PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2026
17 November 2026

DIPLOMA PLC
VALUE-ADD SOLUTIONS

VERY STRONG EARNINGS GROWTH OF 45% AT 25% RETURNS

	FY26	FY25	Change
Revenue	£1,840.3m	£1,524.5m	+21%
Organic revenue growth	**15%**	11%	
Adjusted operating profit	£487.1m	£342.7m	**+42%**
Adjusted operating margin	**26.5%**	22.5%	+400bps
Statutory operating profit	£390.0m	£283.7m	
Free cash flow	£323.3m	£247.2m	
Free cash flow conversion	**94%**	105%	
Adjusted earnings per share	**255.6p**	176.0p	**+45%**
Basic earnings per share	192.2p	137.9p	
Leverage	**0.7x**	0.8x	
Full year dividend per share	65.4p	62.3p	+5%
ROATCE	**25.3%**	20.9%	

See notes below regarding alternative performance measures

- **Organic revenue growth of 15%:** Attractive end market exposures, further core geographic penetration, and product extension supporting structurally stronger growth.
- **High-quality and diverse portfolio**: continued outstanding performance from Peerless with strong, broad-based organic growth of around 10% across the rest of the portfolio.
- **Acquisitions accelerating total revenue growth to 21%**: 16 new businesses since the start of FY26 for c.£368m at an average EBIT multiple of c.7x, adding £50m of annualised operating profit, including:
  - CDM, a c.$80m revenue US interconnect business into defence; and
  - Elite, a high-margin c.$25m revenue US aftermarket pump parts business into the water market.
- **Operating margin of 26.5%:** differentiated value-add model and strong execution.
- **Financial firepower:** strong cash generation, significant balance sheet headroom, healthy and diverse acquisition pipeline.
- **A great year of Sustainable Quality Compounding:** ambitious earnings growth of 45% with disciplined returns of 25%.
- **Positive momentum into FY27.**

FY27 guidance (at constant currency):

We expect another strong performance in FY27, ahead of our financial model.

- **Total revenue growth of 12%.**
  - **Organic revenue growth of 6%.**
  - **Expect double-digit Q1 growth, moderating as we lap very strong comparators from Q2.**
  - **Acquisitions announced to date add 6% to reported revenue growth:** this will increase with any future acquisitions.
- **Operating margin of 25.5%.**
  Strong margin performance expected, while also reflecting investment to support future growth and the impact of acquisitions.

Commenting, Johnny Thomson, Diploma's Chief Executive said:

"This has been another great year for Diploma. Thank you to all my colleagues for their commitment to deliver for our customers every day.

The strength of our performance this year demonstrates our continuous focus on ambitious earnings growth – up 45% – delivered with disciplined returns – at 25% – adding to our long-term track record.

Our strong organic growth of 15% has been complemented by acquisitions, growing and strengthening our portfolio. Since the start of FY26, we have welcomed 16 new businesses to Diploma, adding £50m of annualised operating profit while maintaining our disciplined approach to returns.

The new year has started with great momentum. We have a diversified portfolio, attractive end market exposures, a strong acquisition pipeline and brilliant teams. We're confident in delivering another year of sustainable quality compounding."

Sector performance

- **Controls (61% of Group revenue) +25%** organic growth: excellent execution in attractive end markets including aerospace, defence, datacentres, and energy. Double-digit growth in Windy City, Peerless, Clarendon and IS Group in FY26, with good momentum into FY27.
- **Seals (26% of Group revenue) +4%** organic growth: sequential improvement in H2'26. High-single-digit organic growth in North American Seals. Strong execution and exciting developments in nuclear power generation and water management. International Seals was challenging but performance continues to improve.
- **Life Sciences (13% of Group revenue) +1%** organic growth: challenging H2 performance reflecting tough healthcare markets and short-term product lifecycle effects. Expect first half of FY27 to remain challenging. Long-term prospects are attractive.

Acquisitions

16 new businesses acquired since the start of FY26, adding £50m of annualised operating profit.

- **FY26:** 14 deals for c.£281m adding £37m of annualised operating profit.
  - **Q1-Q3:** 11 deals adding £34m of annualised operating profit.
  - **Q4:** 3 deals adding £3m of annualised operating profit.
- **FY27 to date:** 2 deals for c.£87m adding £13m of annualised operating profit.
- The five deals since Q3 trading update add £16m of annualised operating profit.
  - **Gytech** (Life Sciences) – specialist women's health and reproductive technologies across Australia and New Zealand.
  - **Sealco International** (Seals) – highly engineered sealing solutions for demanding industrial applications.
  - **MGC Aerospace** (Controls) – aerospace fasteners into helicopters and fixed-wing aircraft, serving OEMs, MROs and operators worldwide.
  - **SpecTech** (Controls) – specialist defence fasteners in the US.
  - **Elite Manufacturing Systems** (Seals) – aftermarket pump parts into water and energy markets.

Notes:
Unless otherwise stated, references to metrics other than UK-adopted IAS measures throughout this document refer to adjusted measures (as set out in note 15 to the Condensed Consolidated Financial Statements in this Announcement).

Diploma PLC uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. These include organic revenue growth, adjusted operating profit/adjusted operating margin, adjusted earnings per share, free cash flow/free cash flow conversion, leverage and Return on adjusted trading capital employed (ROATCE). Definitions of these metrics are set out in note 15 to the Condensed Consolidated Financial Statements in this Announcement.

Certain statements contained in this Announcement constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of Diploma PLC, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties and other factors include, among others, exchange rates, general economic conditions and the business environment.

A presentation of the results to analysts and investors will be held at 09:00 (UK time) via audio conference call and webcast. Register your attendance for the webcast at: https://brrmedia.news/DPLM_FY26

Conference call dial in details:

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

A recording of the presentation will be available after the event on our website *https://www.diplomaplc.com/investors*

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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 over 4,000 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 five years, the Group has grown adjusted earnings per share (EPS) at an average of c.25% 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.

LEI: 2138008OGI7VYG8FGR19

CEO REVIEW

Very strong performance and great progress

This has been a year of excellent financial performance and great strategic progress, building on our long track record of compounding growth and strong returns.

We continue to balance ambitious earnings growth with disciplined returns. This combination is what delivers sustainable quality compounding. Very strong adjusted earnings per share growth of 45% demonstrates this ambition. Return on capital of 25% is a reflection of the discipline that we live and breathe.

Organic growth is our priority. This year it was 15%, reflecting broad-based growth across the portfolio. High margins demonstrate the strength of our value-add customer propositions. This year operating margin increased by 400 basis points to 26.5%, with operating profit up 42%. Strong cash generation builds our firepower for investment. Free cash flow conversion was 94%. We have maintained a strong balance sheet with leverage of 0.7x, even after completing a record number of acquisitions in the year.

Our discipline is central to how we approach acquisitions. Since the start of FY26, we have welcomed 16 high-quality businesses across our three Sectors, investing £368m at an average EBIT multiple of 7x, adding £50m of annualised operating profit. These acquisitions strengthen our positions in attractive end markets, extend our penetration in core developed geographies and broaden our value-add product and service capabilities.

I thank all my brilliant colleagues whose performance and progress collectively drive these great results. It has been another great year for Diploma.

A model that delivers

This has been a standout year for us. It is the result of a lot of hard work across our teams.

What is most important to the Diploma story is not about one year of great performance. It is about sustainably delivering great outcomes year after year, in good times and bad. For decades, Diploma has delivered double-digit revenue and earnings growth at great returns on capital.

We've developed our strategy, injected more ambition and improved our execution – this has delivered a step up in organic growth, acquisitions and margins. A performance like this matters not only because of what it delivers in the year itself, but because it materially increases the earnings base from which we compound in the future. We have accelerated the compounding through stronger organic growth, increased acquisition activity and higher margins. And there is so much more to go for.

We can do this because we have a model that delivers and a clear strategy that we execute with great discipline.

Strategic progress

The Group's strategy is to build high-quality, scalable businesses for sustainable organic growth.

Organic growth is our priority

We are very ambitious and this is reflected in our organic growth.

We drive organic growth through three buckets: increasing our exposure to structurally growing end markets; further penetrating our core developed geographies; and extending our product range to expand addressable markets. This strategy drives both sustainable organic growth and increased resilience.

Over recent years, we have considerably increased our exposure to attractive end markets. Our products and services are relevant to so many of them. They provide growth tailwinds and increase our resilience. They have made our growth more structural. This, combined with

continuous improvement in our execution, has accelerated our organic growth. Our five-year average is 11% - well ahead of our financial model of 5%.

As well as our more established markets, such as aerospace, defence and in vitro diagnostics, we are excited about the opportunities in our earlier stage markets, like water management, nuclear power and datacentres, particularly in maintenance, repair and overhaul (MRO) where we see sustainable growth opportunities. While our early stage markets will not be major contributors to FY27 performance, in the medium to long term they will sit alongside our more developed end markets as meaningful contributors to our organic growth.

This has been one of our strongest years for organic growth. It's the portfolio effect in action. Some of our businesses – Windy City Wire, Peerless, Clarendon and IS Group – have delivered outstanding double-digit growth as a result of excellent execution in attractive growth markets. Other businesses have driven impressive improvement throughout the year, like those in our North American Seals Sector which is now growing high single-digit. And a number of our businesses are operating in challenging markets which make growth harder to deliver – like some of our International Seals and Life Sciences businesses.

