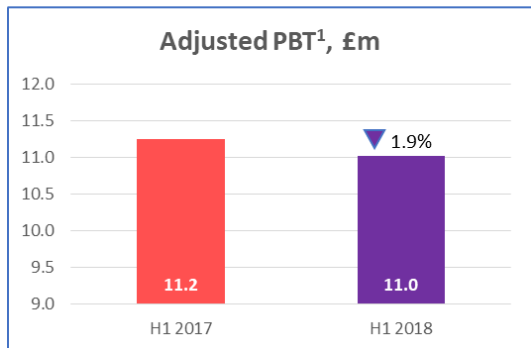
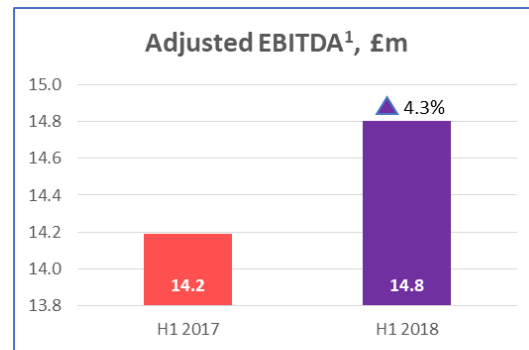
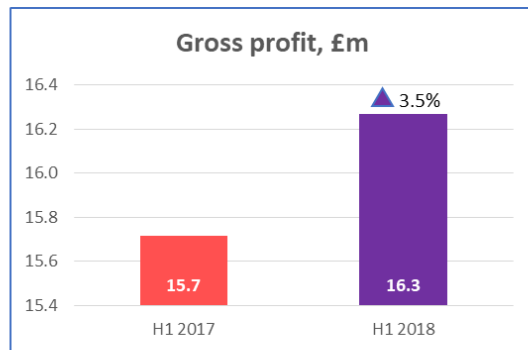
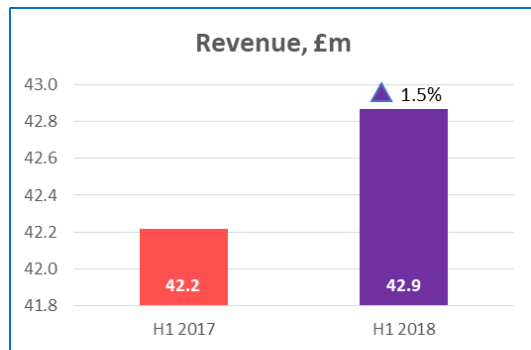
Financial Review



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Financial Highlights



Note:

¹Adjusted results exclude exceptional items which includes share based payment costs, is a non-GAAP metric used by management and is not an IFRS disclosure.



Profit and Loss Summary

£m	H1 2018	H1 2017	% Change ³
Revenue	42.9	42.2	+1.5%
Gross profit	16.3	15.7	+3.5%
Other operating costs - before exceptional	(4.5)	(4.7)	+3.5%
Other operating costs - after exceptional	(6.9)	(5.6)	-23.3%
Adjusted EBITDA ¹	14.8	14.2	+4.3%
Adjusted PBT ¹	11.0	11.2	-1.9%
Adjusted PAT ¹	10.6	11.0	-3.5%
Net debt ²	37.9	n/a	n/a
Adjusted diluted EPS ^{1,2}	5.3p	n/a	n/a

¹ Adjusted results exclude exceptional items, which include share based payment transactions. Adjusted results are non-GAAP metrics used by management and are not an IFRS disclosure.

² H1 2017 EPS and net debt are not comparable, being pre IPO when a different capital structure was in place.

³ Figures are calculated from the full numbers as presented in the condensed consolidated financial statements.



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Cash Flow

£m	H1 2018	H1 2017
Adjusted EBITDA ¹	14.8	14.2
<i>Inventories</i>	<i>(1.0)</i>	<i>(0.6)</i>
<i>Trade and other receivables</i>	<i>(0.8)</i>	<i>0.3</i>
<i>Trade and other payables</i>	<i>2.3</i>	<i>2.7</i>
Net changes in working capital	0.5	2.4
Exceptional and other	0.2	(0.9)
Capex	(2.6)	(2.5)
Capitalised development costs	(0.9)	(0.8)
Operating cash flow (OCF)²	12.0	12.4
OCF / EBITDA %	97.0%	93.8%
Free cash flow (FCF)³	11.5	12.1

Notes:

¹ Before exceptional costs

² OCF is defined as: 'Cash generated from operating activities' less 'Net cash used in investing activities'

³ FCF is calculated as: OCF less 'Net interest' and 'Tax paid'

Commentary:

- **Inventory:** £1.0m outflow (H1 2017: £0.6m outflow) linked to business phasing and holding of price-sensitive raw materials.
- **Receivables:** £0.8m outflow (H1 2017: £0.3m inflow) increase in receivables resulting from improved trading in both Aqua Optima and kettle controls. DSO remains low at c.20 days.
- **Payables:** £2.3m inflow (H1 2017: £2.7m inflow) due to higher trading activity.
- **Capital expenditure:** £2.6m (H1 2017: £2.5m) due to continued investment in new capacity and automation.
- **OCF to EBITDA ratio:** conversion was 97.0%, an increase on H1 2017.
- **FCF:** decrease due to interest not being reported in H1 2017 as a result of reorganisation on IPO, plus lower working capital increase.



