

## Business model

Our differentiated aftermarket-focused business model drives sustainable compounding growth.

### Our purpose

To enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world.

### Our strengths

#### Core expertise in materials, engineering and data

Our expert teams create smart, efficient and sustainable solutions for our customers' biggest challenges.

#### Our unique culture

We have an inspiring purpose and focus on making Weir the place where people can do the best work of their lives.

#### Integrated manufacturing and service facilities

Our network means we provide customers with certainty of supply and ensures we keep our IP in-house.

#### Excellent customer focus

Our customer service network is second to none. Our people are on the ground, where and when our customers need them, providing a rapid and reliable response, and giving Weir a unique insight into their challenges.

#### World-leading brands

Our products and solutions are synonymous with both productivity and sustainability. We invest in technology to maintain our leading positions.

#### Financial strength

Through continued careful management, we are focused on maintaining a strong and resilient balance sheet to support future growth.

### Supported by our values and our risk management framework

### How we use our strengths to create value



#### Highly engineered equipment

Our solutions and digital technologies solve our customers' toughest challenges with lowest total cost of ownership.

#### Mission-critical solutions

Customers rely on Weir's solutions to avoid costly unplanned downtime and lower their environmental footprint, so we are a vital technology partner.

#### Comprehensive global support

No one serves more mines than Weir. We provide customers with the technology they need quickly and efficiently.

#### Intensive aftermarket care

Our solutions are used in highly abrasive applications and so equipment parts wear out. That generates recurring demand for aftermarket spares and expendables.

### The value we deliver



#### For the planet and society

Sustainable, efficient delivery of natural resources essential to create a better future for the world.

**27%**

reduction in scope 1&2 CO<sub>2</sub> emissions since 2019



#### For our customers

Market-leading technologies and excellent service that helps them optimise productivity and sustainability.

**£2.5bn**

orders in 2024



#### For our people and communities

A rewarding place where people are empowered to do the best work of their lives and support local communities.

**£623m**

paid in employee benefits in 2024



#### For governments

Support for economic growth and development in the countries in which Weir operates.

**£111m**

paid in corporate income tax in 2024



#### For our shareholders

An opportunity to invest in a low carbon future through the essential technology driving the global mining industry's transition to net zero.

**£100m**

total dividends paid in 2024

## Business model

### continued

#### We differentiate through technology and customer intimacy

In mining, downtime is the enemy of our customers and if unplanned, can cost them millions of dollars per day in lost production. Mining processes are highly abrasive, so equipment inevitably wears out, sometimes within a matter of weeks.

Our customers therefore look for a premium solution that is the most reliable and has the longest wear life, thereby minimising downtime – a solution that delivers the lowest total cost of ownership. This covers both original equipment and the aftermarket spares and expendables they require.

Sustainability continues to rise up the agenda at our customers as they seek to maintain social licence to operate. In parallel to total cost of ownership, they are increasingly looking for solutions that also help reduce their environmental footprint.

Weir's mining technology solutions address both productivity and sustainability. We provide both original equipment and aftermarket products. We differentiate with:

- World class engineering, innovation and manufacturing capability that delivers highly engineered original equipment and aftermarket products that have the longest wear life and that also address customers' sustainability challenges;
- being deeply embedded within our customers' operations and supply chains with local day-to-day relationships increasingly complemented by strategic global collaboration; and
- intellectual property, leading brands, customer focus and vertically integrated manufacturing base. This means we benefit from a large captive installed base of trusted mission-critical equipment.

These differentiation factors create a significant barrier to entry.

#### Our business model drives compounding growth

Sales of original equipment typically account for around 20% of our annual total revenue. Every sale of original equipment grows our installed base and generates a highly valuable and visible annuity-like aftermarket revenue stream on a recurring basis, as we provide spare parts to the equipment for the life of the mine.

Today, approximately 80% of our total revenue comes from aftermarket. It is driven by non-discretionary spend on spare parts that are essential to keep mines running. As a result, our growth is predictable and sustainable.

We have a large and growing installed base of original equipment around the world. It is a huge asset for Weir, fuelling significant aftermarket revenue over the long term. We protect it with our 'boots on the ground' comprehensive global service approach.

We are also focused on growing our installed base of OE throughout the mining cycle. So even when large projects are slower to convert, we continue to grow the base by providing debottlenecking and small brownfield expansion solutions to existing mines.

Capture rate

**>90%**

of aftermarket from original equipment sales

Customers recognise that Weir provides premium solutions and our leading support and service. Consequently, we capture more than 90% of aftermarket from our original equipment sales. This high capture rate supports our aftermarket-focused business model because each piece of original equipment sold generates, on average across the business, 30% of its original value in aftermarket spares revenue every year.

#### We are highly resilient through the cycle

Minerals Division

**7%**

compound growth in aftermarket revenue since 2010

The combination of installed base expansion, ore production growth, the effects of declining ore grades and pricing drives aftermarket revenue and enables us to consistently deliver mid to high single digit through-cycle growth.

This predictable and sustainable aftermarket growth is demonstrated by the 7% compound growth in aftermarket revenue in our Minerals Division since 2010.

Throughout various market cycles, including the global mining downturn where capital expenditure fell significantly and commodity prices fell by 50%, our aftermarket business has remained highly resilient, continuing to grow and demonstrating its inelasticity to both capital expenditure and commodity price cycles.

This embedded resilience is a significant differentiator for Weir and our aftermarket-focused model, through the cycle, is proven to be among the most resilient in our sector.