Targeted acquisitions accelerate organic growth

Acquisitions are an important part of our strategy. They bring new high-quality businesses into our portfolio, enhancing our capabilities, products, geographies and end market exposures, all of which create more runway for future organic growth, while delivering strong returns on capital.

Since 2019, we have acquired 62 businesses, investing £1.7bn. Together, they have strengthened the quality of our portfolio and generated returns of over 20%. This track record is something we are very proud of and are committed to maintaining. We don't buy just any business for any price – discipline is critical.

Discipline doesn't mean buying at low multiples. We have created the best economic value for shareholders from some of our highest-multiple deals. It's about the potential we see. Delivering great returns is what's most important.

Acquisition momentum stepped up meaningfully from late FY25 and FY26 has been a record year for us, with more new businesses joining Diploma than in any other year – 14 in total. We've welcomed businesses in all three of our Sectors across our key geographies. This included CDM, an $80m revenue business which establishes a strong US interconnect platform with attractive positions, principally in defence.

In early FY27, a further two businesses have joined the group, including Elite Manufacturing Systems – a high margin US specialist in aftermarket pump parts for the water industry.

As well as immediately contributing to the top and bottom line, most importantly, they unlock opportunities across our three strategic buckets: increasing our exposure to attractive end markets, supporting geographic penetration in our core regions and extending our value-add product and service capabilities.

Looking ahead, our pipeline remains healthy and diverse. Deal flows will not be linear and we do not set annual acquisition targets. We remain focused on the right opportunities, not the number or size of deals, and we will continue to execute with the discipline needed to deliver high returns.

Read more about our acquisitions in the Sector Reviews.

Scaling for sustainable growth

Effective scaling is essential for our long-term success.

Our value-add model and our powerful decentralised culture are our key differentiators. As we grow in size and complexity, we naturally have to do things differently, while always preserving these differentiators. Building effective scale is key to the strategy – developing our businesses and Group to become better, not just bigger.

As we scale, preserving our culture is critical to our success and we are obsessive about protecting it. Our businesses retain the local accountability and entrepreneurial spirit that have always differentiated Diploma. At the same time, we increasingly benefit from sharing expertise, capabilities and opportunities across the Group. Combined with a performance ownership mindset, this creates a powerful platform for sustainable growth.

Our brilliant teams work hard every day, not only to deliver great results in the year, but to build stronger businesses and a stronger group. A lot of these actions are small and incremental, but critically important. Sometimes, we undertake a bigger project or initiative, like a new facility or system, to support growth.

This year, we have continued to invest in developing our talent, building our platforms and enhancing our facilities. For example, by introducing new leadership development programmes, investing in our Group control and assurance platform and supporting multiple system and facility enhancements across our businesses.

Building capability is the most important part of my job. We continue to provide leadership-at-scale development and hands-on support to our general managers and leadership teams as their businesses grow. We have also set an objective for 80% of senior appointments to be made internally by 2030, recognising that succession is critical to cultural continuity and sustained execution.

We're disciplined about how we scale and, as always, we are focused on returns.

Delivering Value Responsibly

Our businesses deliver essential products and services that help industries run smarter, safer and stronger – whether that's providing life-saving healthcare solutions, enabling more resilient infrastructure or supporting a circular economy through aftermarket repairs.

Our Delivering Value Responsibly framework focuses on our people, doing business responsibly and the environment. We have continued to make strong progress during the year, with record levels of colleague engagement, further integration of responsible sourcing practices across our supply chain, climate transition planning and significant reductions in waste to landfill. These achievements reflect the commitment of our teams to creating long-term value for our customers, colleagues, suppliers and communities.

Looking ahead

FY27 has started with great momentum and we expect to deliver a strong performance with guidance ahead of our financial model for both revenue and margins.

We remain focused on executing our strategy of building high-quality, scalable businesses for organic growth. The quality and diversity of our portfolio gives us exposure to attractive, structurally growing markets and provides resilience. Our acquisition pipeline is very healthy, and we have the financial capacity, the capabilities and the discipline to continue creating value into the future.

Diploma's future is promising – focused on delivering ambitious growth with disciplined returns.

Our business model is robust. Our growth potential is significant, in fragmented markets with structural support. We focus on cash, capital allocation and returns. All driven by the depth and quality of our management, our powerful decentralised culture, and our intense focus on execution.

I'm excited about the future. There's a lot to go for.

CFO REVIEW

Further commentary relating to the FY26 financial results can be found in the Financial Review.

Ambitious growth, disciplined delivery

Sustainable quality compounding is the result of ambitious earnings growth combined with disciplined returns. Our business model and strategy are designed to support the delivery of strong organic growth, at high margins and with great returns on capital. As a result, we have a long track record of delivering double-digit revenue and earnings growth at great returns on capital.

Our financial model lays out how we will continue to deliver this in a set of medium-term financial outcomes. Delivering against this model has consistently delivered strong shareholder returns and will continue to drive compounding value over the long-term.

Ambition…

	FY26	Model
Organic growth is our number one priority	**15%**	5%
Total revenue growth accelerated by quality acquisitions	**21%**	10%*
Value-add drives strong **adjusted operating margins**	**26.5%**	20%+
Compounding **adjusted EPS growth**	**45%**	Double-digit

*At constant currency

…with discipline

	FY26	Model
Capital-light business model drives strong **cash conversion**	**94%**	90%
Capital stewardship focused on strong **returns**	**25.3%**	High teens
Balance sheet discipline maintains prudent **leverage**	**0.7x**	c.2.0x
Return to shareholders with a progressive **dividend**	**5%**	5%

Structural growth markets drive strong organic growth

Organic growth is our number one priority and is what our strategy is designed to deliver. Our value-add businesses drive growth through end market exposure, geographic penetration and product extension.

Our portfolio is well diversified and it is increasingly more exposed to structural growth end markets. Historically, we have grown organically at 5% a year. Over the last five years, we have stepped this up to 11%.

We delivered 15% organic growth in FY26. As always in a portfolio, performance varied across our businesses. We have seen some impressive double-digit growth in a number of businesses, driven by strong execution in attractive end markets. In particular, Peerless delivered another year of outstanding growth leveraging its strong market position and excellent commercial and operational execution. Windy City Wire delivered high-teens growth, through strong volume growth and effective commercial management of dynamic copper price movements. We have also seen some more challenged performances too, hindered by market conditions in many cases.

In FY26, acquisitions made a meaningful contribution to revenue growth, accounting for 6ppts of the 21% top-line growth we delivered.

Our strategy is to accelerate our organic growth with targeted acquisitions, and our compounding model demonstrates that we can deliver double-digit revenue growth within our leverage policy.

We do not set specific annual targets for acquisitions. We're focused on doing the right deals that drive the right returns, not the biggest deals or the highest number.

The revenue growth performance in FY26 clearly sets a strong comparator as we head into FY27.

Value-add solutions drive high operating margin

This year, we have materially increased operating margins, up 400 basis points to 26.5%, driving adjusted operating profit growth of 42%. Our proven ability to pass on input cost increases such as copper price and inflation demonstrates the value we add to our customers and has supported margin performance in FY26. Volume growth has also continued to be a strong driver of margin expansion.

Margins have structurally stepped up over recent years. This is underpinned by our strong value-add customer propositions, operating leverage as our businesses grow, continuous performance improvement through disciplined execution and a structural strengthening of the portfolio through high-quality acquisitions, alongside continued reinvestment.

While FY26 margins, at 26.5%, feel at the top end of our expectations, Diploma is now a group with operating margins sustainably above 20%.

In the coming year, we anticipate some margin moderation, reflecting selective investment in operating expenditure to support growth, the impact of acquisitions, and a controlled moderation of Peerless' margin. While we expect Peerless' margin to reduce from the very high level delivered in FY26, we also expect the business to continue delivering growth in revenue and operating profit.

Ambitious earnings growth

The combination of our growth and margin drives the double-digit adjusted earnings per share growth in our financial model.

This year, we delivered very strong earnings growth of 45% through excellent organic and inorganic execution. Of course we don't expect to deliver growth at this rate every year, but a performance like this builds our earnings base, accelerating our compounding.

Intense discipline drives strong returns

Our key returns metric, return on adjusted trading capital employed (ROATCE), adds back accounting adjustments, such as acquisition related amortisation to measure returns based on underlying economic performance.

In FY26, we reported returns of 25.3%, above our optimal 'high teens' range.

Our goal is to maximise long term value creation, and that is delivered by deploying more capital with discipline to achieve high-teens returns. This creates significantly more value than delivering a higher returns percentage but with less capital deployed.

Achieving strong returns requires both consistent operational discipline and a disciplined approach when making acquisitions. We have simple but strict criteria for potential acquisitions and we focus on the time needed to reach our required level of returns.

Since the start of FY26, we have completed 16 deals for a combined investment of £368m at an average EBIT multiple of 7x, adding £50m of annualised operating profit (including two deals after year end for £87m).

Read more about acquisitions in the CEO Statement and Sector Reviews.

We expect returns to moderate to our high-teens range over time, as we deploy more capital into operating and working capital investments, as well as potential acquisitions.