Net Debt

Net debt at 30 June 2018

£37.9m

£45.9m at 31 December 2017

Revolving credit facility

£55.0m

with facility termination date of July 2022

ND/EBITDA ratio at 30 June

1.1x

1.3x at 31 December 2017

RCF balance at 30 June 2018

£48.0m

£56.0m at 31 December 2017

Facility headroom at 30 June 2018

£7.0m

available to draw down if required

Bank covenant requirement – ND/EBITDA ratio

<2.5x

for 12m period ending 30 June 2018



Progress Update

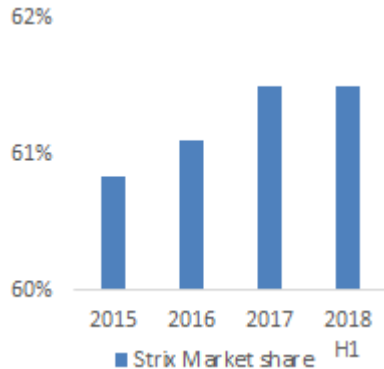


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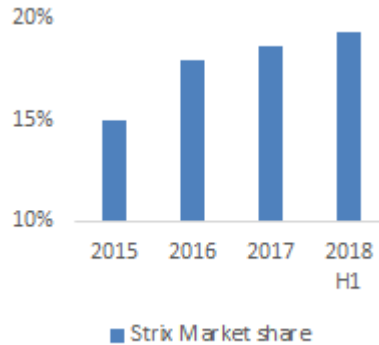
Strix maintains 38% share in H1 2018

REGULATED



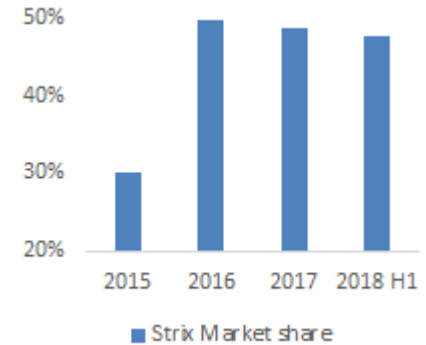
- Market growth slightly softened to 3% from 5% in 2017 but remains well ahead of the 5 year CAGR
- Strix share consolidated at 61%
 - Strix continued to perform strongly in North America through both internet and traditional retailers and brands, with share >70%
 - Strix Regulated share adversely impacted by slow UK performance where Strix retains a strong share of >70%

LESS REGULATED



- Market growth slightly softened to 8% from 12% in 2017
- Strix share was slightly up at 19%
 - Key gain was c.2% increase in CIS share to >10% following launch of U92
 - Strix share continued to consolidate in South America. There has been further tightening of inspection criteria in Chile increasing the barrier to entry for low quality competitors

CHINA

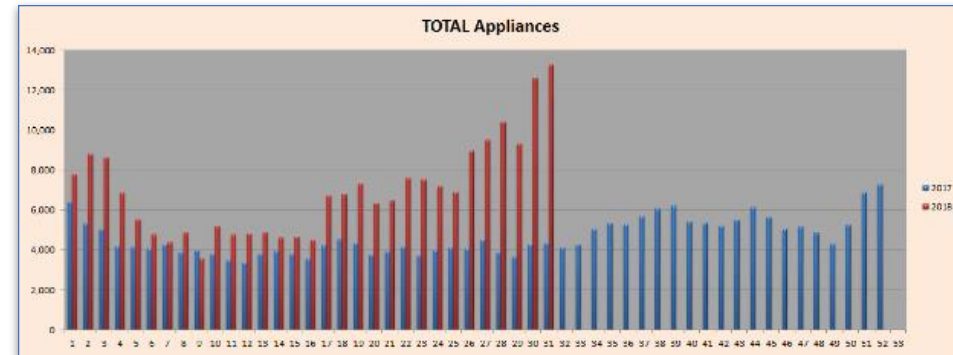
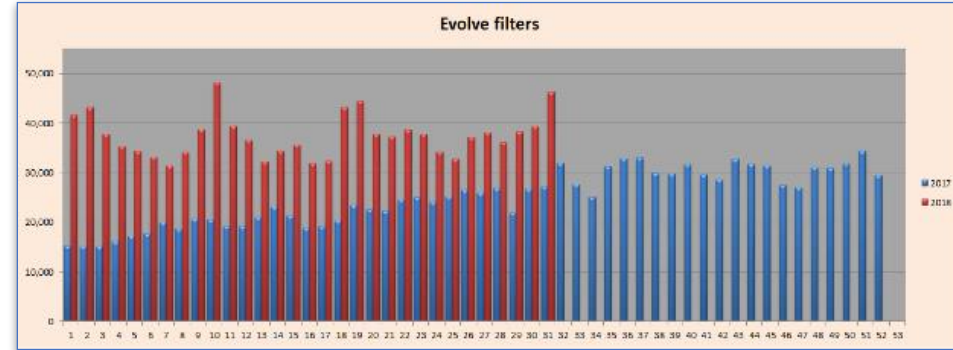


