Agenda

• Non-Financial Highlights – Mark Bartlett, CEO
• Financial Highlights – Raudres Wong, CFO
• Financial Review – Raudres Wong, CFO
• New Factory – Raudres Wong, CFO

• Strategy – Mark Bartlett, CEO
• Markets – Mark Bartlett, CEO
• HaloSource acquisition – Mark Bartlett, CEO
• Trading and Outlook – Mark Bartlett, CEO
Non-Financial Highlights | Mark Bartlett, CEO
Non-Financial Highlights

**Strategic**
- Maintained market share of c.38% despite geo-political events
- Strengthened R&D and senior management team including CCO
- Range of new products developed for launch in 2019 and 2020
- Site confirmed for new factory and investment agreement signed

**Operational**
- 8 successful IP protection initiatives undertaken
- 2.7m U9 series products sold to date
- Aqua Optima UK market volume share increased to c.25%
- +11% improvement in ppm quality results
Financial Highlights

Note:

1 Adjusted 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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>% Change$^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>93.8</td>
<td>91.3</td>
<td>+2.7%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>38.9</td>
<td>37.2</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Other operating costs - before exceptional</td>
<td>(8.4)</td>
<td>(8.5)</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Other operating costs - after exceptional</td>
<td>(13.5)</td>
<td>(11.3)</td>
<td>-16.0%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA$^1$</strong></td>
<td>36.4</td>
<td>35.1</td>
<td>+3.5%</td>
</tr>
<tr>
<td><strong>Adjusted PBT$^1$</strong></td>
<td>29.2</td>
<td>28.3</td>
<td>+3.2%</td>
</tr>
<tr>
<td><strong>Adjusted PAT$^1$</strong></td>
<td>28.3</td>
<td>27.5</td>
<td>+2.7%</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>27.5</td>
<td>45.9</td>
<td>+40.1%</td>
</tr>
<tr>
<td><strong>Adjusted diluted EPS$^1$</strong></td>
<td>14.2p</td>
<td>14.2p</td>
<td>-</td>
</tr>
</tbody>
</table>

$^1$ 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.

$^2$ Figures are calculated from the full numbers as presented in the consolidated financial statements.
Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA(^1)</td>
<td></td>
<td>36.4</td>
<td>35.1</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>(1.4)</td>
<td>(0.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>(0.3)</td>
<td>(0.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>1.1</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Net changes in working capital</td>
<td>(0.6)</td>
<td>(0.2)</td>
<td></td>
</tr>
<tr>
<td>Exceptional and other</td>
<td>(0.3)</td>
<td>(0.5)</td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>(5.8)</td>
<td>(4.3)</td>
<td></td>
</tr>
<tr>
<td>Capitalised development costs</td>
<td>(1.8)</td>
<td>(1.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating cash flow (OCF)</strong>(^2)</td>
<td>28.0</td>
<td>28.4</td>
<td></td>
</tr>
<tr>
<td>OCF / EBITDA %</td>
<td>89.4%</td>
<td>88.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow (FCF)</strong>(^3)</td>
<td>26.2</td>
<td>27.4</td>
<td></td>
</tr>
</tbody>
</table>

**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:** £1.4m outflow (H1 2017: £0.6m outflow) linked to business phasing and continued holding of price-sensitive raw materials and pre-stocking in case of disruption due to Brexit.

- **Receivables:** £0.3m outflow (2017: £0.5m outflow) which is consistent with 2017.

- **Payables:** £1.1m inflow (2017: £0.9m inflow) as a result of higher rebate balances payable at the year end due to the payment timing.

- **Capital expenditure:** £5.8m (2017: £4.3m) due to continued investment in new capacity and automation, with 3 additional automated lines to be installed in 2019.

- **OCF:** 1.4% reduction due to higher Capex outflows to support increased automation.

- **OCF to EBITDA ratio:** conversion was 89.4%, a slight increase on 2017.

