

— Acquisition of 2 High Voltage businesses

31st January 2022

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○ — **WHAT WE'VE ANNOUNCED**

XP Power (XP) has acquired FuG Elektronik GmbH (FuG) and Guth High Voltage GmbH (Guth) from Dr Simon Consulting (DSC) GmbH for €39.0 million representing c. 8.5x 2021 Adjusted EBITDA

FuG and Guth's c.150 employees including the management teams, based in two sites near Munich and Stuttgart, are now part of XP Power

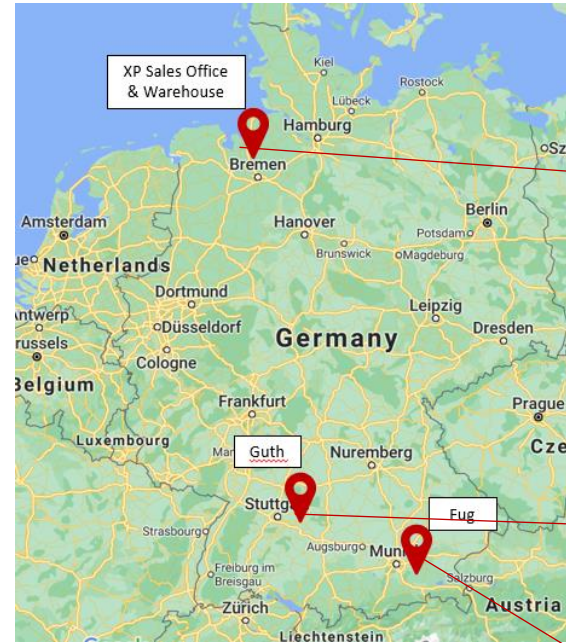
The acquisition is highly complementary to XP's existing high voltage product portfolio and accelerates our strategy in this attractive market

Significantly enhances our high voltage capabilities and strength in the strategically important German and European markets

Strategy in action: further acquisitions in strategic markets to expand our product offering and addressable market

○ — BACKGROUND

- Founded over 70 years ago, DSC acquired Guth in 2005 and FuG in 2008.
- The businesses produce mostly high voltage products for electron beam processing, tube manufacturing (healthcare), semiconductor manufacturing equipment, environmental technology, space technology, surface treatment, testing & material analysis, and for R&D
- Fug (www.fug-elektronik.de) has revenue of ~€13m and staff of 115, develops and manufactures precision low and high voltage power solutions for industrial customers and for scientific applications
- Guth (www.guth-hv.de/hv) has revenue of ~€5m of and 35 staff, offers solutions to a variety of high voltage applications and markets including power supplies, charging capacitors, insulation and measurement equipment, and transformers.
- Both bring new technologies and capabilities to XP Power and a strategically important design centre in a core market