Capital-light model drives strong cash conversion

Our capital-light business model and disciplined execution drive strong cash conversion, and this means we have significant firepower to invest in our growth.

Our financial model demonstrates a sustainable 90% conversion through our disciplined approach. FY26 cash conversion was 94%, despite increased investment in inventory to support growth in attractive markets. Capital expenditure remained low at c.1% of revenue.

We see inventory investment as an important tool to unlock growth when executed with discipline. We will continue to make targeted working capital investments and consequently expect cash conversion of around 90% going forward, rather than the higher levels we have seen over the last few years.

Balance sheet discipline drives firepower

Our financial model includes leverage (net debt to EBITDA) of around 2x, with covenants allowing up to 3.5x. As a result of our strong cash generation, we naturally deleverage at approximately 0.5x per annum.

Despite our meaningful investments in acquisitions during the year, we ended FY26 with a leverage ratio of 0.7x. There is, therefore, significant headroom for future investment.

We maintain a well-supported balance sheet with c.£1.2bn secured, through the combination of our revolving credit facility (through which we secured an additional £295m in FY26) and US private placement notes, termed in tranches out to 2036.

We intend to continue building our financial firepower to keep pace with our growth ambitions, while staying within the guidelines of our financial model.

Progressive dividend enhances strong shareholder returns

Paying a progressive dividend is integral to our discipline and we have done so for over 25 years. Our compounding model includes dividends growing by 5% per annum. The total 65.4p dividend proposed for FY26 represents a 5% increase.

FY27 guidance

The new year has started with great momentum and we expect another strong performance in FY27, ahead of our financial model.

Organic growth is expected to be 6%, with double-digit growth in Q1 moderating as we lap very strong comparators from Q2.

Acquisitions announced to date will contribute 6% to reported revenue. Of course, this will increase with any further acquisitions made throughout the year.

We therefore expect overall revenue growth to be 12%, at constant currency.

Operating margin is expected to be strong at 25.5%, while also reflecting investment to support future growth and the impact of acquisitions.

Following a very strong performance in FY26, I am pleased to be guiding to another strong year of double-digit revenue growth, high margins and further EPS growth.

SECTOR REVIEW: CONTROLS

Advanced technologies for critical applications

Our Controls businesses provide precision products for highly technical applications across a wide range of markets, including aerospace, defence, datacentres, energy, infrastructure and medical.

	FY26	FY25	Change
Revenue	**£1,102.2m**	£836.4m	+32%
Organic revenue growth	**+25%**	+20%	
Statutory operating profit	**£331.2m**	£211.2m	+57%
Adjusted operating profit	**£387.2m**	£250.6m	+55%
Adjusted operating margin	**35.1%**	30.0%	+510bps

International Controls (70% of Sector revenue)

- Very strong double-digit organic growth of 27%
- Continued outstanding performance from Peerless with excellent execution in the aerospace market
- Excellent performances from Clarendon and IS Group, across aerospace, defence and energy markets
- Investment in facilities, targeted inventory and dedicated end market expertise to support long-term growth
- Increased defence exposure through the acquisition of CDM, establishing a significant US platform

Windy City Wire (30% of Sector revenue)

- A very strong year of continued double-digit growth at 19%
- Strong volume growth in our core building automation market and attractive segments including digital antenna systems, gas station infrastructure and datacentres
- Excellent commercial execution amid dynamic copper price environment
- Investment in sales resource and capability supporting future growth

GROW: Strong organic growth in attractive end markets
Controls delivered an outstanding performance in FY26, driven by excellent commercial execution across the portfolio and benefiting from the Sector's exposure to structurally attractive end markets. Growth remained broad-based throughout the year, with double-digit performances from IS Group, Clarendon, Peerless and Windy City Wire.

Strong demand across aerospace, space, defence, datacentres and energy markets continued to provide growth tailwinds. Our businesses also gained market share, extending the reach of their differentiated value-add customer propositions and delivering excellent service with deep technical expertise and strong supplier relationships.

Windy City Wire maintained strong momentum and reported 19% organic growth in the year. Excellent execution supported growth in its core building automation market and enabled growth across its newer market verticals including digital antenna systems and digital infrastructure investment, and expansion into adjacent applications. Strong revenue growth also reflects effective commercial management of dynamic copper price movements.

Peerless delivered another outstanding performance. Whilst the rate of growth moderated during the second half, reflecting increasingly strong comparators, the business continued to outperform both its historical growth profile and the wider Sector. The team continued to

execute very well and market conditions remained favourable, as a result of strong aerospace new-build activity (with backlogs extending beyond 10 years), high MRO demand and supply chain constraints. Great progress has also been made with future growth, initiatives including the extension of product capability, investment in business development resource and broadening customer relationships. This strategic development is key to delivering sustainable revenue and profit growth into the future.

Clarendon also delivered another year of excellent organic growth. Like Peerless, the Clarendon team executed well in the aerospace market and also drove strong growth in the space market, gaining share and securing new business across a wider customer base.

IS Group delivered another year of very strong organic growth, supported by increasing defence spending across Europe and continued investment in energy infrastructure.

Our other Controls businesses – T.I.E., Techsil and Shoal Group – delivered single-digit growth, while also making progress in developing customer relationships in targeted growth markets including infrastructure and aerospace, positioning them well for structurally stronger long-term growth.

Acquisitions accelerating strategic progress
FY26 was an active year for acquisitions. We welcomed eight new businesses to Controls, with a further one so far in FY27. These acquisitions have strengthened our exposure to attractive end markets, deepened our geographical penetration, and extended our product and technical capabilities.

The acquisition of CDM established a significant US interconnect platform and expanded our presence in the US defence market. Greater exposure to European aerospace and defence markets has been gained through the addition of Swift Aerospace, Spring Solutions and MGC Aerospace. FC Lane, Selwyn, WDS and Sinus further enhance our capability across broad product verticals in aerospace, defence, industrial technologies and engineered solutions.

SCALE: Investing behind sustainable growth
Disciplined investment is critical to making our growth sustainable. During FY26 we continued to strengthen our capability through targeted investment in people, facilities, inventory and systems. Recent investments in distribution and operational infrastructure supported strong performances across Europe and North America. This included a new facility in the Czech Republic, strategic relocations and the expansion of facilities in California, France, Germany and Leicester, creating fit-for-purpose capacity to support future growth, improve customer service and strengthen our position in attractive aerospace, defence and energy supply chains.

We have also continued to build specialist market expertise across the Sector, particularly in defence. This supports both strategic development and execution at the local business level, helping expand product capabilities, establish new customer relationships and accelerate growth opportunities.

Outlook
Our Controls businesses enter FY27 in excellent shape.

The fundamentals underpinning performance across the Sector remain strong and our businesses are well positioned to manage dynamic market conditions.

The excellent results achieved in FY26 create strong comparators as we head into FY27, but our businesses hold strong market positions, operate in structurally growing end markets and continue to gain share through investment and excellent execution.

SECTOR REVIEW: SEALS

High-performance solutions that power progress

Our Seals businesses provide reliable, high-performance sealing and fluid power solutions that protect equipment, power innovation and drive uptime across industries from construction and agriculture to energy, infrastructure and water.

	FY26	FY25	Change
Revenue	**£477.5m**	£456.0m	+5%
Organic revenue growth	**+4%**	+2%	
Statutory operating profit	**£63.8m**	£79.0m	(19)%
Adjusted operating profit	**£93.3m**	£88.1m	+6%
Adjusted operating margin	**19.5%**	19.3%	+20bps

FY25 statutory operating profit included gains on disposal of businesses

North American Seals (47% of Sector revenue)

- Organic growth of 9% driven by strong commercial execution
- Continued market share gains across OEM and aftermarket channels
- Progress in attractive growth markets including water management and nuclear power
- Investments in ecommerce and commercial capabilities driving customer engagement and growth

International Seals (53% of Sector revenue)

- Performance remained challenging, with flat organic growth in the year
- Improvement in performance during second half of the year, with 2% organic growth
- Investment in leadership, talent and operational execution strengthen foundations for growth
- Acquisitions in Australia, the UK and Ireland expand product ranges and market reach

GROW: Improving momentum across the portfolio
Seals delivered organic growth of 4% in the year. Performance improved throughout the year, delivering 6% organic growth in the second half.

North American Seals performed strongly, reflecting the benefits of investments made over recent years to strengthen leadership, commercial capability, customer engagement and operational execution. Hercules OEM drove strong demand across its existing customer base, won new contracts and took successful pricing actions to deliver strong growth. Hercules Aftermarket also delivered strong growth driven by activity in its core repair market and continued expansion into industrial applications.

Within International Seals, market conditions remained challenging, particularly in the UK where weakness persisted across construction, agriculture and industrial markets impacting R&G's performance. Performance improved in the second half, driven by improving commercial and operational execution and pockets of improving customer demand across parts of the portfolio.

DICSA's performance remained challenging. Continued investment in leadership, systems, operational capability and inventory is positioning the business for growth across its European markets.

We continue to explore opportunities in our earlier stage markets that offer attractive growth opportunities. Nuclear power, infrastructure and water management are particular focus areas, where we see meaningful long-term opportunities for our technical value-add

solutions. Increasing our exposure to these markets helps to further improve the quality and resilience of the portfolio.