- **FCF:** decrease of 4.4% due to lower OCF and interest only incurred pro-rata from date of IPO during 2017.
Net Debt

Net debt at 31 December 2018

£27.5m

£45.9m at 31 December 2017

Revolving credit facility

£53.0m

with facility termination date of July 2022

ND/EBITDA ratio at 31 December

0.8x

1.3x at 31 December 2017

RCF balance at 31 December 2018

£41.0m

£56.0m at 31 December 2017

Facility headroom at 31 December 2018

£12.0m

available to draw down if required

Bank covenant requirement – ND/EBITDA ratio

<2.5x

for year ending 31 December 2018
New Factory

Current status:
• Investment Agreement signed between Strix and PRC Government in Q1 2019
• Land purchase Agreement to be finalised May 2019
• Design work underway by Guangzhou Design Institute
• Land size can support 34,000 m² max capacity (current size 13,000 m²)
• 50 years right-of-use granted for the land
• Strix (China) Limited set up in 2019 to hold the land and factory
• Project budget £20m

Key milestones:
• May 2019 Land purchase complete
• June 2019 Design to be finalised
• September 2019 Construction permit application complete
• January 2021 Construction complete
• March to July 2021 Inventory build and movement
• August 2021 Project completion
Strategy | Mark Bartlett, CEO
Our mission:

“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.”
Core Business

2018 Highlights

- Multiple patent infringement claims successfully settled in China, the Netherlands, and in Europe
- Improvement in production efficiency and 11% reduction in ppm defect rate
- Strix wins top supplier award from key customers
- 2.7 million new U9 series controls sold through 86 different appliance projects

Roadmap

<table>
<thead>
<tr>
<th>Year</th>
<th>Less Regulated &amp; China</th>
<th>Regulated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Patented 6A &amp; 9A U68; Next Generation Electronic Control</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>VnQ; tailored control brand targeting Copyists in Less Regulated Markets</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>Next Generation VnQ controls; further cost reductions and customer benefits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mini U9 (small footprint element) and patented U7 control to expand market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>U9 Series MK 2 Control</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Heater Technology with Integrated Control</td>
<td></td>
</tr>
</tbody>
</table>
New Products

2018 Highlights

Launch of Tommee Tippee ‘Perfect Prep Day & Night’ in UK, France and Australia

Coffee product collaboration announced with USA based global consumer product company

>2.5 million Hot Cup controls sold to date

Expansion of Engineering including appointment of R&D Manager

Roadmap

2019
- In-house Innovation Centre Development
- Hot Water Dispenser

2020
- Next Generation Perfect Prep
- Innovative Steriliser Dryer for Baby Market
- Digital Food Steamer

2021
- CONFIDENTIAL (Disruptive Technology)
- Connected Appliances

High Quality Coffee Machine (USA)
- CCO Appointment
- All-in-one Water Dispenser (AO)
- Duality Appliance
- Connected Appliances

Safer by design
Aqua Optima

2018 Highlights

AO becomes official partner of parkrun UK

UK & Europe Tradebrand launches

Social media & PR channel campaigns

All AO filters now 100% recyclable in UK & EIRE

AO total UK volume market share grew to c.25%

Trade brand share increased from c.40% to c.68%

Roadmap

2019

Acquisition of Halosource (Astrea & HaloPure brand)

2020

AO Heritage Brand Launch in China

All-In-One Filtered/Chilled/Boiling Water Dispenser

2021

Enter POE Category With Reverse Osmosis Product

Evolve MK 4 Filter

Lumi Chiller (white space in SDA)

Expand Strategic Relationship With Amazon

Revolutionary Filter Jug

Next Gen Anti-Bac Filter (Mother and Baby)

Further Strategic Distribution Expansion
HaloSource acquisition

• Acquisition of specified assets, including HaloSource Corporation’s “HaloPure” division based in Shanghai, China and the Astrea product
• Synergies to be gained with existing Aqua Optima operations

• HaloPure provides simple, reliable and convenient clean water solutions in China
• The AstreaOne bottle is the only hydration bottle that removes lead to the stringent NSF53 standard
• HaloSource has 48 patents worldwide and was listed as a top-10 innovator in POU drinking water by Baytel
• Office space in Seattle, USA to provide access to USA market
Future Strategy and Outlook

New product launches
- New product launches including:
  - **Core business**: VnQ sub-brand, U68 electronic control, U9 mark 2 control
  - **Aqua Optima**: Lumi-Chiller, AO Heritage Brand, next-generation Anti-bac filter
  - **New Product Development**: Next-generation Perfect Prep, High Quality Coffee Machine for USA market, Duality appliance

Aqua Optima
- Integrate and optimise HaloSource’s HaloPure division and Astrea product into the existing Aqua Optima business.

Factory construction
- Begin construction of the new manufacturing facility in China in late 2019, with the move to complete by summer 2021.

2019 outlook
- Management remain confident of achieving full year market expectations given current trading.
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