

18 March 2026

Significant upgrade to FY26 guidance

Diploma PLC, the value-add solutions group, today issues an update reflecting strong trading, and upgrades FY26 guidance.

- **Trading remains very strong.** Great performance continues through H1. Confident in H2 momentum.
- **Upgraded FY26 guidance**
 - Organic revenue growth increased to 9% (from 6%), remaining H1 weighted
 - Net acquisition growth unchanged at 3%. This will increase if further acquisitions are made
 - Operating margin increased to c.25% (from c.22.5%)
 - Representing a c.13% upgrade to consensus operating profit¹
 - We expect another year of sustainable quality compounding, with earnings growth over 20% at strong returns on capital
- **Strong growth across diversified portfolio:**
 - Controls:**
 - Peerless – Aerospace demand and supply characteristics are favourable and sustainable. We have a proven track record of executing on growth opportunities. We expect another outstanding organic growth performance in the first half, with the second half returning to more typical growth rates against very strong comparators.
 - Other Controls businesses also growing strongly – IS Group and Clarendon continue to execute well in structurally growing markets like energy, defence and aerospace. Windy City Wire is performing very well. Strong growth supported by excellent execution in markets including datacentres and digital antenna systems. We expect H2 growth to be good against strong comparators.
 - Seals:**
 - North American Seals continues to show good progress, with strong core business growth in infrastructure and exciting developments in nuclear power generation. International Seals remains challenging – particularly in the UK – and will somewhat hold back overall Seals H1 growth rates, consistent with FY25 growth rates.
 - Life Sciences:**
 - Performing consistently in a tough healthcare market, with share gains across medtech and IVD.

Organic growth excluding Peerless is strong and well ahead of our financial model.
- **Margins continue to expand** driven by accretive contribution from Peerless and steady accretion across the rest of the Group.
- **Acquisition momentum continues** – As reported in January, we completed 8 acquisitions in the preceding two quarters for c.£130m with expected annualised operating profit contribution of c.£20m. With a healthy short-term pipeline, we feel optimistic about this momentum continuing in the months ahead. Potential acquisitions are not reflected in our guidance.

Johnny Thomson, Chief Executive Officer, and Wilson Ng, Chief Financial Officer, will host a conference call for analysts and investors this morning at 8:00am (UK time).

Conference call dial in details:

- *Dial in: +44 (0) 33 0551 0200 / 0808 109 0700*
- *Password: Teneo*

Our next scheduled update is our half year results on 19 May 2026.

Notes:

1. Analyst consensus adjusted operating profit for FY26 is £377m, as at 17 March 2026.

END

For further information please contact:

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NOTE TO EDITORS:

Diploma PLC is a value-add solutions group, providing critical products and services to customers across a wide range of markets.

We employ c.3,400 colleagues across the Group. Our businesses primarily operate across the US, Canada, the UK, Europe and Australia.

Diploma delivers sustainable quality compounding. Over the last seven years, the Group has grown adjusted earnings per share (EPS) at an average of c.18% p.a. through a combination of organic growth and acquisitions.

Diploma is a member of the FTSE 100.

Further information on Diploma PLC can be found at www.diplomaplc.com

The person responsible for releasing this Announcement is Anna Lawrence, Group General Counsel & Company Secretary.

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