

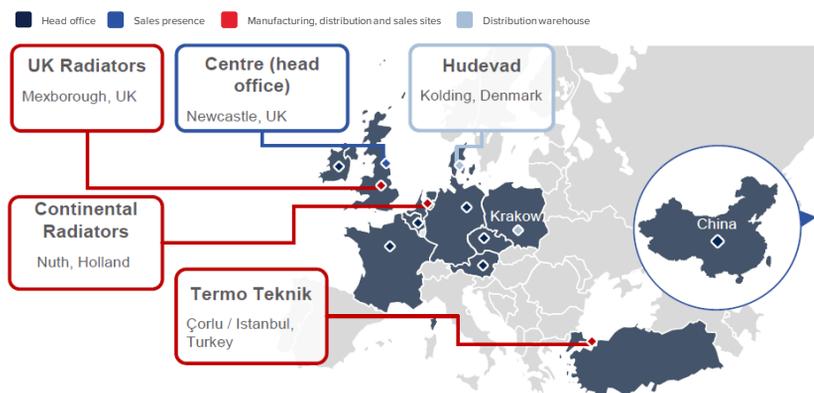
Stelrad Radiator Group (SRG) is a leading specialist manufacturer and distributor of radiators in the UK, Europe and Turkey, selling an extensive range of standard and premium steel panel radiators, low surface temperature (LST) radiators, towel warmers and other design radiators to more than 500 customers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



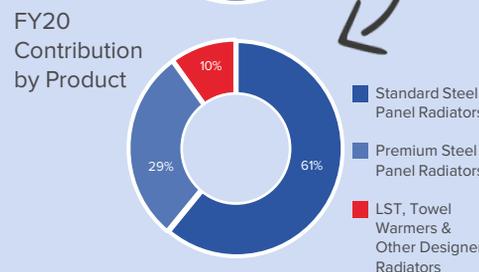
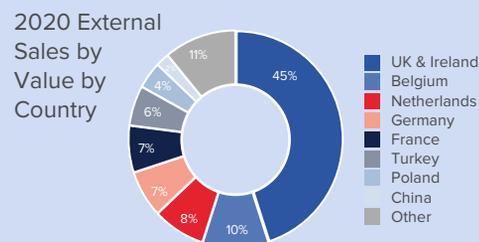
## CORE BRANDS



## OPERATIONS

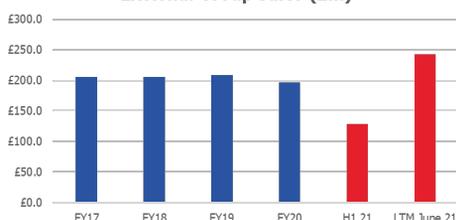


## BROAD GEOGRAPHIC REACH AND PRODUCT MIX

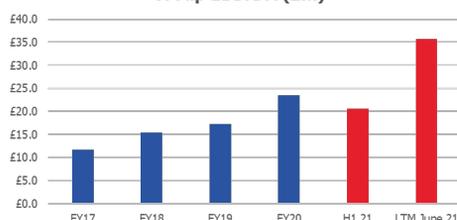


## TRACK RECORD OF GROWTH, WITH SECTOR LEADING MARGINS AND EXCELLENT CASH GENERATION

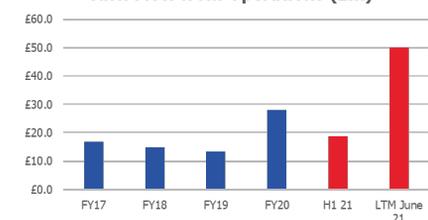
External Group Sales (£m)



Group EBITDA (£m)



Cash Flow from Operations (£m)



# HISTORY

**1960s**

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

**1998/99**

Caradon PLC divests 12 business units to simplify its portfolio to focus on 4 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

**1991**

Manufacture of Steel Panel radiators commences at Çorlu (Turkey)

**2000**

Leveraged buyout of Caradon Plumbing from Caradon PLC led by Montagu 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

**2018-20**

Continued operational rationalisation with further production moved to Turkey

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<sup>(1)</sup>



**€0.5bn** total RMI spending in 2019<sup>(1)</sup>

<sup>(1)</sup> 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 Radiator Group 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**  
Chairman



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



**GEORGE LETHAM**  
Chief Financial Officer

- Joined SRG as Non-Executive Director since 2009 and became Chairman 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

- Joined SRG 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

- Joined SRG 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

## GROWTH PLAN BASED ON SIX KEY AREAS

Product mix improvement

Organic market share gains

Optimisation of operational infrastructure

Positioning for decarbonisation

Adjacent product opportunities

M&A

## DECARBONISATION



- Net zero targets have clear implications for the heating market.
- Hydronic systems are expected 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.



- SRG has been proactive in introducing and promoting products compatible with low carbon, low temperature heating systems such as heat pumps.
- SRG is already producing higher heat output radiators fully compatible with low system temperatures and is actively marketing to distributors and specifiers on this topic.
- Trusted advisor to customers – SRG can often influence which heat emitter is used.

**CONTACT US**

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**Stelrad**  
Radiator Group