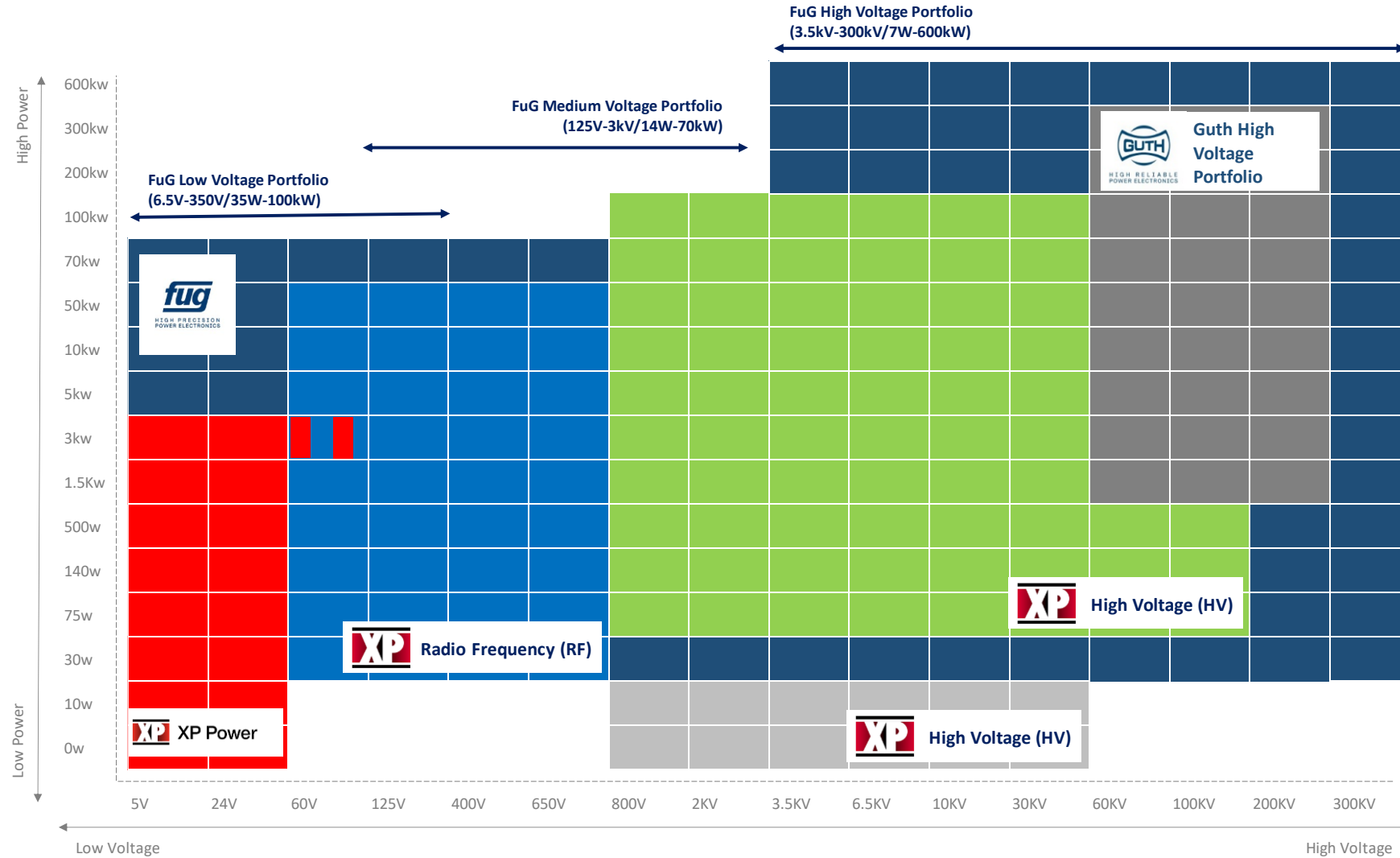


○ — STRATEGIC RATIONALE

- Accelerates our high voltage strategy bringing both new technology and technical capability
- FuG and Guth's product portfolio is highly complementary to XP Power's portfolio with minimal overlap
- FuG & Guth's portfolio allow access to new high voltage markets for XP with solid and liquid potted products which will support the XP product portfolio
- Acquisition provides an additional design and manufacturing centre, complementing XP Power's existing footprint
- Revenue synergies expected utilizing the Group's wider global customer base through sales teams and distribution network to accelerate growth. FuG facility has significant expansion potential to support the growth opportunity
- Strengthens XP Power's position in Germany, the largest market for power solutions in Europe

Brings new technology, capabilities and products to XP Power

FURTHER EXPANSION OF THE XP POWER PORTFOLIO



○— FINANCIALS

- Combined revenue of FuG & Guth anticipated to be ~€18m and adjusted EBITDA of ~€4.5m for year ended 31 December 2021
- No cost synergies are planned, strategy is about revenue growth
- Future revenue expected to grow at high single digits
- Acquisition expected to be earnings enhancing in 2022, will be additive to Group's margins
- Funded from existing debt facilities
- Group's balance sheet remains strong post acquisition with net debt/adjusted EBITDA expected to be below 1.0x at FY22 year-end

Attractive returns, accretive to XP Power

XP POWER INVESTMENT CASE



Investing in Growing Markets

- Exposed to high growth markets
- Strong Customer relationships
- Balanced product portfolio
- Revenue annuity



Attractive Margins

- Seek to achieve gross margins in high 40's
- Aiming to deliver consistent >20% operating margins



Strong Cash flows

- High operating cash conversion
- Low capital intensity
- Good working capital control
- Clear dividend policy



Leadership and People

- Entrepreneurial culture
- Employee Engagement
- Able to attract and retain the best talent



Strong Supply Chain

- Global footprint
- Multi-site low-cost manufacturing
- Engineering close to customer
- Focused on increasing capacity



Focus on ESG

- Aim to lead industry on sustainability
- Aspiration to be carbon neutral by 2040
- "XP Green Power" products
- Clear ESG framework

Driving sustainable growth to create long-term value for all stakeholders



○ — **Questions & Answers**



POWERING THE WORLD'S CRITICAL SYSTEMS