

Full Year Results 2024

4 March 2025

Agenda

1. Highlights
2. Financial Review
3. Business Review
4. Summary & Outlook
5. Q&A

Highlights

Gavin Griggs CEO

Highlights

Strong execution

- Significantly out-performed cost and cash saving targets
- Record rate of new business wins and healthy new product pipeline
- Improved customer service levels and supply chain efficiency
- Healthy base for future growth and margin progression as markets recover

Challenging market conditions

- Unprecedented slowdown in all three market sectors
- Industrial Technology & Healthcare revenue impacted by ongoing channel destocking
- Semiconductor Manufacturing Equipment sector returning to growth in H2
- Macro / geopolitical headwinds increasing in China Semis market, leading to decision to prioritise other more attractive markets in the region

Outlook and funding plan

- Weak H1 and the significant weighting of H2 means there is an unusually wide range of outcomes for FY 2025
- Funding actions proposed to provide adequate headroom in downside scenarios:
 - c.£40m Share Placing
 - Revised banking covenants (implemented before Placing)
 - Cash will be returned if new equity proves surplus to requirements
 - Capital raise also supports required bank refinancing in 2025

Clear, consistent and proven strategy...



Focused on long-term structural growth markets.....



Attractively positioned in enduring structural growth markets...

- Leading and maintained positions in fundamentally attractive Semiconductor Manufacturing Equipment, Industrial Technology, Healthcare sectors
- Well-positioned to prosper as these markets resume their trajectory of strong long-term growth

Poised to resume their long-term growth trajectory..

- The Semiconductor sector is today at an inflection point; XP is now at the tail end of the industry-wide downcycle with a positive outlook ahead
- Channel stock in the Healthcare and Industrial Technology sectors closer to equilibrium
- Track record of growing share across all focus sectors

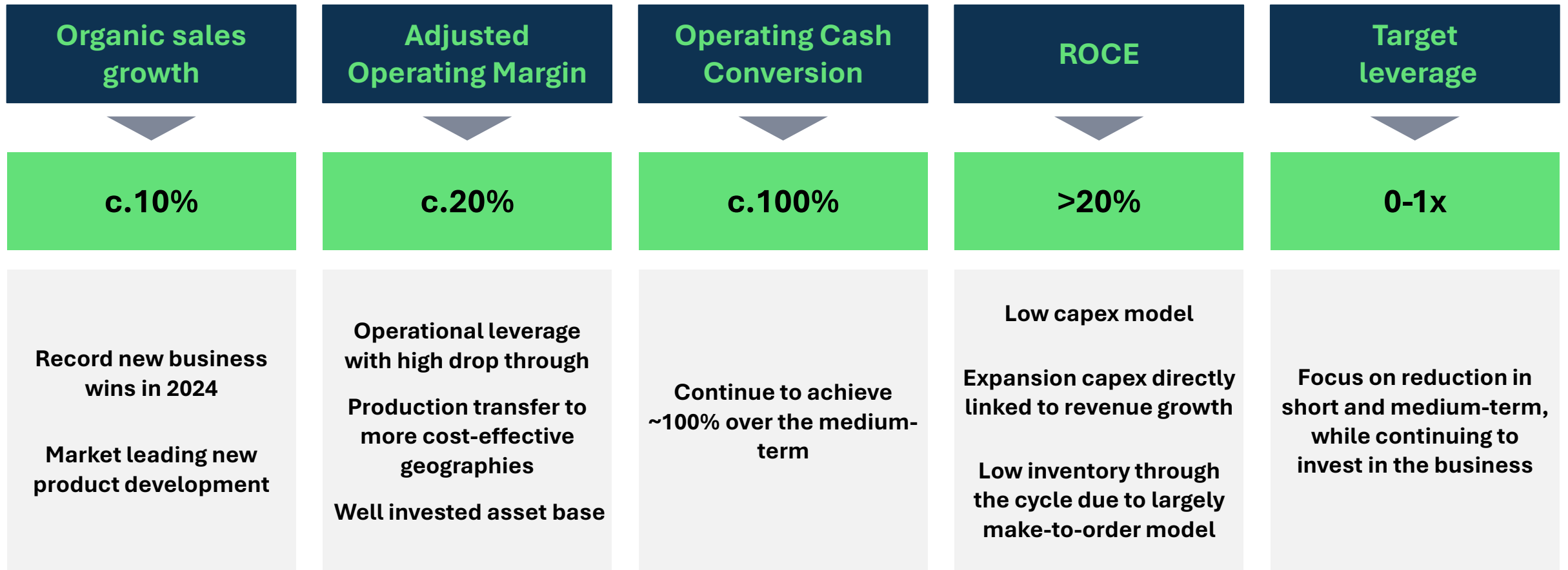
With well invested operations with significant barriers to entry

- Medium-term market tailwinds and strong market positions provide XP with a runway for growth
- Substantial and demonstrable barriers to entry
- XP is optimally positioned to benefit from the impending upturn in the semiconductor cycle through its leading R&D capabilities and well invested production capacity



.....underpinning XP's core financial framework

Through-cycle performance



Financial Review

Matt Webb CFO

Key Performance Indicators 2024

Orders & Revenue

ORDER INTAKE

£181.6m

Down -10%¹

REVENUE

£247.3m

Down -20%¹

Margin

ADJUSTED
GROSS MARGIN

41.0%

Down -50bps

ADJUSTED
OPERATING MARGIN

10.1%

Down -190bps

Profit & Earnings

ADJUSTED OPERATING
PROFIT

£25.1m

Down -32%¹

ADJUSTED DILUTED
EPS

42.9p

Down -48%

Cash & Debt

ADJUSTED OPERATING
CASH CONVERSION

261%

2023: 173%

NET DEBT

£93.5m

December 2023:
£112.7m

¹ In Constant Currency

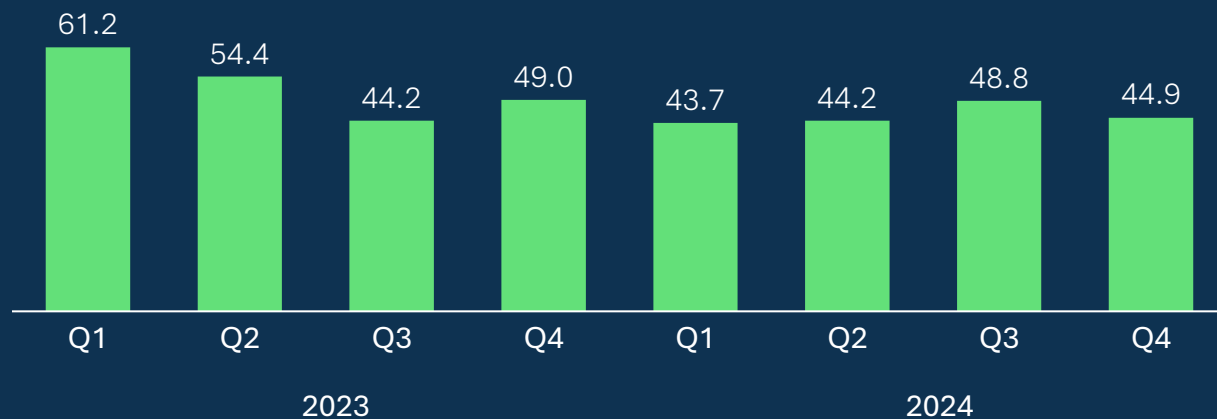
Income statement

Adjusted £m	2024	2023	% change	
			At actual exchange rates	In constant currency
Revenue	247.3	316.4	(22)%	(20)%
Gross margin	101.3	131.3	(23)%	
<i>Gross margin %</i>	<i>41.0%</i>	<i>41.5%</i>	(50)bps	
Operating expenses	(76.2)	(93.2)	18%	
Operating profit	25.1	38.1	(34)%	(32)%
<i>Operating margin %</i>	<i>10.1%</i>	<i>12.0%</i>	(190)bps	
Net finance expense	(11.3)	(11.5)	2%	
Profit before tax	13.8	26.6	(48)%	(46)%
Tax	(3.4)	(9.8)	65%	
Profit for the year	10.4	16.8	(38)%	
Diluted earnings per share	42.9p	81.8p	(48)%	

