



Engineering Disposal and Future Agriculture Strategy

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2024 Overview: Transformative changes to drive future growth

Highlights:

- Process to realise value for the Engineering Division concluded in January 2025 with the sale of most of the businesses to Cadre Holdings, Inc.
- Parallel focus on preparing the Group for its future as a pure-play global agriculture business with a clear strategy for value generation
- Global Agriculture leadership team in place and focussed strategy for the future developed
- FY25 EBIT- enhancing actions taken on under-performing core Agriculture businesses and non-core loss making business closed in October 2024
- Central cost reductions in progress, alongside property sales and pension scheme de-risking

PLC / Central Strategy

Simplified and Focussed

- Group Head Office relocated to inexpensive flexible office space
- Rightsizing of central resource to support Agriculture business in train:
 - 2025 will be a transitional year with c£1m+ pa taken out of cost base
 - Medium term objective to reduce net central costs to nil
- Disposal of seven investment properties completed (£4.1m proceeds received with further £0.8m deferred) with three properties (c£3m) in progress and expected to complete in FY2025
- DB Pension Scheme buy-in agreed with de-risking expected to be in place by Q3 FY2025

Executive Board

- Leadership focus on return of capital to shareholders, completion of Engineering disposal, right-sizing central costs and pension scheme de-risking
- Active focus on delivery of Agriculture Strategy

Dividend Policy

- Dividend policy to be re-set following disposal of Engineering and payment of final dividend for FY2024
- Future policy to target average 4% yield annually (c33% interim, 67% final)

Value Realisation: Engineering Division Disposal



Overview – Strategy Review

Strategy Review

- In April 2024 we announced we were exploring options regarding the potential disposal of the Engineering Division
- Driving performance across two separate 'small' divisions is costly and generalist
- Engineering Division performance slowly improving on prior years and order book levels holding steady
- Agriculture Division required significant change to unlock full value potential
- Simplify and de-risk non-core activities in parallel with this process

Value Realisation of Engineering Division

Process Update

- Contract exchange for sale of the nuclear-focussed Engineering Division on 15 January, for consideration of £75m
- Purchased by Cadre Holdings, Inc, a global business in nuclear sector – Carr's assets in this sector attractive for them
- Completion expected in H1 2025, subject to regulatory approvals and customer consents
- Up to £70m of proceeds to be returned to shareholders following completion (likely via Tender Offer)
- Group will remain net cash positive following return to shareholders, leaving capital available to drive growth in the Continuing Group
- Chirton Engineering excluded from agreement, separate sale process underway and progressing positively

Global Agriculture Strategy



Progress in Agriculture

Simplification and Focus

- Single division allows expert focus on Agriculture, which offers long-term growth based on core products – in existing and new markets
- Will also bring improved capital allocation to assess growth opportunities versus return of capital and subsequent performance
- Phased streamlining of central costs has begun, creating opportunity for significant cost savings

Sector Expertise Brought in to Lead Agriculture Business

- Joshua Hoopes joined as CEO Global Agriculture in March 2024
- Supported by new UK Commercial Director and UK Operations Director bringing consistency of approach across customers, products and sites
- New leadership in US feed blocks business, with Zach Westberg appointed as President
- Shift of functional support from centre to dedicated divisional roles brings focus on talent development
- Leadership team has new markets experience to execute strategic plans

Who we are...

“A global specialist of feed supplements for cattle, horses, sheep and goats.”

Multinational manufacturing across **3 different countries**

Over **20 countries** sold to globally

5 market leading product brands:
Crystalyx™, Smartlic™, Feed in a Drum™, Horslyx™ and Tracesure™

Led by **global leadership team** with **agricultural depth**



Our manufacturing sites

What we do...

“ Manufacture and sell **research proven supplements** delivered through block, bolus and bagged mineral formats.”

1 Feed licks
.....

The **core product** for our business.

Making up **90%** of our revenue.

2 Bagged minerals
.....

3 Boluses
.....



Why farmers purchase our products...

“Because forages aren't enough, **Crystalyx nutrition solutions** help **maximise** your herd's potential and your **profits**.”

