

FOR IMMEDIATE RELEASE

24 March 2021

**DIPLOMA PLC**  
**HALF YEAR TRADING UPDATE**  
**STRONG FIRST HALF PERFORMANCE**

Diploma PLC, the international group supplying specialised products and services, today issues a pre-close trading update for the six months ending 31 March 2021.

The Group has delivered a strong performance for the first half, ahead of our expectations.

- Underlying revenue is expected to be in line with the pre-Covid prior year period, with good progress in all three Sectors.
- Reported revenues are expected to be up 27%, reflecting a strong contribution from acquisitions.
- Operating margin is expected to be at the upper end of the Group's FY21 target range of 17-18%, reflecting tight cost control and a positive impact from Windy City Wire (WCW).

We continue to make progress with initiatives to drive organic growth, broadening and diversifying our businesses for scale in our core products and markets. During the period, WCW has delivered an excellent performance and we have also invested nearly £50m in three high quality, strategically important bolt-on acquisitions.

For the full year, the strong trading performance is expected to offset the foreign exchange impact from the strengthening of Sterling.<sup>1</sup> Our expectations for the full year remain positive and unchanged.<sup>2</sup> The Group's strong trading performance and progress with our strategic objectives provide us with confidence in Diploma's long term prospects.

<sup>1</sup> USD/GBP and EUR/ GBP exchange rates assumed at \$1.38 and \$1.14.

<sup>2</sup> Current market consensus for the year ending 30 September 2021 is for revenue of £742m and adjusted operating profit of £133m.

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**Notes:**

1. *This trading update is based upon unaudited management accounts and has been prepared solely to provide additional information on trading to the shareholders of Diploma PLC. It should not be relied on by any other party for other purposes. Certain statements made in this update are forward-looking statements. Such statements have been made by the Directors in good faith using information available up until the date that they approved this Statement. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.*
2. *Diploma PLC uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. All references in this Statement to "underlying" revenues refer to reported results on a constant currency basis and before any contribution from acquired or disposed businesses.*
3. *A copy of this Statement, together with further information about Diploma PLC, may be viewed on its website at [www.diplomaplc.com](http://www.diplomaplc.com)*

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