- Revenue reduction reflects customer destocking and tail end of Semi sector down cycle
- Gross Margin reflects reduced factory utilisation, but reduction limited to 50bps by underlying cost savings
- Comprehensive cost saving actions, reducing overheads by 18% year-on-year
- Net finance expense held broadly flat, with reduced bank interest offsetting additional lease interest for new Silicon Valley facility
- Tax rate reduced from 36.8% to 24.6%, reflecting improved tax structuring

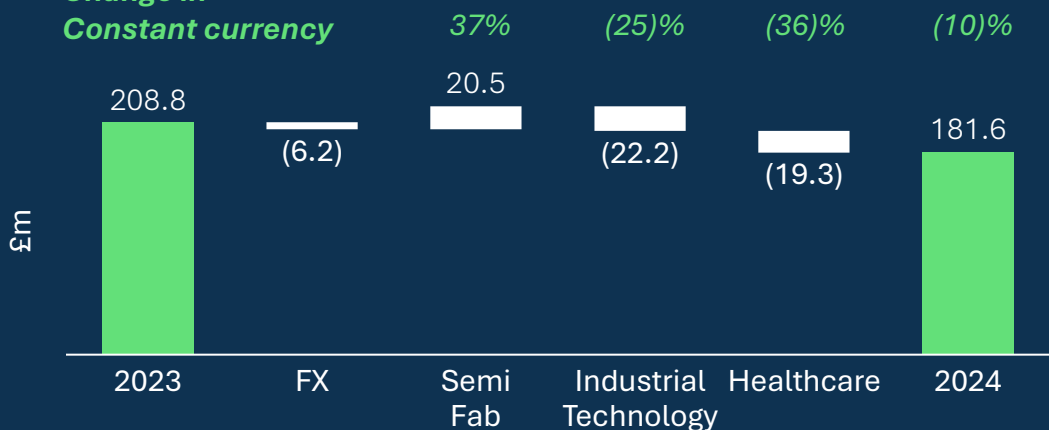
Order intake trends

Order intake by quarter 2023-2024
(£m)



Bridge by Sector

Change in Constant currency

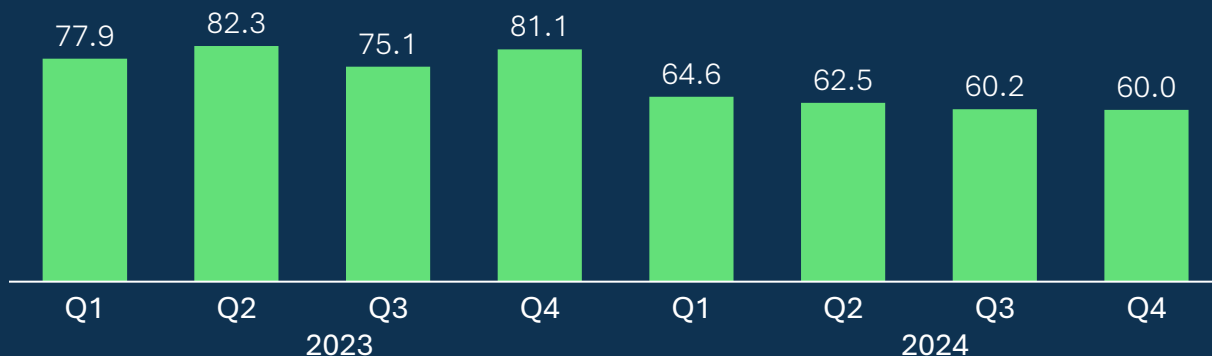


- FY order intake of £181.6m, down 10% in constant currency on prior year
- Order intake improving sequentially from H1 (£87.9m) to H2 (£93.7m), driven by growing Semi Fab recovery
- Destocking throughout the year within the Healthcare and Industrial Technology sectors, but with some signs of improvement toward year-end:
 - Healthcare intake sequentially improving from H1 to H2
 - Industrial Technology intake sequentially steady from H1 to H2 as destocking peaks
- Slowdown in order intake in Asia late in 2024 due to macro / geopolitical factors impacting China Semi market
- Excess order backlog now largely cleared

Revenue trends

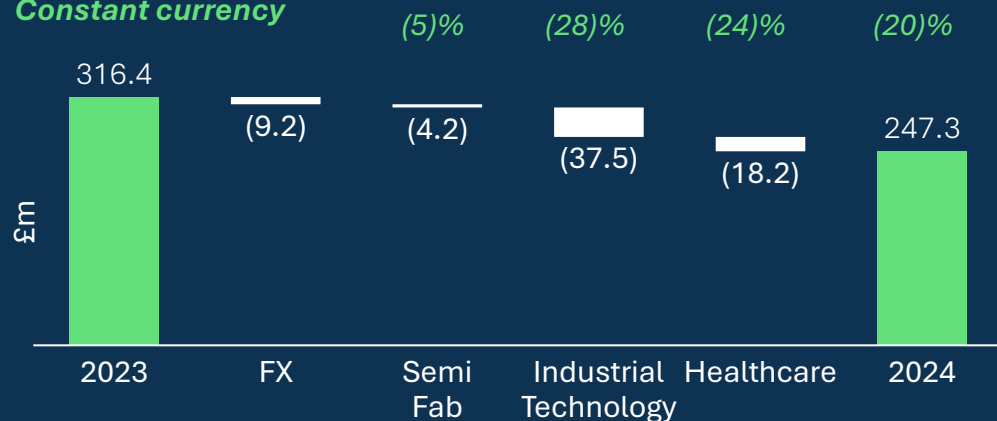
Revenue by quarter 2023-2024

(£m)