Acquisitions accelerating capability
We welcomed four businesses to the Seals Sector in FY26, and a further one in the early part of FY27, strengthening our end market exposure, technical capabilities and geographic reach.

During the year, we strengthened our North American platform through the acquisition of C&C Packings, adding complementary engineered sealing capabilities and broadening our customer offering, particularly in the water treatment and management market. Hydraulic Seals Australia expanded our aftermarket capabilities in Australia, while Abbey Seals provides a strong platform in Ireland and broadens our aftermarket offering across the region. Sealco International complements this by adding specialist engineered sealing expertise, manufacturing capability and a wider product range.

Following the year end, we were pleased to welcome Elite Manufacturing Systems to the Sector. Adding specialist aftermarket pump parts and sealing capabilities, Elite increases our exposure to attractive water infrastructure and management markets, further strengthening our North American platform.

Together, these businesses provide greater scale, technical expertise and market reach, reinforcing our position in a large and highly fragmented market with significant opportunities for continued growth.

SCALE: Strategic investment supporting future growth
Focused scaling strategies for each of our platforms has supported growth and will continue to into the future. In recent years, we have invested in strengthening the Seals platform through enhanced leadership capability, technical expertise, inventory availability, and operational infrastructure which have enabled our businesses to service customers at greater scale. Investment in e-commerce capabilities remained a particular area of focus. Enhanced digital tools and AI-enabled search functionality improved the customer experience and contributed to increased engagement from both existing and new customers.

These investments continued during FY26, positioning the Sector to capture growth opportunities as market conditions improve, and enabling improved commercial performance across both North America and International Seals. As noted above, nuclear is an exciting space for us given power requirements in the US, and we've invested in specialist resource to support growth opportunities, while C&C Packings enhances our technical expertise in the water treatment and management market where we see attractive growth opportunities.

Outlook
The outlook for Seals continues to improve as we enter FY27.

North American Seals has started well and continues to demonstrate strong execution and attractive growth opportunities, while International Seals is expected to continue improving supported by the investments made to strengthen capability, leadership and operational execution over recent years.

With stronger foundations, increasing exposure to attractive end markets and encouraging progress across the portfolio, we are well positioned to deliver improved performance over the medium term. While market conditions remain mixed in some areas, the actions taken over recent years strengthen our confidence in the outlook for the Sector.

SECTOR REVIEW: LIFE SCIENCES

Technical innovations that drive better patient outcomes

Our Life Sciences businesses provide value-add solutions across medtech, in vitro diagnostics (IVD) and scientific markets. We aspire to make a difference for the people we help treat by providing smart solutions that advance diagnostics, drive better patient outcomes and improve lives.

	FY26	FY25	Change
Revenue	**£260.6m**	£232.1m	+12%
Organic revenue growth	**+1%**	+6%	
Statutory operating profit	**£40.4m**	£34.8m	+16%
Adjusted operating profit	**£52.0m**	£45.3m	+15%
Adjusted operating margin	**20.0%**	19.5%	+50bps

Highlights

- Performance in year challenged by healthcare market pressures and short-term product lifecycle effects
- Strong execution in challenging markets across Canada, Europe and Australia demonstrates the quality of our businesses and people
- Improved operating margin performance supported by commercial execution, product mix and operational discipline
- High-quality acquisitions strengthening platforms across the Nordics, the UK and Ireland, and Australia

GROW: Resilient performance in challenging healthcare markets
The Life Sciences Sector performance in FY26 was challenged by continued softness across the healthcare market and a higher-than-normal rate of products coming out of the portfolio in the short term. These are businesses with defined product lifecycles and the long-term product pipeline is healthy.

Across the Sector, our businesses demonstrated strong commercial execution, proactive business development and a diverse portfolio spanning medtech, diagnostics and scientific applications, positioning the portfolio for improved long-term growth.

In Canada, growth was supported by increasing consumables revenues following successful capital equipment placements in prior years. Our enhanced service capability and regional infrastructure continued to strengthen customer relationships and improve market penetration.

In the UK and Ireland, the addition of Alpha Laboratories and Electramed in late FY25 contributed positively throughout the year, while new contract wins supported growth in selected specialist segments. Across the Nordics, strong customer relationships and technical expertise underpinned continued progress, particularly within endoscopy and other specialist healthcare applications.

Performance in Australasia was challenging reflecting the impact of product lifecycle transitions. Investment in business development capability has continued, positioning the business well for future growth.

Acquisitions supporting strategic progress
Recent acquisitions have significantly strengthened our positions in the Nordics, the UK and Ireland, and Australia, creating broader regional platforms with increased scale and capability. The acquisition of Modul Nordic gives us a presence in Norway, further strengthening our Nordic medtech platform, while Gytech extends our specialist healthcare offering in Australia and New Zealand into women's health and fertility services.

Together with the acquisitions made in late FY25 in the UK and Ireland, these businesses enhance our market positions and provide strong foundations for future growth.

SCALE: Building capability for future growth
Investing in business development capability is critical to delivering sustainable growth in our Life Sciences businesses. During the year, we enhanced this capability through the creation of new regional roles and the broadening of existing responsibilities to support organic growth and market expansion.

Across the Sector, businesses are increasingly collaborating to leverage technical expertise, supplier relationships and market knowledge to accelerate growth opportunities. As we welcome new businesses through acquisition, the breadth of our relationships and expertise is shared across the Sector.

Outlook
Healthcare markets remain subdued and new product introductions take time. While we expect the first half of FY27 to continue to be challenging, our businesses have demonstrated resilience against a challenging market backdrop, continuing to strengthen their competitive positions and the outlook is positive.

The long-term drivers supporting Life Sciences continue to be attractive. Increasing investment in healthcare technology and diagnostics, alongside ageing populations and growing healthcare needs, support sustained demand for the products and services we provide.

With a broader platform, enhanced capabilities and a strong pipeline of commercial opportunities, we remain positive about the outlook for Life Sciences and its ability to deliver sustainable long-term growth.

FINANCIAL REVIEW

Strong revenue growth at high margins delivering 45% earnings growth

	Year ended 30 September 2026			Year ended 30 September 2025		
	Adjusted[1] £m	**Adjustments[1] £m**	**Total £m**	Adjusted[1] £m	Adjustments[1] £m	Total £m
Revenue	**1,840.3**	**–**	**1,840.3**	1,524.5	–	1,524.5
Operating expenses	**(1,353.2)**	**(97.1)**	**(1,450.3)**	(1,181.8)	(59.0)	(1,240.8)
Operating profit	**487.1**	**(97.1)**	**390.0**	342.7	(59.0)	283.7
Financial expense, net	**(28.4)**	**(12.8)**	**(41.2)**	(27.3)	(8.1)	(35.4)
Profit before tax	**458.7**	**(109.9)**	**348.8**	315.4	(67.1)	248.3
Tax expense	**(114.7)**	**24.7**	**(90.0)**	(78.8)	16.0	(62.8)
Profit for the year	**344.0**	**(85.2)**	**258.8**	236.6	(51.1)	185.5
Earnings per share						
Basic	**255.6p**		**192.2p**	176.0p		137.9p

[1] The Group reports under UK-adopted International Accounting Standards (UK-adopted IAS) and references alternative performance measures where the Board believes that they help to effectively monitor the performance of the Group and support readers of the financial statements in drawing comparisons with past performance. Certain alternative performance measures are also relevant in calculating a meaningful element of Executive Directors' variable remuneration and our debt covenants. Alternative performance measures are not considered to be a substitute for, or superior to, UK-adopted IAS measures. These are detailed in note 15 to the Condensed Consolidated Financial Statements.

Reported revenue increased by 21% to £1,840.3m (2025: £1,524.5m), driven by organic growth of 15% and a 6% contribution from acquisitions.

Adjusted operating profit increased by 42% to £487.1m (2025: £342.7m), reflecting strong organic growth, operating leverage and the contribution from acquisitions. Adjusted operating margin increased by 400 basis points to 26.5% (2025: 22.5%). Statutory operating profit increased by 37% to £390.0m (2025: £283.7m).

Adjusted net finance expense increased to £28.4m (2025: £27.3m). The adjustments to net financial expense are acquisition related finance charges primarily relating to the unwind of discount on and remeasurement of acquisition liabilities of £10.9m (2025: £6.8m). The blended cost of our borrowing facilities remained flat year-on-year at 5.3% (2025: 5.3%). Adjusted profit before tax increased by 45% to £458.7m (2025: £315.4m).

Statutory profit before tax increased by 40% to £348.8m (2025: £248.3m) and is stated after acquisition related and other charges. Adjustments to operating expenses totalled £97.1m (2025: £59.0m), comprising £66.2m (2025: £61.7m) of amortisation of acquisition intangible assets, £8.9m (2025: £5.7m) relating to the unwind of fair value adjustments to acquired inventory, £7.1m (2025: £4.9m) of deferred remuneration costs related to acquisitions completed in previous years, and £14.9m (2025: net income of £13.3m) of other acquisition related expenses.

