

# Spirax-Sarco reports 'strong' first half amid supply chain disruption and inflationary pressures

Engineering firm Spirax-Sarco has reported "strong" financial results for the first half of 2022 against a backdrop of supply chain disruption and rising inflation.

The FTSE 100 firm, which is headquartered in Cheltenham, saw revenues rise 17% to £750.1m for the six months ending June 30, while adjusted operating profit rose 10% to £178.8m. The company's adjusted operating profit margin was down 23.8%, but Spirax-Sarco said this reflected recent investments made by the firm.

In July, the valve and pump manufacturer [signed a binding agreement to acquire Vulcanic](#) – an electrical heating group of companies – for €261.7m (£222.5m) from Qualium, a French private equity company. The company also recently acquired energy consulting firm Cotopaxi, bringing the business into its steam specialities arm. Spirax-Sarco paid a total consideration of £13.3m for Cotopaxi, of which £12.8m was on a cash and debt-free basis. The transaction was funded through its cash resources.

Spirax-Sarco said its order books remained at "record levels" as it managed the challenges to its global supply chain. Steam specialties sales at the business were up 11%, while electric thermal solutions sales rose by 18%, the company said. The business currently has a net debt of £202.7m – up from £192.8m in the first half of 2021.

Nicholas Anderson, group chief executive, said: "I am grateful to all colleagues for their tireless efforts to support our

customers in a challenging first half. It is this excellent execution and resilience that underpins our improved full-year outlook.

“Our strong profitability and robust balance sheet support our continued investment in growth, including our sustainability, digital and manufacturing initiatives.”

The listed firm’s interim dividend was up 10% to 42.5 pence, following 15% total increase in 2022.

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