Bridge by Sector

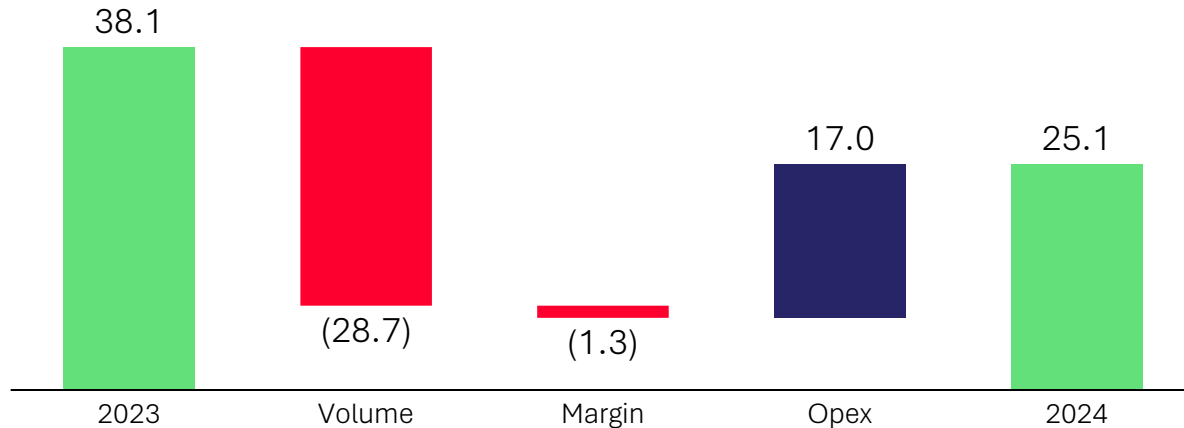
Change in
Constant currency



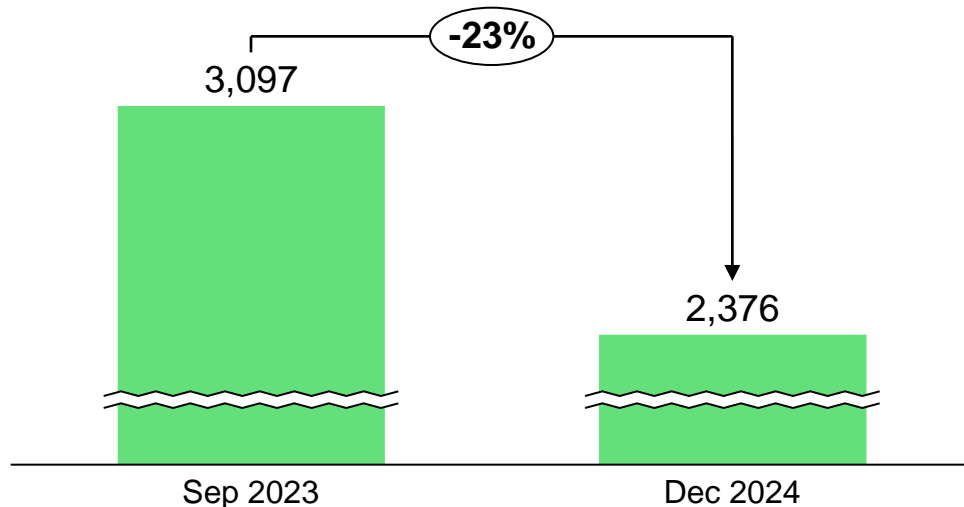
- Revenue of £247.3m was 20% lower in constant currency
- Unusual simultaneous slowdown in all three sectors
- Semi Fab revenue returning to growth in H2, despite market-related headwinds in Asia
- Record sales of High Voltage High Power products, with increased manufacturing capacity allowing backlog clearance
- Market position and share maintained, supported by record business wins and healthy product pipeline

Adjusted Operating Profit bridge

Adjusted Operating Profit bridge £m



Headcount reduction



- Significant profit impact from market downturn
- Impact significantly mitigated by disciplined and continuous cost review resulting in a £17.0m operating cost reduction
- Reduction achieved net of inflation and on-cost from new Silicon Valley facility
- Headcount reduced by 721 or 23% since Funding Plan launch in October 2023:
 - 590 head reduction in Manufacturing and Supply Chain (COGS)
 - 131 head reduction in overhead roles
- Key sources of competitive advantage retained, such as customer-facing activities and long-term product development projects

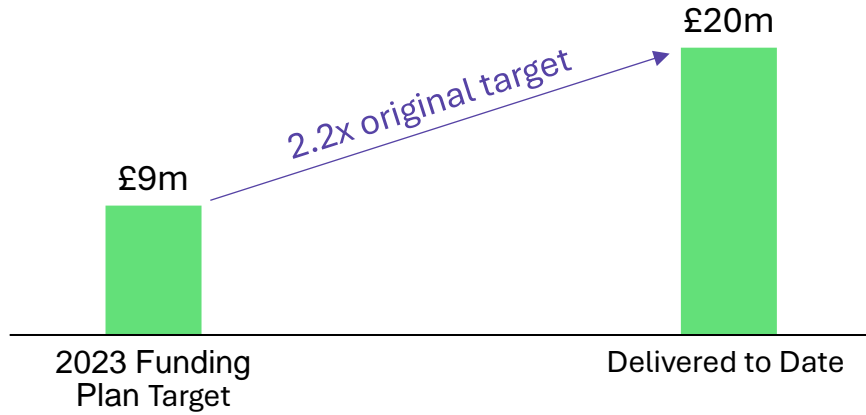
Adjusted Free Cash Flow

Adjusted £m	2024	2023
Operating Profit	25.1	38.1
Depreciation and amortisation	15.8	17.3
EBITDA	40.9	55.4
Change in working capital	25.0	14.0
Other items	(0.3)	(3.5)
Operating Cash Flow	65.6	65.9
Net capex – product development costs	(10.1)	(9.5)
Net capex – other assets	(10.1)	(30.5)
Net interest paid	(12.1)	(11.9)
Tax paid	(6.6)	(4.9)
Other items	(1.5)	(2.3)
Free Cash Flow	25.2	6.8

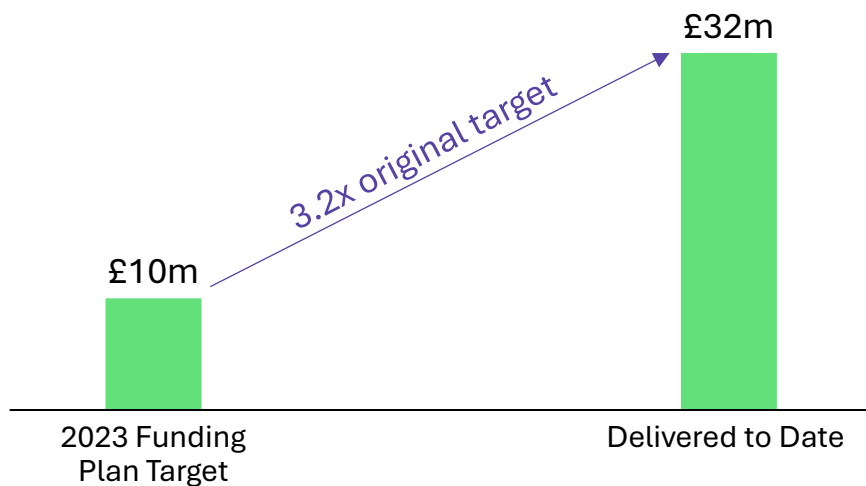
- Actions taken to drive strong cash generation in challenging market conditions
- Operating Cash Flow of £65.6m in the year, totalling £77.3m since Funding Plan launch in October 2023
- Record Adjusted Operating Cash Conversion of 261%
- Working capital inflow of £25.0m from tight management of inventory and cash collection
- Physical capex of £10.1m included c.£9m on major projects in Silicon Valley and Malaysia before work was paused. Minimal maintenance capex spend
- Spending on Malaysia to recommence in 2025 after 18-month extension