The Group's adjusted effective rate of tax was 25.0% (2025: 25.0%), reflecting the geographic mix of profits and the statutory tax rates in the jurisdictions in which the Group operates. The Group's Board-approved tax strategy is published on our website. Adjusted earnings per share increased by 45% to 255.6p (2025: 176.0p). Basic earnings per share increased by 39% to 192.2p (2025: 137.9p).

A progressive dividend

The Board has a progressive dividend policy that aims to increase the dividend each year by 5%. In determining the dividend, the Board considers a number of factors which include the free cash flow generated by the Group and the future cash commitments and investment needed to sustain the Group's long-term growth strategy.

For FY26, the Board has recommended a final dividend of 46.3p per share (2025: 44.1p), making the proposed full-year dividend 65.4p (2025: 62.3p), an increase of 5%.

Strong cash flow

Free cash flow increased by 31% to £323.3m (2025: £247.2m). Free cash flow conversion for the year was 94% (2025: 105%).

Funds flow	**Year ended 30 Sep 2026 £m**	Year ended 30 Sep 2025 £m
Adjusted operating profit	**487.1**	342.7
Depreciation and other non-cash items	**45.3**	43.0
Working capital movement	**(57.9)**	(4.6)
Interest paid, net (excluding borrowing fees)	**(23.2)**	(21.6)
Tax paid	**(98.6)**	(76.6)
Capital expenditure, net of disposal proceeds	**(9.1)**	(13.1)
Lease repayments	**(20.3)**	(18.5)
Notional purchase of own shares on exercise of options	**–**	(4.1)
Free cash flow	**323.3**	247.2
Acquisition and disposals[2]	**(290.9)**	(29.6)
Dividends paid to shareholders and minority interests	**(85.2)**	(80.9)
Foreign exchange and other non-cash movements	**1.6**	(16.5)
Net funds flow	**(51.2)**	120.2
Net debt	**(350.6)**	(299.4)

2 Net of cash acquired/disposed and including acquisition expenses, deferred consideration, and payments of pre-acquisition debt like items.

Depreciation and other non-cash items included £34.4m (2025: £30.5m) of depreciation and amortisation of tangible, intangible and right-of-use assets, together with non-cash items of £10.9m (2025: £12.5m), primarily relating to share-based payments expense.

Working capital increased by £57.9m (2025: £4.6m), primarily reflecting targeted inventory investment to support sustainable growth.

Interest payments increased to £23.2m (2025: £21.6m) as more capital was deployed into acquisitions. Tax payments increased by £22.0m to £98.6m (2025: £76.6m), with the cash tax outflow reflecting the growth in Group profits.

Net capital expenditure was £9.1m (2025: £13.1m) for the year, principally relating to the investment of plant and equipment and property improvements across our business, partly offset by a property disposal.

There was no cash flow impact from the Company's Employee Benefit Trust (2025: £4.1m) in connection with the Company's long term incentive plan due to a change in the plan administration.

Dividends of £85.2m (2025: £80.9m) were paid to ordinary shareholders and minority interests.

Investing in acquisitions to accelerate growth

Net cash outflow from acquisitions and disposals was £290.9m (2025: £29.6m), principally reflecting £272.3m of cash paid, net of cash acquired, for acquisitions completed in the year.

The Group's liabilities to shareholders of acquired businesses at 30 September 2026 were £41.8m (2025: £26.7m), comprising put options to purchase outstanding minority and associate shareholdings and deferred consideration payable to vendors of businesses acquired during the current and prior years.

The liability to acquire minority and associate shareholdings increased to £7.6m (2025: £5.5m) due to the investments in Abbey Seals and Simpsons. The remaining balance related to interests in M Seals and Techsil.
The liability for deferred consideration payable at 30 September 2026 was £34.2m (2025: £21.2m). The increase primarily reflected deferred consideration arising on acquisitions and

the remeasurement and unwind of discount on existing liabilities, partly offset by payments made in the year.

Goodwill at 30 September 2026 was £691.4m (2025: £563.5m). Goodwill is tested annually for impairment. No impairment was identified and the downside sensitivity analysis performed did not indicate an impairment in any of the Group's three cash-generating units.

Disciplined returns

Return on adjusted trading capital employed (ROATCE) is our key returns metric. It adds back amortised intangibles and other acquisition related items, to measure underlying economic performance.

As at 30 September 2026, the Group's ROATCE increased by 440 basis points to 25.3% (2025: 20.9%), reflecting adjusted operating profit growth and the performance from acquisitions.

Robust balance sheet

At 30 September 2026, the Group's net debt stood at £350.6m (2025: £299.4m).
The Group is financed through a blend of long-term, structural financing from the US private placement (USPP) market supplemented by a revolving credit facility (RCF) provided by a group of supportive relationship banks.

The Group has USPP notes issued for aggregate principal amounts of €250.0m and $150.0m, maturing in tranches between 2031 and 2036.

The Group had committed multi-currency revolving credit facilities of £850.0m at 30 September 2026, comprising £750.0m of a syndicated RCF due to expire in July 2030 and a £100.0m bilateral RCF maturing in December 2028 with two one-year extension options. At 30 September 2026, £112.9m was drawn (2025: £55.4m), leaving £737.1m (2025: £499.6m) undrawn.

At 30 September 2026, net debt of £350.6m (2025: £299.4m) represented leverage of 0.7x (2025: 0.8x), against a banking covenant of 3.5x. The Group maintains strong liquidity, with year-end headroom (comprised of undrawn committed facilities and cash funds, net of overdraft facilities) of £820m (2025: £580m). The table below outlines the composition of the Group's net debt at 30 September 2026:

Type	Currency	Amount	GBP equivalent	Interest rate exposure
PP (March 2031 maturity)	EUR	€75.0m	£64.1m	Fixed 4.18%
PP (March 2034 maturity)	EUR	€100.0m	£85.6m	Fixed 4.27%
PP (March 2036 maturity)	EUR	€75.0m	£64.1m	Fixed 4.38%
PP (March 2032 maturity)	USD	$100.0m	£75.3m	Fixed 5.39%
PP (March 2035 maturity)	USD	$50.0m	£37.6m	Fixed 5.52%
RCF	USD	$150.0m	£112.9m	Floating
Overdraft and other uncommitted facilities			£1.2m	Floating
Capitalised borrowing fees			£(5.1)m	
Gross debt drawn at 30 September 2026			**£435.7m**	
Cash and cash equivalents at year end			£(85.1)m	
Net debt at 30 September 2026			**£350.6m**	

Pensions

The Group maintained a legacy closed defined benefit pension scheme in the UK. At 30 September 2026, the scheme was in a surplus position of £0.7m (2025: £1.7m). No cash contributions were made in the year (2025: £nil). At year end, 97% of scheme assets were represented by insured assets.

Subsequent to the year end, the Trustees of the Diploma Holdings PLC UK Pension Scheme commenced the process of winding up the Scheme, as agreed by the Principal Employer and the Trustees on 30 September 2026.

Exchange rates

A significant proportion of the Group's revenue (c.80%) is derived from businesses located outside the UK, principally in the US, Canada, Australia and continental Europe. Compared with FY25, the average sterling exchange rate is stronger against most of the major currencies in which the Group operates and the impact from translating the results of the Group's overseas businesses into UK sterling has led to a decrease in Group revenues of £15.6m and a decrease in the Group's adjusted operating profit of £7.8m. The impact on net debt is a decrease of £1.8m.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this announcement and further detailed in the Annual Report and Accounts, which also includes an assessment of the Group's longer term viability.

The Directors have undertaken a comprehensive review of going concern, taking into account the updated financing of the Group against a number of economic scenarios, to consider whether there is a risk that the Group could breach either its facility headroom or financial covenants.

The Group has modelled a base case and a severe but plausible downside case in its assessment of going concern. The base case is driven off the Group's detailed budget which is built business by business and considers both the micro and macroeconomic factors which could impact performance in the industries and geographies in which that business operates. The severe but plausible downside case models steep declines in revenues and operating margins resulting in materially adverse cash flows. These sensitivities factor in a continued unfavourable impact from a prolonged downturn in the economy including negative events or risks such as ongoing global conflicts, a cyber-attack, and climate impacts. Both scenarios indicate that the Group has significant liquidity and covenant headroom on its borrowing facilities to continue in operational existence for the foreseeable future.

Accordingly, the Directors continue to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the Annual Report and Accounts.

PRINCIPAL RISKS

Effective risk management is a key component of the discipline that underpins sustainable quality compounding.

The Group's decentralised operating model helps mitigate the potential impact of our principal risks. The principal risks which have the potential to be material to the performance, position or future prospects of the Group are described in more detail in the 2026 Annual Report and Accounts. This includes more detail on our overall approach to risk management as well as the specific mitigation actions in place for our principal risks.