- Market growth recovered to 6% from -6% in 2017
- Strix share broadly static at 48%
 - Share reduction due to loss of one appliance H1 2017 at one of the traditional "top 3" brands. Strix share slightly improved at the remaining "top 3" brands, and a key emerging brand continues to post strong growth
 - Launch of new EK control in H2 will secure incremental volume within the multi-cooker category following IP actions



Progress Update: Aqua Optima

- Aqua Optima total H1 value share of the UK market has grown to >20% in a market of c.£63m.
- Aqua Optima own brand now has 8.7% of the UK market, from <4% in 2016.
- Tracked volume sales of the Aqua Optima Evolve filter during the same period have grown 76% vs PY and Aqua Optima appliances 68%.
- Aqua Optima to create a clear 'Good/Better/Best' category hierarchy.
- All Aqua Optima private-label uses Strix's patented bayonet filter technology.



Source: UK GFK 2018

Growth Strategy

“Shaping a safer future in the design and supply of innovative hot water and filtration systems which provide enhanced convenience and functionality to the global consumer”



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Business Strategy

Performance

Metrics: Global dashboard aligned to improvements in EE and / or EPS
Certification: ISO 14001, 9001 and 45001; OHSAS 18001; IEC17025 plus relevant ongoing product approvals
Customer: Regular internal and external customer surveys to ensure continuous improvement and customer focus
Efficiency: Continued automation of operations to maximize efficiency and quality
Costs: Further cost reductions on core product whilst maintaining “Best in Class” position through new technologies / materials

Product

Regulated: Defend existing share. Gain incremental share from competitors using U9 series. Maintain >60% share
Less Regulated: Target high end copyists with U92. Target share >35%
China: Defend existing share with U91. Target multi-cookers with new EK control. Maintain >50%

Aqua Optima: Launch Chiller within UK and Europe. Launch portfolio in China including new PnP filter. Grow UK share >30%

HWOD: Launch range of HWOD demand products to increase value of appliances within regulated market
 Launch additional products in profitable baby segment with focus on expansion into additional territories, including China, Europe and USA

Acquisition: Initially target small acquisition(s) within SDA sector in either filtration, heating technologies or coffee segment
 Acquisition(s) to be funded from existing resources whilst maintaining stated dividend policy

Process

Global: Re-engineer to ensure aligned to global needs, systems and legislation in order to realise opportunity costs
IT: Implement new ERP, CRM and business processes to allow for internal and external synergies to be realised
Compliance: Constant evaluation of existing and new legal and financial regulations to ensure full compliance

People

Recruit the best: Strategic recruitment to broaden senior management and engineering bench strength
Reward the best: Implement reward strategy designed to encourage optimal performance through personal ownership of focused operational, strategic and behavioural metrics
Retain the best: Improved PMP process to encourage career development through focused training and development initiatives, aligned to future growth objectives and customer concentricity. Dynamic, strategic succession planning

Building a
Culture of
Achievement
driving
shareholder
value
through
EPS & EE

Key:

SDA: Small domestic appliances



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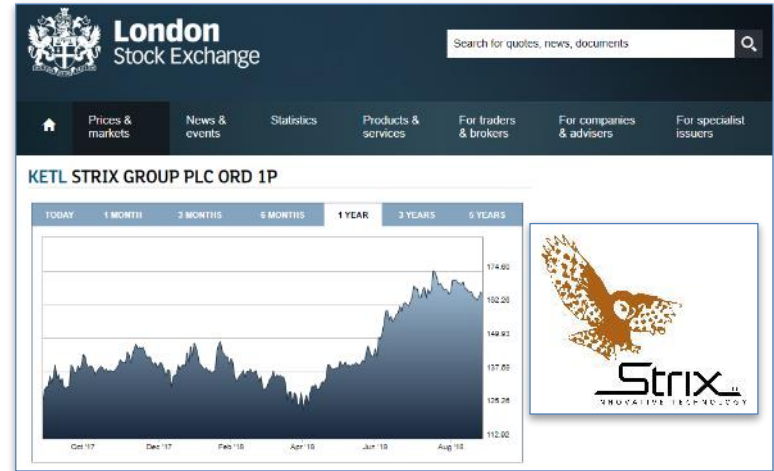
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Current Trading and Outlook