Cost and Cash Actions

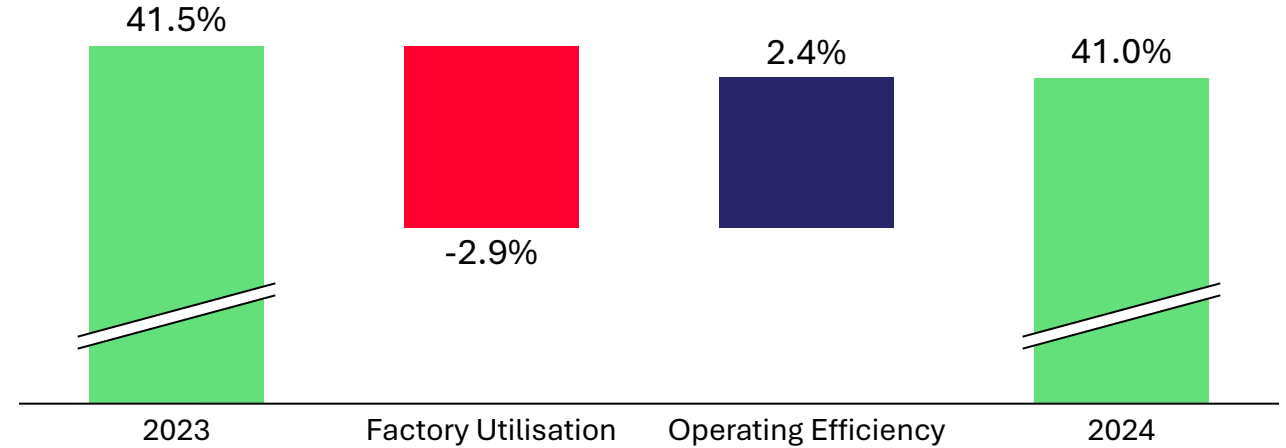
Annual Cost Reduction to end of 2024



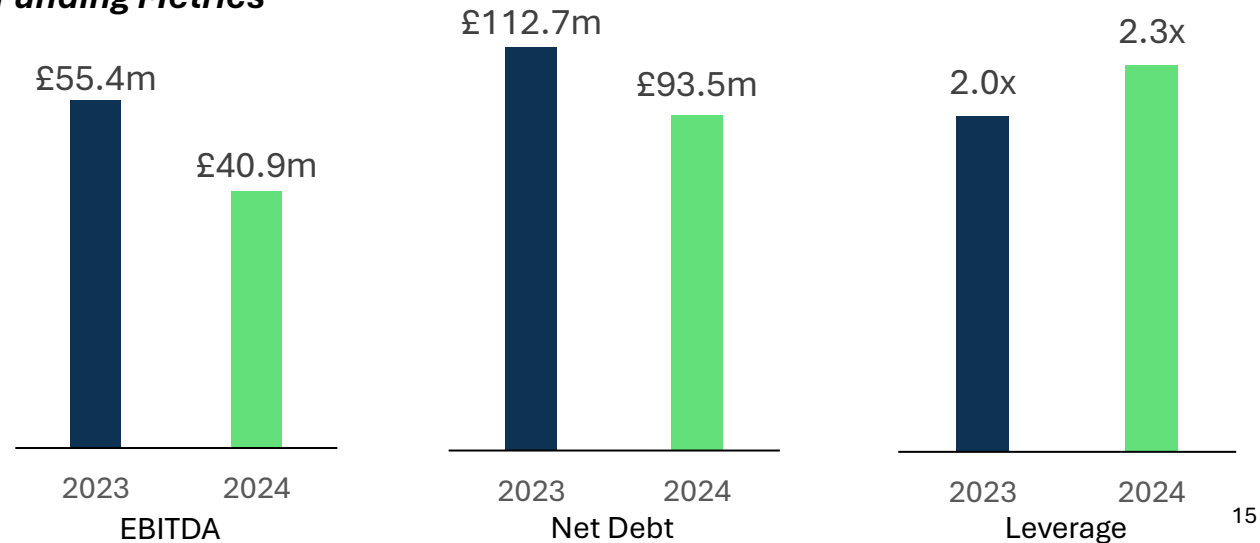
Total Inventory Reduction to end of 2024



Adjusted Gross Margin Improvement

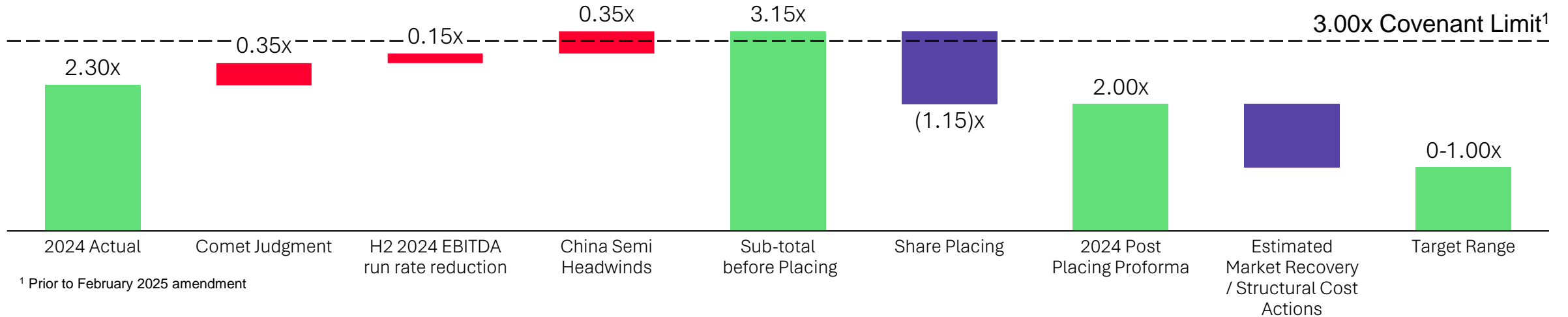


Funding Metrics



Funding Actions

2024 Proforma leverage bridge



- The Group is profitable and highly cash generative in an unprecedented market trough
- Self-help actions have reduced borrowing and kept leverage in 2.0 – 2.5x range in 2024
- End of destocking and general market recovery should rapidly de-lever the balance sheet, but timing is uncertain
- More costly Comet judgment and China semi market headwinds increase leverage prior to recovery
- c.£40m Share Placing would reduce pro-forma leverage to c.2.0x
- The Placing supports planned bank refinancing in 2025

2025 Modelling Guidance

Profit:

- H1 2025 to be weak due to continued destocking and China Semis market headwinds
- H2 recovery creates second half weighted year
- Overhead growth of c.5% due to inflation, product development cost amortisation and share scheme charges. No significant planned headcount additions.
- c.25% effective tax rate

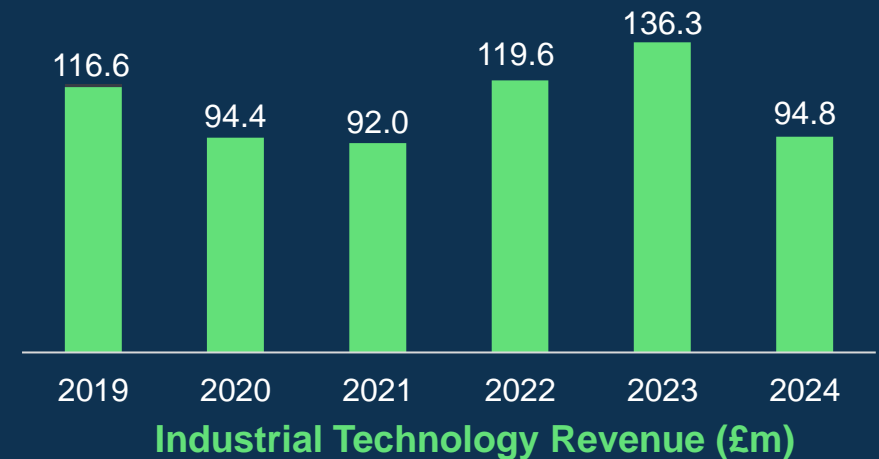
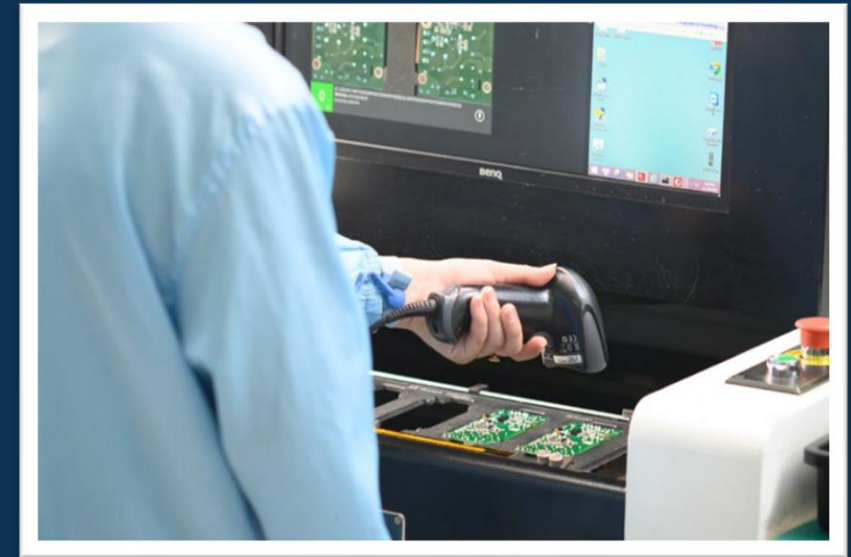
Cash:

- Adjusted Operating Cash Conversion to remain > 100%
- Total capital spend including capitalised product development of £20-25m