The principal risks are summarised below (not ranked):

- **M&A activity:** The Group pursues a disciplined acquisition strategy to accelerate growth, but acquisitions inherently carry risk. Risks include overpaying for a target, underperformance post-acquisition, loss of key customers/suppliers, and cultural challenges.
- **Cyber security:** We apply a Group-wide Information Security Policy and enforce a consistent baseline of essential cybersecurity controls across all businesses. Risks include a successful attack on our systems, sites, data or a third party, meaning confidential information is lost or business critical systems become unavailable.
- **Talent & capability:** The Group depends on attracting, developing and retaining high-performing employees across diverse roles and geographies. Risks include the loss of key personnel, insufficient succession planning, skills shortages and lack of diversity.
- **Product liability:** We take a rigorous approach to product quality and compliance to minimise liability exposure across all sectors. Product liability risk arises where own-brand, manufactured, or mission-critical products fail in service. Such failures could result in product recalls, legal claims, reputational damage and financial loss.
- **Supply chain disruption:** We prioritise securing resilient supply chains and reducing reliance on single-source suppliers or geographies. The Group relies on resilient suppliers for critical components, products, and services. Risks include disruption from geopolitical instability, trade restrictions, tariffs, logistics shocks, supplier financial distress or disintermediation.
- **Market disruption:** We aim to operate in markets with stable growth, prioritising long-term resilience over short-term volatility. Risks include adverse changes in the Group's major markets resulting in slowing revenue growth due to reduced or delayed demand for products and services, or margin pressures due to increased competition.
- **Geopolitical environment:** The Group operates globally and is exposed to changes in trade policy, sanctions, political instability and regional conflicts. Risks include geopolitical disruption, including the impact of the global tariff environment, which could increase costs, restrict supply chains, create barriers to trade or reduce demand in affected markets.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2026

	Note	Adjusted[1] 2026 £m	Adjustments[1] £m	Total 2026 £m	Adjusted[1] 2025 £m	Adjustments[1] £m	Total 2025 £m
Revenue	3,4	1,840.3	–	1,840.3	1,524.5	–	1,524.5
Operating expenses	2	(1,353.2)	(97.1)	(1,450.3)	(1,181.8)	(59.0)	(1,240.8)
Operating profit		487.1	(97.1)	390.0	342.7	(59.0)	283.7
Financial expense, net	5	(28.4)	(12.8)	(41.2)	(27.3)	(8.1)	(35.4)
Profit before tax		458.7	(109.9)	348.8	315.4	(67.1)	248.3
Tax expense	6	(114.7)	24.7	(90.0)	(78.8)	16.0	(62.8)
Profit for the year		344.0	(85.2)	258.8	236.6	(51.1)	185.5
Attributable to:							
Shareholders of the Company		343.3	(85.2)	258.1	236.0	(51.1)	184.9
Minority interests		0.7	–	0.7	0.6	–	0.6
		344.0	(85.2)	258.8	236.6	(51.1)	185.5
Earnings per share (p)							
Basic	7	255.6p		192.2p	176.0p		137.9p
Diluted	7	254.6p		191.4p	175.3p		137.3p

1 Adjusted figures exclude certain items as set out and explained in the Financial Review and as detailed in notes 2, 3, 4, 5, 6 and 7. All amounts relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2026

	Note	2026 £m	2025 £m
Profit for the year		258.8	185.5
Items that will not be reclassified to the Condensed Consolidated Income Statement			
Actuarial loss on the defined benefit pension schemes		–	(0.2)
Fair value loss on other financial assets		(1.5)	–
		(1.5)	(0.2)
Items that may be reclassified to the Condensed Consolidated Income Statement			
Exchange differences on translation of foreign operations		5.0	2.2
Recycling of foreign exchange reserve and net investment hedging on disposal of businesses		–	(1.7)
Exchange differences on translation of net investment hedge		3.0	(9.8)
Fair value (gains)/losses of cash flow hedges transferred from the hedging reserve		(0.1)	1.0
(Losses)/gains on fair value of cash flow hedges		(0.4)	0.2
Deferred tax on items that may be reclassified	6	0.2	–
		7.7	(8.1)
Total Other Comprehensive Income		6.2	(8.3)
Total Comprehensive Income for the year		265.0	177.2
Attributable to:			
Shareholders of the Company		264.3	176.5
Minority interests		0.7	0.7
		265.0	177.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2026

	Note	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Shareholders' equity £m	Minority interests £m	Total equity £m
At 1 October 2024		6.8	420.2	(16.0)	(1.2)	478.2	888.0	6.7	894.7
Total Comprehensive Income		–	–	(9.3)	1.2	184.6	176.5	0.7	177.2
Share-based payments		–	–	–	–	6.2	6.2	–	6.2
Disposal of business		–	–	–	–	–	–	(0.5)	(0.5)
Purchase of minority interest		–	–	–	–	2.2	2.2	(2.2)	–
Tax on items recognised directly in equity	6	–	–	–	–	1.6	1.6	–	1.6
Notional purchase of own shares		–	–	–	–	(4.1)	(4.1)	–	(4.1)
Dividends	12	–	–	–	–	(80.7)	(80.7)	(0.2)	(80.9)
At 30 September 2025		6.8	420.2	(25.3)	–	588.0	989.7	4.5	994.2
Total Comprehensive Income		–	–	8.0	(0.3)	256.6	264.3	0.7	265.0
Share-based payments		–	–	–	–	10.1	10.1	–	10.1
Tax on items recognised directly in equity	6	–	–	–	–	3.7	3.7	–	3.7
Acquisition of business	11	–	–	–	–	–	–	1.8	1.8
Minority interest put option on acquisition		–	–	–	–	(1.3)	(1.3)	–	(1.3)
Dividends	12	–	–	–	–	(84.9)	(84.9)	(0.3)	(85.2)
At 30 September 2026		6.8	420.2	(17.3)	(0.3)	772.2	1,181.6	6.7	1,188.3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	Note	2026 £m	2025 £m
Non-current assets			
Goodwill	10	691.4	563.5
Acquisition intangible assets		561.4	479.1
Other intangible assets		3.0	3.0
Property, plant and equipment		67.9	66.7
Leases – right-of-use assets		91.7	76.1
Other financial assets		0.2	1.5
Retirement benefit assets		0.7	1.7
Deferred tax assets		5.4	9.7
		1,421.7	1,201.3
Current assets			
Inventories		404.4	297.4
Trade and other receivables		295.0	229.0
Cash and cash equivalents	9	85.1	81.7
		784.5	608.1
Current liabilities			
Borrowings	9	(1.0)	(0.9)
Trade and other payables		(337.1)	(245.3)
Current tax liabilities	6	(36.9)	(27.7)
Other liabilities		(8.4)	(10.9)
Lease liabilities		(16.0)	(13.5)
		(399.4)	(298.3)
Net current assets		385.1	309.8
Total assets less current liabilities		1,806.8	1,511.1
Non-current liabilities			
Borrowings	9	(434.7)	(380.2)
Trade and other payables		(9.0)	(5.7)
Lease liabilities		(85.6)	(70.3)
Other liabilities		(33.4)	(15.8)
Deferred tax liabilities		(55.8)	(44.9)
		(618.5)	(516.9)
Net assets		1,188.3	994.2
Equity			
Share capital		6.8	6.8
Share premium		420.2	420.2
Translation reserve		(17.3)	(25.3)
Hedging reserve		(0.3)	-
Retained earnings		772.2	588.0
Total shareholders' equity		1,181.6	989.7
Minority interests		6.7	4.5
Total equity		1,188.3	994.2

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2026

	Note	2026 £m	2025 £m
Cash flow from operating activities	8	461.7	370.5
Interest paid, net (including borrowing fees)		(29.4)	(26.3)
Tax paid, net		(98.6)	(76.6)
Net cash inflow from operating activities		333.7	267.6
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)		(272.3)	(53.8)
Acquisition related deferred (payments)/receipts, net		(5.8)	(4.7)
Proceeds from sale of business (net of cash disposed)		–	40.3
Purchase of property, plant and equipment		(14.1)	(13.4)
Purchase of other intangible assets		(1.7)	(1.0)
Proceeds from sale of property, plant and equipment		6.7	1.3
Net cash used in investing activities		(287.2)	(31.3)
Cash flow from financing activities			
Dividends paid to shareholders	12	(84.9)	(80.7)
Dividends paid to minority interests		(0.3)	(0.2)
Acquisition of minority interest		–	(0.8)
Notional purchase of own shares on exercise of share options		–	(4.1)
Proceeds from borrowings		408.9	141.9
Repayment of borrowings		(353.7)	(254.4)
Principal elements of lease payments		(15.4)	(14.6)
Net cash outflow from financing activities		(45.4)	(212.9)
Net increase in cash and cash equivalents		1.1	23.4
Cash and cash equivalents at beginning of year		81.7	60.2
Effect of exchange rates on cash and cash equivalents		2.3	(1.9)
Cash and cash equivalents at end of the year	9	85.1	81.7

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2026

1. GENERAL INFORMATION
Diploma PLC is a public company limited by shares incorporated in the United Kingdom, registered and domiciled in England and Wales and listed on the London Stock Exchange. The address of the registered office is 10–11 Charterhouse Square, London EC1M 6EE. The condensed financial statements comprise the Company and its subsidiaries (together referred to as 'the Group') and were authorised by the Directors for publication on 17 November 2026. These statements are presented in UK sterling, with all values rounded to the nearest 100,000, except where otherwise indicated.

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The accounting policies have been consistently applied in the current and comparative year.