Future Strategy and Outlook

- NPD focus on HWoD and baby sector. New EK control to launch H2 2018.
- Aqua Optima launch in China in H2 2018 with new Chiller to launch in H1 2019. Recycling initiative to be launched in H1.
- Key commodities secured for remainder of 2018 in line with purchasing policy.
- Assessing options regarding relocation of our manufacturing operations in China - anticipated total cost of relocation in the region of £15 million, to be funded from existing resources.
- Continue to examine acquisition opportunities in the SDA sector, to be funded from existing resources.
- Management remain confident of achieving full year market expectations given current trading.



Key:
SDA: Small domestic appliances



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Appendices



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Board of Directors

Highly experienced Board

Mark Bartlett – Chief Executive Officer

BACKGROUND:

- Joined in 2006 as Sales Director, then became CCO and progressed through to CEO in 2015.
- Leads the Group, setting the strategic direction and policy and works closely with the leadership team to translate Strix's strategy into tangible results.
- Experience in senior management positions at engineering and manufacturing multinationals in Europe, the Americas and Asia, including Managing Director within Ametek Group (Materials testing) and ABS (waste water pumps).
- BSc (Hons) in Electrical and Electronic Engineering from the University of Brighton.



Raudres Wong – Chief Financial Officer

BACKGROUND:

- Joined as CFO in 2011, with over 20 years of international experience in corporate finance, business management and M&A.
- Experience in Toronto, Japan, Beijing, and Hong Kong for multinationals including Nortel, Level 3 Communications, Nike and ASSA ABLOY.
- Most recent position - CFO of IDT International Ltd. (HKEX listed).
- BComm and MBA from Canada's McMaster University, Chartered Accountant and CPA of the Institute of Chartered Accountants of Ontario, Canada.



Gary Lamb – Independent Non-Executive Chairman

BACKGROUND:

- Gary is a qualified accountant (CIMA) who has gained extensive business experience over the past 25 years in numerous senior roles. Gary is currently CEO of Manx Telecom Plc. Gary led Manx Telecom through a successful AIM IPO in 2014.
- Prior to joining Manx Telecom, Gary was a Founder Director of Bladon Jets Limited and a Non-Executive Director until July 2017.
- For 11 years, prior to Bladon Jets, Gary was the Finance & IT Director of Strix Limited, leaving in 2007.



Mark Kirkland – Independent Non-Executive Director

BACKGROUND:

- Mark qualified as an accountant (ACA) with PricewaterhouseCoopers in London and has extensive corporate experience gained over the last 25 years having held numerous senior roles in public and private companies.
- Mark's initial career was in corporate finance, predominantly spent at UBS Limited.
- In 2003, as part of the founding team, he became CFO of Raven Mount plc (now part of Raven Russia Limited). Latterly, Mark has been CFO of Marwyn Management Partners plc.



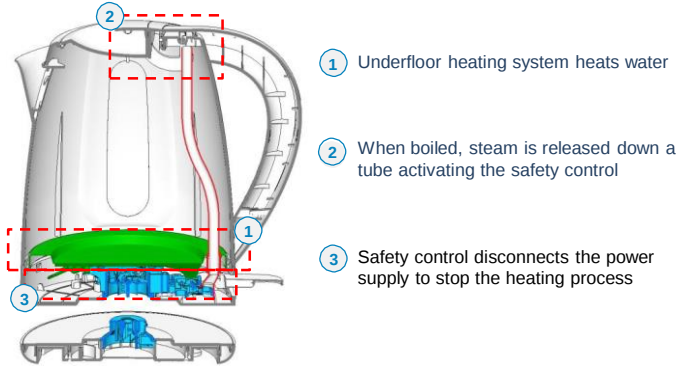
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Kettle Controls

Strix's speciality and market share/position in kettle controls provide a significant barrier to entry

CONTROLS IN THE CONTEXT OF A FINISHED KETTLE



- ✓ Strix designs, manufactures and supplies the control and connector
- ✓ Strix provides designs for suppliers to produce elements compatible with Strix system
- ✓ Strix provides appliance design support throughout the value chain

STRIX PRODUCT STRENGTHS

- Strix designs and manufactures high quality products – USPs include:
 - Compliant with safety standards in all material markets – surpassing standards in many cases
 - Manufacturing process results in consistency of quality and reliability
 - Additional safety and usability features
 - Routinely exceed 12,000 cycles in life endurance tests essential to protect the Brand equity of major global players



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