Business Review

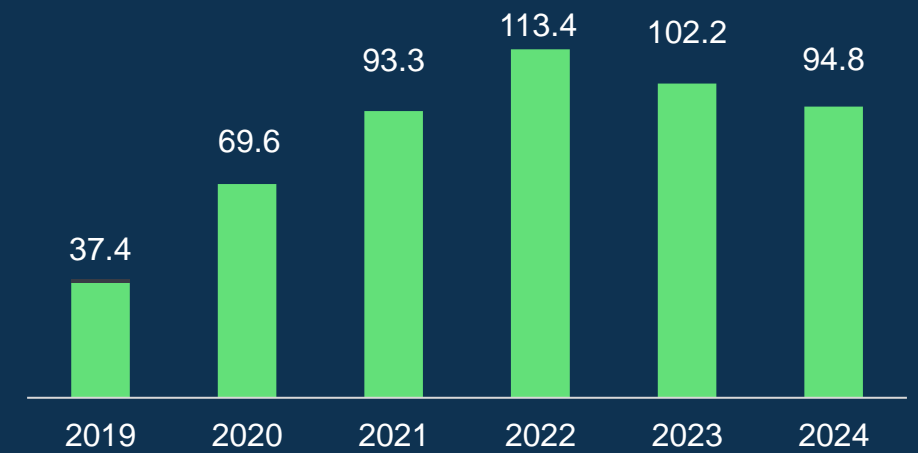
Gavin Griggs CEO

- Diverse sector with attractive growth outlook at 7.5%* per annum over the medium term
- Customers' applications are becoming more complicated and increasingly connected
- Digitalising our products to provide the complete power systems and become critical part of the customer ecosystem
- Key trends :
 - Smart manufacturing and warehousing
 - Analytical instrumentation - in precision medicine & drug discovery
 - The "AI" era - Smart mobility and manufacturing with Gen. AI
 - More products requiring connectivity and intelligence
 - Significant demand for technologies that enable electrification
 - Higher power requirements
- Subsectors include: Analytical instrumentation, Additive printing, Test and measurement, Robotics, Renewables



Overview: Semiconductor Manufacturing Equipment

- Attractive long-term growth outlook as semiconductors recover
- AI & Data fueling the \$1tn market by 2030
- The semiconductor industry is expected to start 18 new fab construction projects in 2025*. The new projects include three 200mm and fifteen 300mm facilities, the majority of which are expected to begin operations from 2026 to 2027
- Foundry suppliers are expected to be the leaders in WFE. The Foundry segment is projected to increase capacity by 10.9% year-over-year, rising from 11.3m wpm in 2024 to a record 12.6 m wpm in 2025* driving WFE spend
- XP well placed with the market leaders to grow ahead of the sector with broad exposure across many processes and in both leading and lagging edge technology
- Through the trough with increasing confidence in recovery
- Applications: Etch, Deposition, Lithography including EUV, Ion implantation, Test and inspection, Wafer cleaning

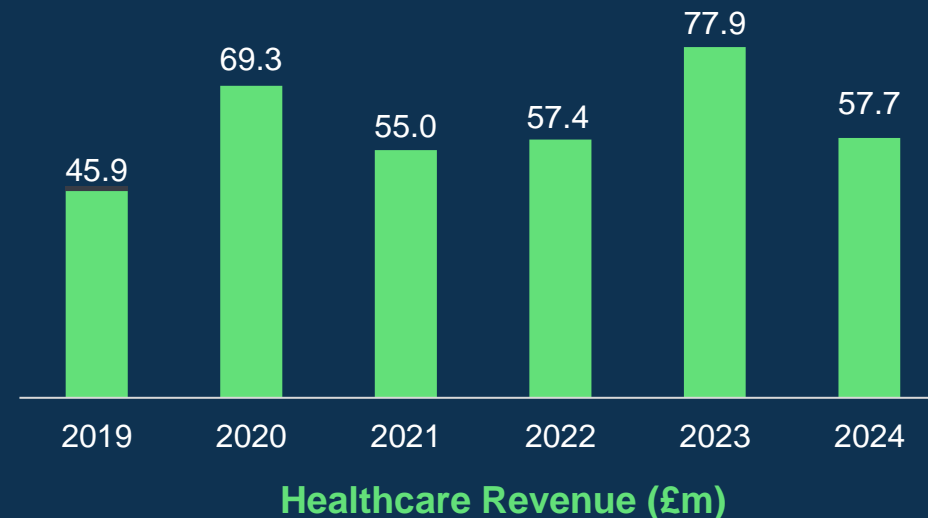
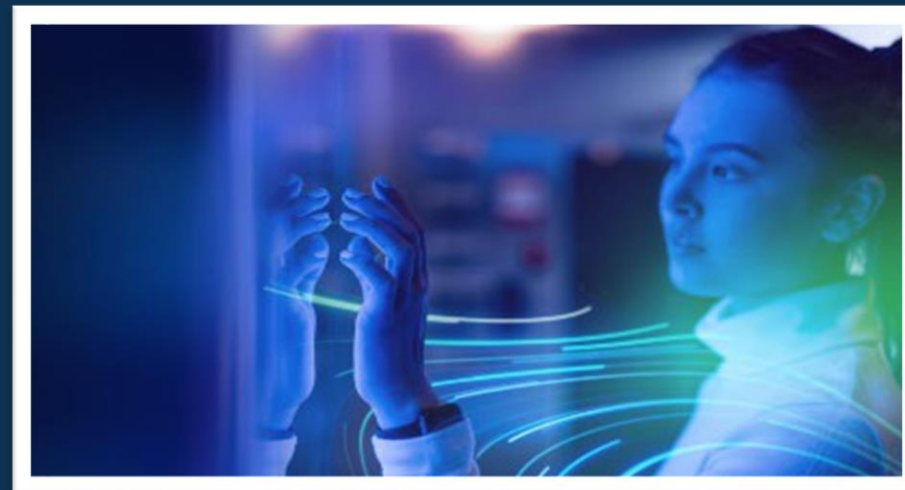


Semiconductor Manufacturing Equipment Revenue (£m)

*SEMI's Q424 World Fab Forecast report

- We are one of the world’s largest providers of medical power conversion products, with a portfolio that meets the high safety standards demanded in the sector
- Medical device market forecast to grow at 6.4%* CAGR to \$800bn by 2030, accelerating from 5% over last decade
- Growth driven by megatrends of ageing global population and innovation in medical technology. Regulatory and safety critical nature of the Healthcare sector means power is critical
- Innovation in Robotic surgery, new treatment technologies and embedded devices incorporating AI, medical imaging, minimally invasive procedures and patient treatment devices key areas of structural growth
- Customers require complex, reliable power solutions that meet strict regulatory requirements. XP being seen as a technology partner to key customers
- Applications: Patient monitoring, surgical robotics, imaging and diagnostics - MRI & CT Imaging, home healthcare, new technologies in patient treatment

*:WAWT



Strategy in Action – Market leading portfolio

AC-DC POWER SUPPLIES

Available in open frame and encapsulated formats

2 x MOPP isolation and low leakage currents enable use in BF rated applications

Class II insulation allows easy integration into home healthcare applications

MCE03/10/20/40



2 x MOPP isolation & low leakage current

For BF & CF applications

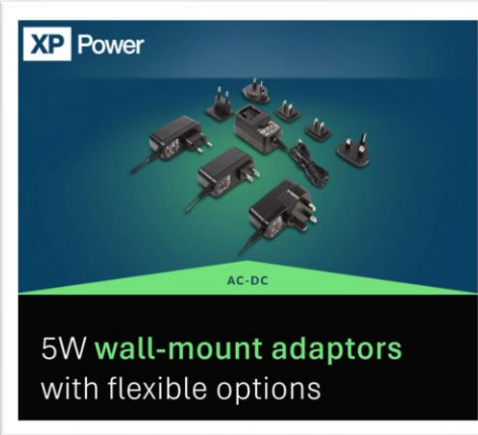



Wide 85-528 VAC input range and OVC III rating

Enable easy integration



XP Power



5W wall-mount adaptors with flexible options

AC-DC POWER SUPPLIES

Programmable constant voltage/constant current for flexibility

Digital controls and monitoring, GUI for tailored configuration

Parallel operation and compact 1U size for easy integration

HPA1K5 SERIES NEW 36V & 60V



Compact 550W power supplies with fanless operation

Low noise and high reliability



Flexible, programmable, digital 3kW power supplies

Puts the user in control



Internal product announcement XP Power


Compact 750W 1U high voltage power supply

The FT series of high-voltage AC-DC power supplies offer a wide range of voltage outputs from 5kV to 60kV at 750W in a compact, 1U rack-mount format. FT series offers fully adjustable outputs, analog and digital interfaces and control and monitoring options, allowing maximum flexibility for high voltage applications.