The condensed financial information set out in this Preliminary Announcement, which has been extracted from the audited consolidated financial statements, does not constitute the Group's statutory financial statements for the years ended 30 September 2026 and 2025. Statutory financial statements for the year ended 30 September 2025 have been delivered to the Registrar of Companies and are available on the website at www.diplomaplc.com. The statutory financial statements for the year ended 30 September 2026, which were approved by the Directors on 17 November 2026, will be sent to shareholders in December 2026 and delivered to the Registrar of Companies, following the Company's Annual General Meeting.

The auditor has reported on the consolidated financial statements for the years ended 30 September 2026 and 2025. The reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Company's Annual General Meeting will be held at 9:00am on 13 January 2027 in The Charterhouse, Charterhouse Square, EC1M 6AN. The Notice of Meeting will be sent out in a separate Circular to shareholders.

2. ANALYSIS OF OPERATING EXPENSES

	Adjusted 2026 £m	Adjustments £m	Total 2026 £m	Adjusted 2025 £m	Adjustments £m	Total 2025 £m
Cost of inventories sold	928.3	8.9	937.2	812.7	5.7	818.4
Employee costs	277.5	7.1	284.6	237.0	4.9	241.9
Depreciation of property, plant and equipment	16.0	–	16.0	14.2	–	14.2
Depreciation of right-of-use assets	16.8	–	16.8	15.5	–	15.5
Amortisation	1.6	66.2	67.8	0.8	61.7	62.5
Net impairment movements on trade receivables	2.2	–	2.2	1.2	–	1.2
Other operating expenses/(income)	110.8	14.9	125.7	100.4	(13.3)	87.1
Operating expenses	1,353.2	97.1	1,450.3	1,181.8	59.0	1,240.8

The adjustments to operating expenses are made in relation to acquisition related and other charges, as defined in note 15.2, totalling £97.1m (2025: £59.0m) and comprises of £66.2m (2025: £61.7m) of amortisation of acquisition intangible assets, £8.9m (2025: £5.7m) relating to the unwind of fair value adjustments to inventory acquired through acquisitions, £7.1m (2025: £4.9m) of deferred remuneration costs related to acquisitions completed in previous years, and other operating expenses of £14.9m comprising of acquisition related expenses (2025: income of £13.3m comprising a net gain on disposal of businesses of £17.3m, partly offset by acquisition related expenses of £4.0m).

3. BUSINESS SECTOR ANALYSIS
The Chief Operating Decision Maker (CODM) for the purposes of IFRS 8 is the CEO. The financial performance of the business Sectors is reported to the CODM on a monthly basis and this information is used to allocate resources on an appropriate basis.

For management reporting purposes, the Group is organised into three main reportable business Sectors: Controls, Seals and Life Sciences. These Sectors are the Group's operating segments as defined by IFRS 8 and form the basis of the primary reporting format disclosures below. The CODM reviews discrete financial information at this operating segment level. Sector revenue represents revenue from external customers; there is no material inter-Sector revenue. Sector results, assets and liabilities include items directly attributable to a Sector, as well as those that can be allocated on a reasonable basis.

Sector assets exclude cash and cash equivalents, deferred tax assets, retirement benefit assets, acquisition related assets and corporate assets that cannot be allocated on a reasonable basis to a business Sector. Sector liabilities exclude borrowings (other than lease liabilities), deferred tax liabilities, acquisition liabilities and corporate liabilities that cannot be allocated on a reasonable basis to a business Sector. These items are shown collectively in the following analysis as 'unallocated assets' and 'unallocated liabilities', respectively.

	Controls		Seals		Life Sciences		Corporate		Group	
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
Revenue – existing[1]	1,039.7	836.4	463.5	456.0	258.3	232.1	–	–	1,761.5	1,524.5
Revenue – acquisitions[1]	62.5	–	14.0	–	2.3	–	–	–	78.8	–
Revenue	1,102.2	836.4	477.5	456.0	260.6	232.1	–	–	1,840.3	1,524.5
Cost of inventories sold – existing[1]	(521.0)	(460.1)	(228.0)	(224.8)	(143.0)	(133.5)	–	–	(892.0)	(818.4)
Cost of inventories sold – acquisitions[1]	(37.7)	–	(5.8)	–	(1.7)	–	–	–	(45.2)	–
Cost of inventories sold	(558.7)	(460.1)	(233.8)	(224.8)	(144.7)	(133.5)	–	–	(937.2)	(818.4)
Adjusted operating profit – existing[1]	374.3	250.6	89.4	88.1	51.5	45.3	(45.4)	(41.3)	469.8	342.7
Adjusted operating profit – acquisitions[1]	12.9	–	3.9	–	0.5	–	–	–	17.3	–
Adjusted operating profit	387.2	250.6	93.3	88.1	52.0	45.3	(45.4)	(41.3)	487.1	342.7
Acquisition related and other charges	(56.0)	(39.4)	(29.5)	(9.1)	(11.6)	(10.5)	–	–	(97.1)	(59.0)
Operating profit	331.2	211.2	63.8	79.0	40.4	34.8	(45.4)	(41.3)	390.0	283.7
Operating assets	505.7	343.6	240.8	216.5	108.6	104.2	–	–	855.1	664.3
Other financial assets	–	-	0.2	-	–	1.5	–	-	0.2	1.5
Goodwill	370.8	267.6	202.7	185.1	117.9	110.8	–	–	691.4	563.5
Acquisition intangible assets	317.5	239.7	177.4	172.0	66.5	67.4	–	–	561.4	479.1
	1,194.0	850.9	621.1	573.6	293.0	283.9	–	–	2,108.1	1,708.4
Unallocated assets:										
– Deferred tax assets							5.4	9.7	5.4	9.7
– Cash and cash equivalents							85.1	81.7	85.1	81.7
– Acquisition related assets							–	2.0	–	2.0
– Retirement benefit assets							0.7	1.7	0.7	1.7
– Corporate assets							6.9	5.9	6.9	5.9
Total assets	1,194.0	850.9	621.1	573.6	293.0	283.9	98.1	101.0	2,206.2	1,809.4
Operating liabilities	(247.1)	(166.6)	(129.6)	(100.5)	(59.4)	(55.5)	–	–	(436.1)	(322.6)
Unallocated liabilities:										
– Deferred tax liabilities							(55.8)	(44.9)	(55.8)	(44.9)
– Acquisition related liabilities							(41.8)	(26.7)	(41.8)	(26.7)
– Corporate liabilities							(48.5)	(39.9)	(48.5)	(39.9)
– Borrowings							(435.7)	(381.1)	(435.7)	(381.1)
Total liabilities	(247.1)	(166.6)	(129.6)	(100.5)	(59.4)	(55.5)	(581.8)	(492.6)	(1,017.9)	(815.2)
Net assets/(liabilities)	946.9	684.3	491.5	473.1	233.6	228.4	(483.7)	(391.6)	1,188.3	994.2

1 The prior year's segmental acquisition amounts have been incorporated into the existing segmental amounts for better comparability.

Other Sector information

	Controls		Seals		Life Sciences		Corporate		Group	
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
Capital expenditure	4.1	2.3	4.5	4.8	6.6	7.2	0.6	0.1	15.8	14.4
Depreciation and amortisation[1]	5.2	4.9	5.5	4.5	6.5	5.3	0.4	0.3	17.6	15.0
Revenue recognition										
– Immediately on sale	1,092.7	826.7	458.4	438.8	243.8	216.5	–	–	1,794.9	1,482.0
– Over a period of time	9.5	9.7	19.1	17.2	16.8	15.6	–	–	45.4	42.5
	1,102.2	836.4	477.5	456.0	260.6	232.1	–	–	1,840.3	1,524.5

1 Excluding on right-of-use and acquisition intangible assets.

4. GEOGRAPHIC SEGMENT ANALYSIS BY ORIGIN

	Revenue		Adjusted operating profit		Non-current assets[1]		Trading capital employed		Capital expenditure	
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
United Kingdom[2]	347.9	279.8	14.5	8.6	322.1	260.0	293.4	219.4	2.7	2.4
Rest of Europe	292.7	247.5	59.3	48.3	297.5	287.7	334.7	326.9	3.2	2.5
USA	994.4	802.6	372.6	248.5	683.7	543.1	857.5	691.4	3.8	2.2
Rest of world	205.3	194.6	40.7	37.3	111.6	99.1	144.8	114.1	6.1	7.3
	1,840.3	1,524.5	487.1	342.7	1,414.9	1,189.9	1,630.4	1,351.8	15.8	14.4

1 Non-current assets excludes deferred tax assets, derivative assets and retirement benefit assets.
2 United Kingdom includes the UK related corporate segment.

5. FINANCIAL EXPENSE, NET

	2026 £m	2025 £m
Interest expense/(income) and similar charges		
– Bank facility and commitment fees	2.4	2.3
– Interest income on short-term deposits	(0.6)	(0.7)
– Interest expense on borrowings	21.4	21.8
– Notional interest income on the defined benefit pension scheme	–	(0.1)
– Amortisation of capitalised borrowing fees	0.3	0.1
– Interest on lease liabilities	4.9	3.9
Net interest expense and similar charges	28.4	27.3
– Acquisition related finance charges, net	12.8	8.1
Financial expense, net	41.2	35.4

Acquisition related finance charges as adjusted in the Condensed Consolidated Income Statement includes fair value movement and unwind of discount on acquisition liabilities of £10.9m charge (2025: £6.8m charge), £0.7m charge (2025: £1.0m charge) for the amortisation and write-off of capitalised borrowing fees on acquisition related borrowings, fair value remeasurements of put options for future minority interest purchases of £0.6m charge (2025: £0.3m charge), and net expense from interest and settlement of acquisition and disposal related items of £0.6m (2025: £nil). Acquisition related finance charges are adjusted due to their consistent nature with acquisition related and other charges, as defined in note 15.2.