- Our products **improve the health, performance, and fertility** of livestock.
- We **boost microbial activity** in the rumen which enhances feed digestibility.
- Product nutrients are delivered as a **highly palatable** low moisture feed lick that self-moderate intake.
- They can be **used in all-weather, all-season, all conditions** both in the barn and in the field.

Crystalyx vs competitor

Crystalyx



competitor



Crystalyx feed licks have been shown to be consumed by animals far **more consistently** than competitors' products.



● Our strategy...



1 Improve operating margin across Global Agriculture portfolio

2 Deliver profitable commercial growth in the core business

3 Expand into new extensive, grazing based growth geographies



“Drive shareholder returns and growth by leveraging our feed supplement expertise as a global specialist for extensive, grazing based food systems.”

1 Improve operating margin across Global Agriculture portfolio

- **Portfolio shift** away from low margin, commodity-based products
 - Recent sale and disposal of Afgritech (New York, US based rumen bypass business)

- Introduce **operational excellence** programme
 - Integrated UK operations leadership across three sites
 - Oklahoma US site leadership change

- Execute **cost improvement** plan
 - Group procurement established
 - Animax commissioned automated bolus machines



2 Deliver profitable commercial growth in the core business

- Focus on **driving branded, differentiated and patented products** within portfolio
 - Farm level marketing and demand generation investment initiated
 - Global NPD programme established

- Reinvigorated **commerciality and sales capability**
 - New UK commercial leadership with integrated sales team across all product ranges
 - Additional commercial resources applied to Poteau, Oklahoma site territories

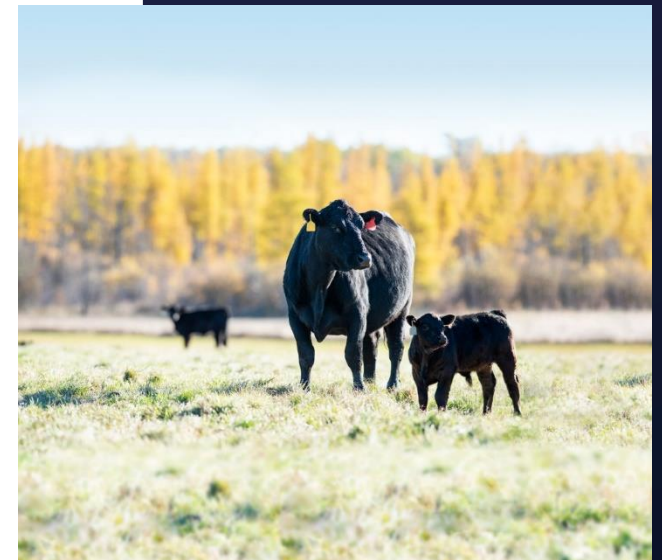
- Underpinned by expected **improvement in underlying market** conditions across our core markets



3 Expand into **new** extensive, grazing based **growth geographies**

- **New distribution partner** and model established for New Zealand market
 - Volume growth expected
 - Cost reduction in progress
- Explore **opportunities for targeted investment** into new, specially selected, high potential markets
- Leverage **global product portfolio** and intellectual property

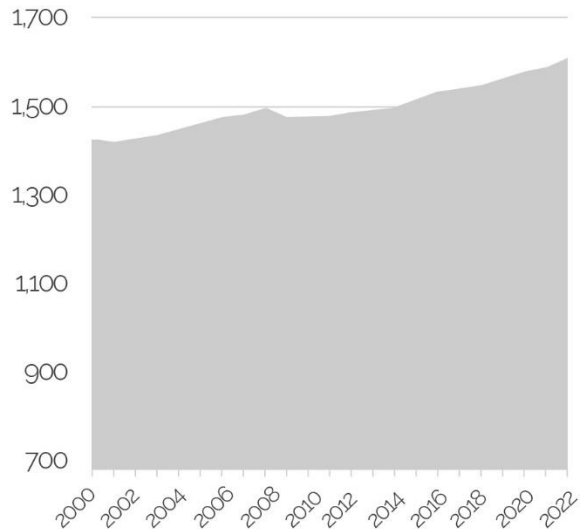
“The OECD has forecast beef consumption will increase to 76Mt between 2020 and 2029, while the FAO predicts global protein availability from beef will rise 8% in the 10 years to 2031.”