Featuring high efficiency, performance, reliability, and stability with air insulation, the FT series ensures low cost of ownership and is specifically designed for easy integration into a wide range of semiconductor manufacturing and industrial technology applications including ion implantation, E-beam and additive manufacturing.



HIGH VOLTAGE 30W DC-DC



MINIATURE HV CONVERTERS OUTPUTS UP TO 6kV




Market Opportunity: **\$20B** surgical robotics market, growing at **17% CAGR**

Customer Challenge: A leading surgical robotics manufacturer needed a medically compliant power solution to overcome:

- Configuration limitations
- EMI/EMC compliance issues
- Scalability challenges

XP Power's Solution

- **HPF3K** – Digital **medical** AC-DC power supplies reduced EMI/EMC issues, enabled flexibility and scalability combined with DC-DC converters to minimize noise
- **XP Technical team** – Analysed customer's system to troubleshoot challenges, ensuring faster time to market

Driving Value for Customers

- Addressed critical power challenges and **extended our partnership** with a leading surgical robotics manufacturer
- Capitalised on an expanding market, **driving long-term value** while empowering advancements in patient care



XP Power **Strategy in Action** – Product Penetration with a Customer

- **XP Power's** partnership with one of our largest **industrial customers** highlights our ability to successfully **grow our business**
- We supply a diverse array of power solutions across our **entire portfolio** to support their wide range of products.

STRATEGIC PORTFOLIO EXPANSION AND CUSTOMER-CENTRIC ENGAGEMENT



**Desktop & open frame
medical AC-DC**

Centrifuges



**Programmable
3kW AC-DC**

Mass
spectrometers



**Configurable
AC-DC**

Liquid
chromatography



**HV DC-DC
modules**

Quadrupole mass
spectrometers



**HV AC-DC
rack-mount**

Mass
spectrometers



**HV Eurocassette
AC-DC**

Thermal ionization

**Strategic FuG
Acquisition**

Products

13 New product families launched (2023: 11) with expected acceleration in 2025

Gross R&D spend £30.1m (2023: £35.6m)

Opened new Innovation Centre in Silicon Valley

Customers

15% growth in number of projects reaching sampling stage

6% growth in value of sales funnel

Net Promoter Score improved to 25 (2023: 8)

Supply chain

Average sales lead time reduced by 3.2 months

Inventory £71.1m (2023: £91.6m)

10.6% increase in proportion of freight by sea in 2024 reducing cost and CO₂

People

Lost Time Injury Rate 0.19 (2023: 0.23)

Engagement score of 4.03 (2023: 3.99)

49% female and 49% male workforce (2% not disclosed) (2023: 48% female)

Environmental

MSCI ESG Rating: AA

Absolute location-based Scope 1 and 2 emissions decreased 17%

EcoVadis disclosure score of 60/100 (2023: 48/100)



- Sustainability is one of the most critical items on the agenda for our key customers and their customers alike
- Targets set in line with Science Based Targets initiative (SBTi)
 - Approved by SBTi in February 2024
- CDP climate change score maintained at a “B”. Submission has been extended to CDP water following a shareholder request and scored a “C”

- We continue to support our employees
 - Training and development
 - Promoting a fair working environment with equal opportunities
 - Mental health is a priority
- Through workforce engagement, views of our people are heard at board level
- Leading our industry in ESG will bring significant benefits to XP Power

Continuing to make progress on sustainability agenda and reducing our carbon footprint:

- 100% electricity in our EU operations is provided from renewable sources
- EcoVadis Bronze Medal status received in the year, an improvement on the prior year, placing us in approximately the top third of businesses assessed
- All sites are now Single Use Plastics free within operations
- Sustainability further embedded in innovation process with new internal carbon rating of products

Customer feedback shows we are still ahead of the market:

- LAM – Supply chains SBTi approved , scopes 1,2,3 by end of 2025
- BD – SBTi approved by 2028

Summary & Outlook

2025 Outlook

- H1 2025 expected to be weak due to continued destocking, Asia headwinds and exit of China Semis market
- Expect demand to improve as the year progresses, but timing of improvement hard to predict
- Wide range of full year outcomes, with significant H2 weighting
- Share Placing prudently strengthens the balance sheet prior to market recovery

Well prepared for market recovery

- Confident that end markets will resume trajectory of GDP++ long-term growth
- Established customer relationships provide clear growth opportunities
- Healthy pipeline of new product launches and design wins
- Improved operational efficiency
- Well-invested infrastructure with scalable capacity
- Well-positioned with demand fundamentals firmly in place

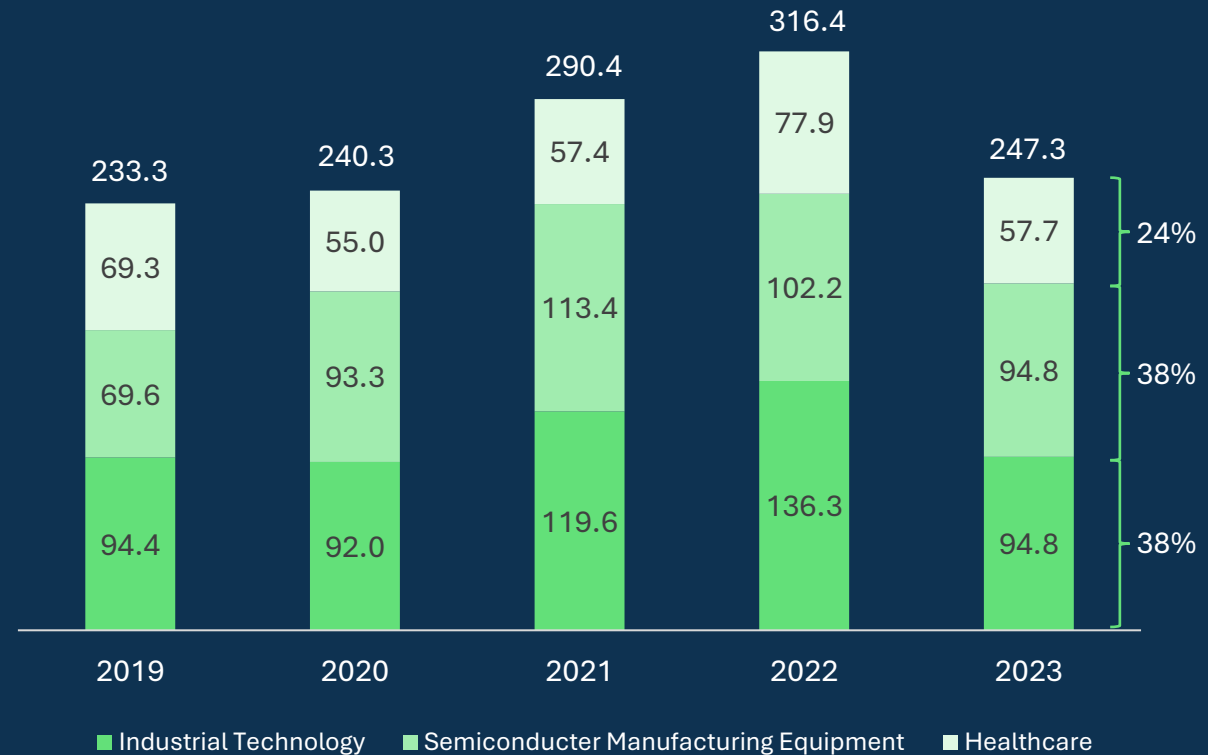
Q&A

Appendices

Company overview – ‘the Who’