Industry growth and future demand...

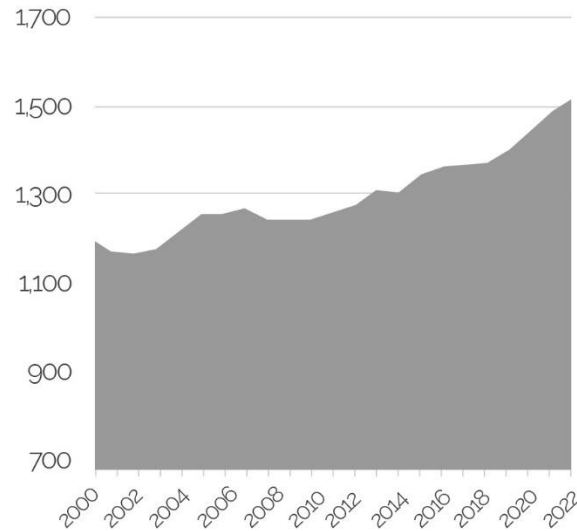
Increasing demand for animal protein due to global population growth and rising affluence

Global **Cattle** Stocks (millions)



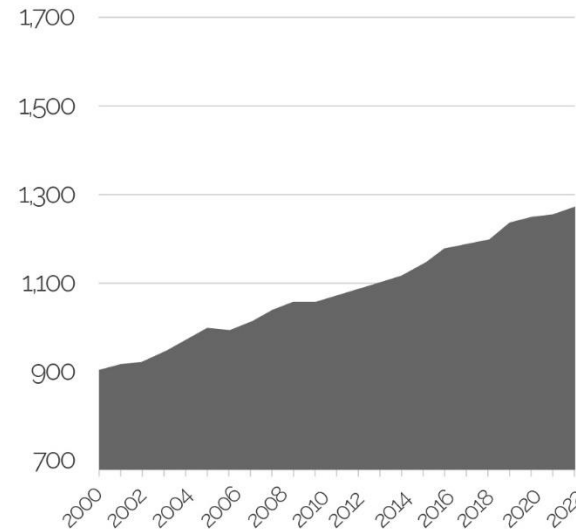
	Growth	CAGR
5 Years	4%	0.81%
10 Years	8%	0.76%
20 Years	12%	0.57%

Global **Sheep** Stocks (millions)



	Growth	CAGR
5 Years	10%	2.01%
10 Years	16%	1.47%
20 Years	29%	1.27%

Global **Goats** Stocks (millions)

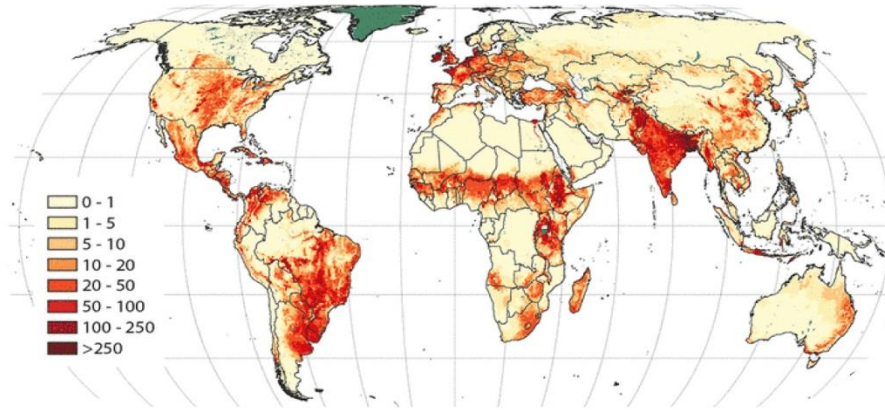


	Growth	CAGR
5 Years	6%	1.24%
10 Years	15%	1.45%
20 Years	35%	1.50%

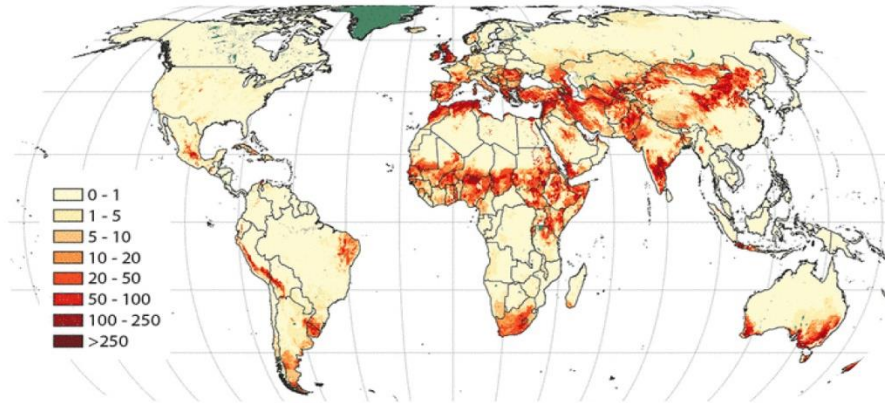


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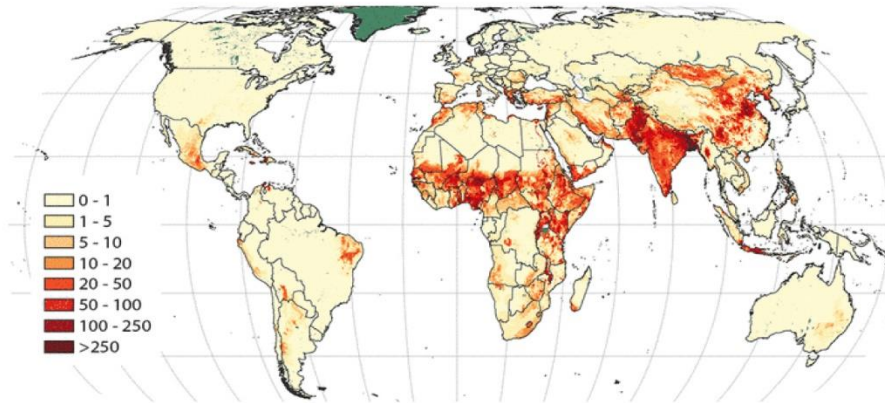
Cattle Stocks
(millions per sq km)



Sheep Stocks
(millions per sq km)