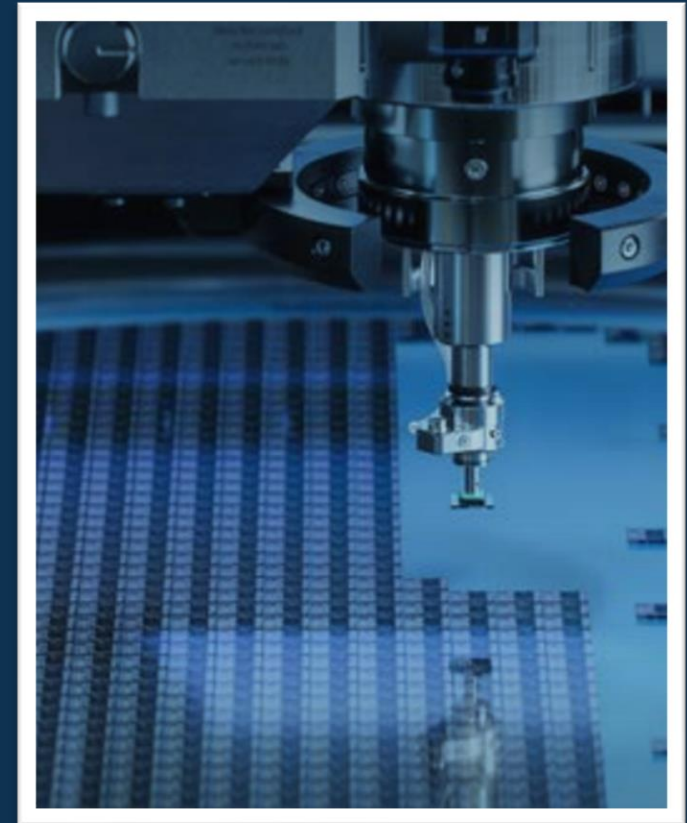
- XP Power design and manufacture a diverse portfolio of power converters, with unrivalled customer service and support
- We focus on sectors where power is mission-critical, and failure is not an option. Our enduring relationships are built on a reputation for quality
- We provide over 4,500 customers with solutions to power the world’s critical systems
- Products add value through class leading power density, interconnectivity, efficiency, ease of use and intelligence with a focus on three key sectors:
 - Industrial Technology
 - Semiconductor Manufacturing
 - Healthcare
- Founded in 1988, XP Power now employees c. 2,500 people across Europe, North America and Asia and listed on FTSE in 2000

Revenue by Industry by year 2020-2024 (£m)



Product overview – ‘the What’

- Power converter systems are the essential hardware component in every piece of electrical equipment, converting power from the electricity grid into the right form for the equipment to function
- All electronic equipment needs a stable low voltage, direct current to be able to operate as it invariably contains numerous semiconductor devices that only operate at such voltages. By contrast, the distribution of electrical power is via the mains supply, which is an alternating current at relatively high voltage to avoid unnecessary energy losses during transmission. XP converts the power from alternating to direct current in mission critical devices while provide safety isolation from the mains supply
- XP Power products will either power the electronics, in the case of our low-voltage products, or processes, in the case of our high-voltage and radio frequency (RF) power systems
- We enjoy significant barriers to entry with our products being designed in and safety critical requiring regulatory approvals and the traceability of components
- The company has over 250 product families providing the broadest product portfolio in the industry



The rationale – ‘the Why’

- Speed, Flexibility and Customer Focus – XP core values with first time right mentality and approach
- Long-term customer relationships. Once power converters are approved XP Power receives revenue annuity for the lifetime of the customer's equipment. This is typically seven years ¹
- Comprehensive portfolio of standard power products designed to be easily modified to meet customer requirements
- Highly experienced teams provide fully customised solutions to solve customers power problems. Multi-disciplined approach to design
- Proven NPI to volume manufacturing transfer process - we can get our customers to market quickly with low risk / proven solutions
- Robust supply chain operations combining a global footprint that gives us flexible manufacturing capacity and the ability to engineer prototypes close to our customers



¹ Designed in life typically 7 years with range from 5 to > 20 years

Global Manufacturing and Design Footprint: 'the Where'

Competitive global manufacturing footprint



Core R&D capabilities

8
Global R&D centres located close to customers and operations

>160
Multi-disciplined team members working in R&D and product design

£153m
Gross product development costs since 1 January 2020

13
New products launched in 2024, 6 of which can be classified as XP Carbon Rated Products

Revenue Annuity - design & annuity business model

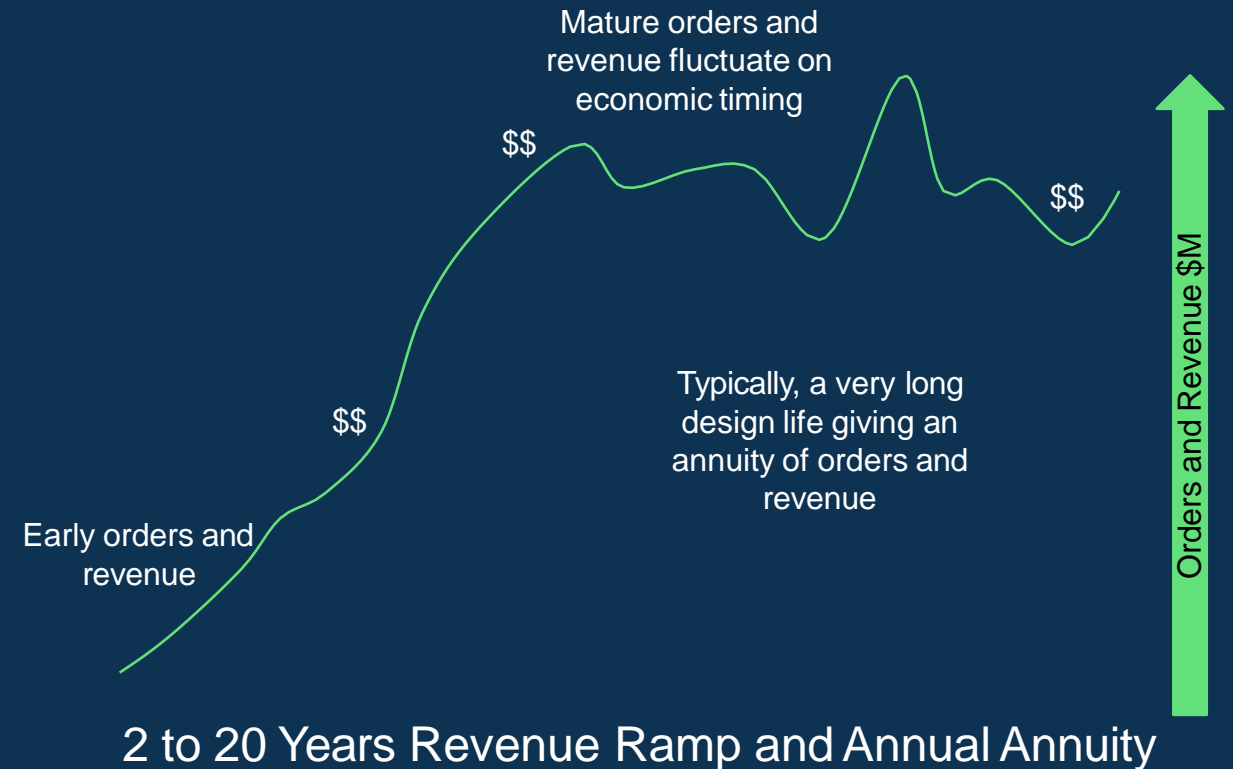
The design in process based on customer needs –

Manufacturing and new product understanding and engagement is critical here

- New platform/standard product design takes up to 2 years before launch
 - New product availability key to new design wins
- Our sales and design engineering teams work with customer design teams to design our product into the end equipment
 - Winning new projects key to our growth
- Our customers launch their product onto the market
- Multiple products/projects layer year on year