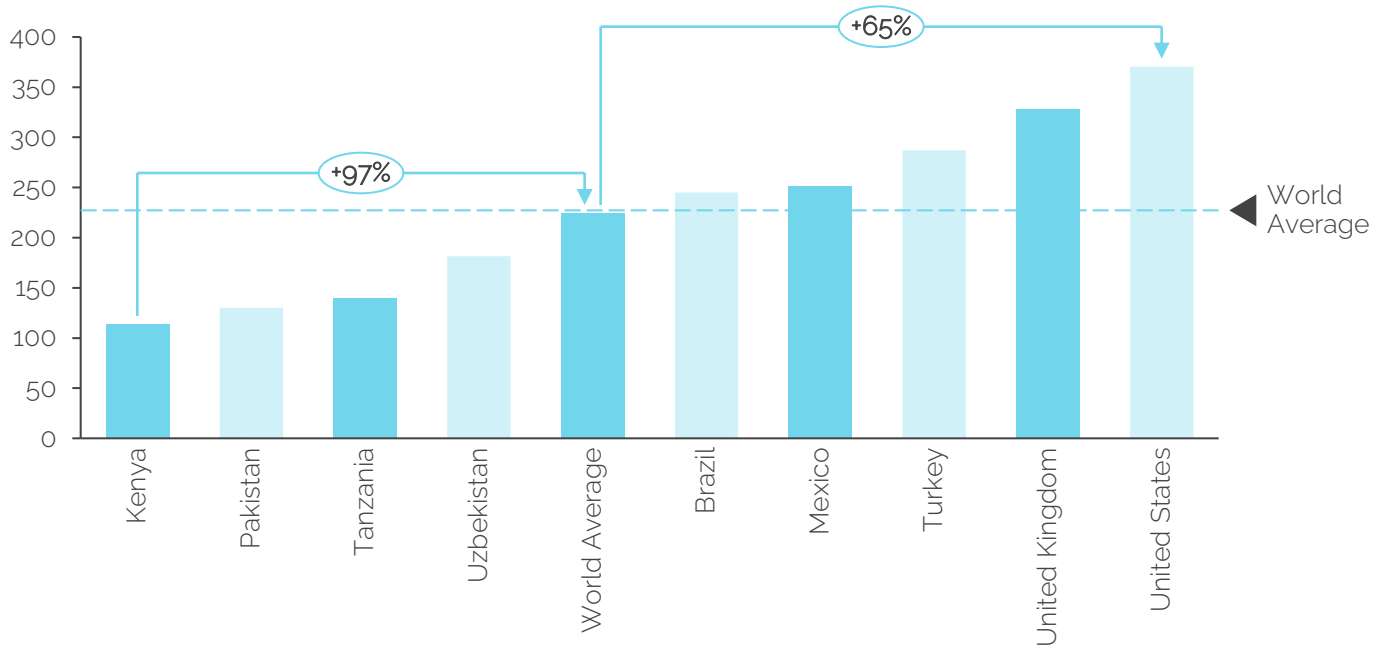
Goat Stocks
(millions per sq km)



Continued...

Strategic use of supplements can improve **productivity**, rural livelihoods and food security.

Global Cattle Meat Yields (Kg per animal)



Source: faa.org/faostat



Our operating model...



Global Leadership Team

Disciplined **capital allocation** and risk management.

Corporate development.

Performance management.

Coordinated Research and Development

New **product innovation.**

Scale **research** projects.

Intellectual property development.

Local Businesses

Deep customer intimacy and market **insight.**

Demand generation and sales execution.

Manufacturing excellence.



“Our operating model is designed to **drive shareholder returns and growth.**”





“Carr’s Group is **well-positioned for growth** with strong product offerings, strategic market presence, and a **clear focus on delivering shareholder value.**”

Delivering today,
building our future

Summary



Conclusion of Strategic Review

- Disposal process of Engineering Division now progressed to conclusion
- Return of vast majority of capital to shareholders
- Tender offer process expected to take 8-10 weeks from completion

Agriculture

- Strategy defined and focus is clear
- Actions already taken on under-performing businesses
- Simplification of Group removes distractions and reduces central costs
- Leadership team and functional expertise in place to drive top line growth and operating efficiencies

Appendix



Continuing Operations

	FY24 £m	FY23 £m	Change £m
Revenue: UK Agriculture	38.2	36.1	2.1
US Agriculture	37.5	45.7	(8.2)
Total	75.7	81.8	(6.1)
Adjusted EBIT: UK	1.1	2.6	(1.5)
US	2.7	1.8	0.9
JV profits	1.4	1.4	-
Central	(3.0)	(3.0)	-
Total	2.2	2.8	(0.6)
Adjusted EPS (p)	2.5	2.5	-
Basic EPS (p)	(4.8)	(1.0)	(3.8)

Continuing Operations represents our Agriculture businesses in the UK, US (continuing) and New Zealand, and JVs in the US and Germany

- Agriculture recovery momentum building:

YOY variance (%)		H1	H2
Volume	UK	+11	+13
	US	-18	-9

(excludes Animax)

- UK feed blocks recovery more advanced in recovery than the US, where southern states continue to be drought impacted
- US feed blocks volume influenced by closure of Nevada plant in December 2023 and volume recovery much stronger in northern states than southern (drought)
- UK influenced by Animax sales performance: H1: -1%, H2: -15%. Rapid turnaround plan in progress
- Structure of subscale, loss making New Zealand business changed post Y/E
- Central costs cover group functions, cost reductions underway – H2 down 18% YOY



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