Revenue Annuity –

This is where most manufacturing mindshare is focused



Market data A growing addressable market

Market (\$m)	Size	Share ¹	XP 2024 Revenue (£m)	Asia	Europe	North America	Total	Share of XP (%)
Asia	1,530	1.3%	Healthcare	4.7	20.6	32.4	57.7	24%
Europe	778	9.0%	Industrial Technology	9.8	52.2	32.8	94.8	38%
North America	1,195	10.4%	Semi Fab	11.7	4.1	79.0	94.8	38%
Total	3,503	6.1%	Total	26.2	76.9	144.2	247.3	100%
RF Power	2,116	1.7%	<i>Share of XP (%)</i>	11%	31%	58%	100%	
High power/high voltage	750	9.7%						
Grand total	6,369	5.0%						

Source: Micro-Tech Consultants (September 2024) and XP Power Management
 1. Based on 2024 revenues

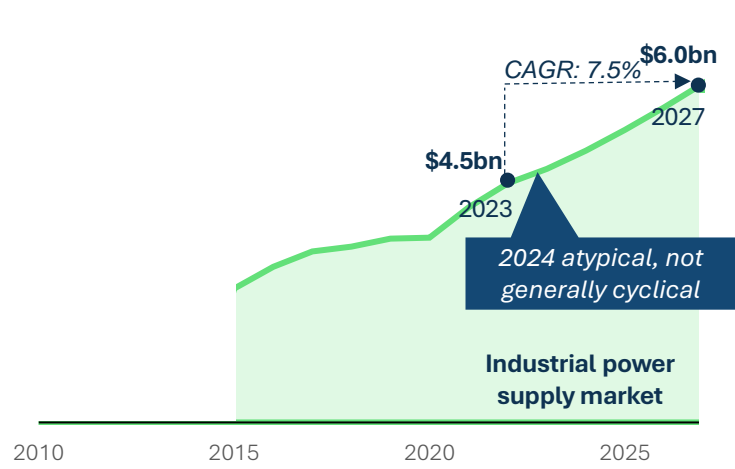
XP Power focused on long-term structural growth markets

Industrial technology¹

38% revenue

Industrial power supply market to reach \$6bn by 2027

- Driven by smart power management, digital control, and miniaturisation
- Upside to growth expected from accelerating renewable energy trends

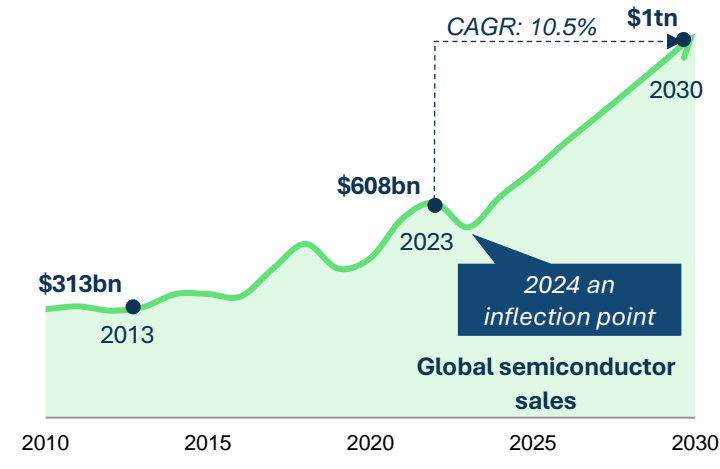


Semiconductors²

38% revenue

Global semiconductor sales to reach \$1 trillion by 2030

- Driven by AI, EV, Cloud, and IOT
- Will require c. \$140bn in WFE spend p.a., equating to 10% growth p.a.

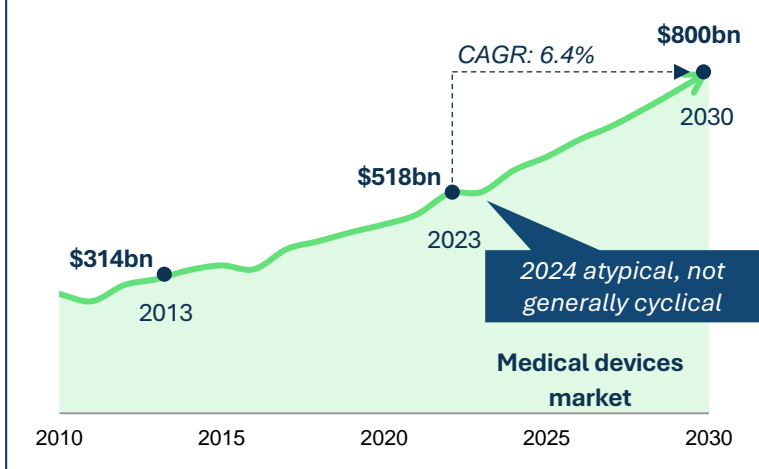


Medical devices³

24% revenue

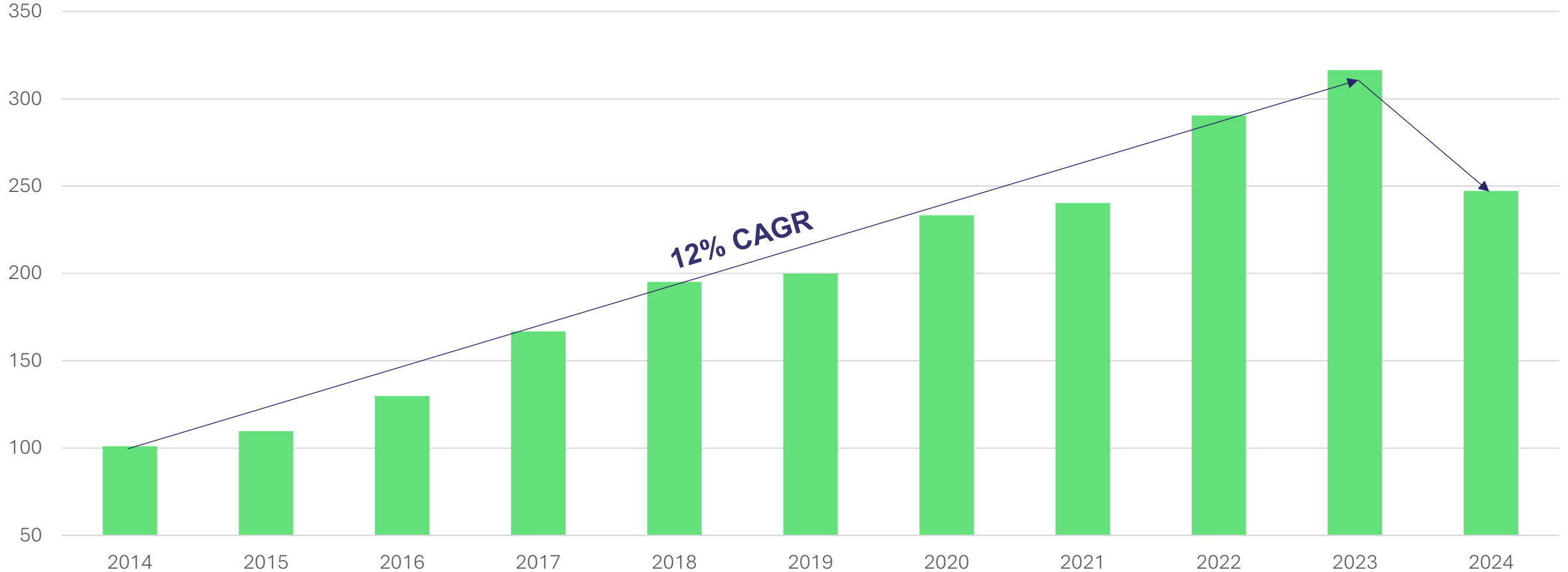
Medical devices market to reach \$800bn by 2030

- Driven by AI, medical imaging, minimally invasive surgeries, patient treatment devices, and IOT incorporation



Revenue History

£m



A long history of consistent revenue growth with 12% CAGR from 2014 to 2023

2024 revenue evolution is highly atypical, particularly the destocking cycle within Healthcare and Industrial Technology

Disclaimer



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