6. TAX EXPENSE

	2026 £m	2025 £m
Current tax		
The tax charge is based on the profit for the year and comprises:		
UK corporation tax	21.4	17.5
Overseas tax	90.6	69.3
	112.0	86.8
Adjustments in respect of prior year:		
UK corporation tax	(0.5)	(2.1)
Overseas tax	(2.6)	(2.2)
Total current tax	108.9	82.5
Deferred tax		
The net deferred tax credit based on the origination and reversal of timing differences comprises:		
United Kingdom	(4.9)	(5.0)
Overseas	(14.0)	(14.7)
Total deferred tax	(18.9)	(19.7)
Total tax on profit for the year	90.0	62.8

A deferred tax credit relating to cash flow hedges of £0.2m was recognised in the Condensed Consolidated Statement of Comprehensive Income (2025: £nil). The Condensed Consolidated Statement of Changes in Equity includes a £3.7m tax credit (2025: £1.6m credit).

Factors affecting the tax charge for the year

The difference between the total tax charge calculated by applying the effective rate of UK corporation tax of 25.0% to the profit before tax of £348.8m and the amount set out above is as follows:

	2026 £m	2025 £m
Profit before tax	348.8	248.3
Tax on profit at UK effective corporation tax rate of 25.0% (2025: 25.0%)	87.2	62.1
Effects of:		
overseas tax rates	(2.9)	0.7
adjustments in respect of UK and Overseas corporation tax in prior years	(3.1)	(4.3)
other permanent differences	8.8	4.3
Total tax on profit for the year	90.0	62.8
Tax effect on adjusting items	24.7	16.0
Adjusted tax expense	114.7	78.8

The tax adjustment in the Condensed Consolidated Income Statement of £24.7m (2025: £16.0m) reflects the tax effect of the acquisition related and other charges, and acquisition related finance charges.

The Group earns its profits in the UK and overseas. The Group prepares its consolidated financial statements for the year to 30 September and the statutory tax rate for UK corporation tax in respect of the year ended 30 September 2026 was 25.0% (2025: 25.0%) and this rate has been used for tax on profit in the above reconciliation.

The Group's effective tax rate on adjusted profit is consistent with the prior year at 25.0% (2025: 25.0%). This is reflective of the geographic mix of profits and the statutory tax rates in the jurisdictions in which we operate. The UK deferred tax assets and liabilities at 30 September 2026 have been calculated by reference to the UK corporation tax rate of 25.0% (2025: 25.0%).

At 30 September 2026, the Group had outstanding tax liabilities of £36.9m (2025: £27.7m). These amounts are expected to be paid within the next financial year.

The OECD Pillar Two rules introduce a global minimum effective tax rate of 15% for large multinational groups. The legislation implementing these rules in the UK first applied to the Group for the year ended 30 September 2025. The Group has applied the mandatory temporary exception under IAS 12 from recognising and disclosing deferred tax assets and liabilities arising from Pillar Two income taxes.

The Group has assessed its exposure to Pillar Two income taxes using the latest available financial information for the year ended 30 September 2026. The Group expects to rely on the transitional Country-by-Country Reporting Safe Harbour in substantially all jurisdictions, subject to confirmation of the applicable tests, including the 16% simplified ETR threshold for FY26.

7. EARNINGS PER SHARE

Basic and diluted earnings per share

Basic earnings per ordinary 5p share is calculated on the basis of the weighted average number of ordinary shares in issue during the year of 134,280,203 (2025: 134,082,545) and the profit for the year attributable to shareholders of £258.1m (2025: £184.9m). Basic earnings per share is 192.2p (2025: 137.9p). Diluted earnings per share is 191.4p (2025: 137.3p) and is based on the average number of ordinary shares (which includes any potentially dilutive shares related to share options) of 134,821,299 (2025: 134,658,354).

Adjusted earnings per share

Adjusted EPS, which is defined in note 15.3, is 255.6p (2025: 176.0p).

	2026 pence per share Basic	2026 pence per share Diluted	2025 pence per share Basic	2025 pence per share Diluted	2026 £m	2025 £m
Profit before tax					348.8	248.3
Tax expense					(90.0)	(62.8)
Minority interests					(0.7)	(0.6)
Earnings for the year attributable to shareholders of the Company	192.2	191.4	137.9	137.3	258.1	184.9
Acquisition related and other charges and acquisition related finance charges, net of tax	63.4	63.2	38.1	38.0	85.2	51.1
Adjusted earnings	255.6	254.6	176.0	175.3	343.3	236.0

8. RECONCILIATION OF OPERATING PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

	2026 £m	2025 £m
Operating profit	390.0	283.7
Acquisition related and other charges (note 2)	97.1	59.0
Adjusted operating profit	487.1	342.7
Depreciation or amortisation of tangible, other intangible assets and leases – right-of-use assets (note 2)	34.4	30.5
Share-based payments expense	10.1	6.2
Defined benefit pension scheme payments	–	(0.1)
Profit on disposal of assets	(1.5)	(0.1)
Acquisition related and other expenses paid, net	(12.8)	(10.6)
Other non-cash movements	2.3	6.5
Non-cash items and other	32.5	32.4
Operating cash flow before changes in working capital	519.6	375.1
Increase in inventories	(62.6)	(17.4)
Increase in trade and other receivables	(35.5)	(14.7)
Increase in trade and other payables	40.2	27.5
Increase in working capital	(57.9)	(4.6)
Cash flow from operating activities	461.7	370.5

9. NET DEBT

The movement in net debt during the year is as follows:

	2026 £m	2025 £m
Net increase in cash and cash equivalents	1.1	23.4
(Increase)/decrease in borrowings	(53.9)	113.3
	(52.8)	136.7
Effect of exchange rates and other non-cash movements	1.6	(16.5)
(Increase)/decrease in net debt	(51.2)	120.2
Net debt at beginning of year	(299.4)	(419.6)
Net debt at end of year	(350.6)	(299.4)
Comprising:		
Cash and cash equivalents	85.1	81.7
Bank borrowings:		
– Overdraft and other uncommitted facilities	(1.2)	(0.9)
– Revolving credit facility	(112.9)	(55.4)
– Private placement notes	(326.7)	(329.6)
– Capitalised borrowing fees	5.1	4.8
	(435.7)	(381.1)
Net debt at end of year	(350.6)	(299.4)
Analysed as:		
Repayable within one year	(1.0)	(0.9)
Repayable after one year	(434.7)	(380.2)

A summary of the maturities and rates of the private placement notes, with an aggregate principal amount of £326.7m are as follows:

Face value	Rate	Maturity
75m EUR	4.18%	2031
100m EUR	4.27%	2034
75m EUR	4.38%	2036
100m USD	5.39%	2032
50m USD	5.52%	2035

The Group has £850.0m of maximum aggregate principal available from revolving credit facility (RCF) agreements comprised of a syndicated multi-currency RCF with a maximum aggregate principal amount of £750.0m (increased from £555.0m during the year) with an expiry of July 2030, and a £100.0m bilateral multi-currency RCF entered into during the year with an initial maturity date of December 2028 plus two one-year extension options.

The applicable financial covenants are interest cover, whereby EBITDA must be at least 4x net finance charges, and leverage, whereby the ratio of net debt to EBITDA must not exceed 3.5x (as defined by the relevant debt agreement). During 2026 all debt covenant tests were complied with. At 30 September 2026, the Group had utilised £112.9m (2025: £55.4m) of the £850.0m available, leaving £737.1m undrawn.

Borrowings include capitalised borrowing fees of £5.1m (2025: £4.8m).

The RCF is subject to interest at variable rates while the private placement notes are at fixed rates. At 30 September 2026, fixed rate debt was 74% of total debt.

As at 30 September 2026 the Group's net debt is £350.6m (2025: £299.4m) and excludes lease liabilities of £101.6m (2025: £83.8m).

At 30 September 2026, the Group's Net Debt/EBITDA ratio is 0.7x, as illustrated in note 15.5.

10. GOODWILL

	Controls £m	Seals £m	Life Sciences £m	Total £m
At 1 October 2024	265.3	179.1	96.7	541.1
Acquisitions	2.6	5.2	13.4	21.2
Disposals	-	(0.5)	-	(0.5)
Exchange adjustments	(0.3)	1.3	0.7	1.7
At 30 September 2025	267.6	185.1	110.8	563.5
Acquisitions (note 11)	99.9	17.0	7.8	124.7
Exchange adjustments	3.3	0.6	(0.7)	3.2
At 30 September 2026	370.8	202.7	117.9	691.4

The Group tests goodwill for impairment at least once a year. For the purposes of impairment testing, goodwill is allocated to each of the Group's three cash-generating units (CGUs), which are the three operating Sectors: Controls, Seals, and Life Sciences. This represents the lowest level within the Group at which goodwill is monitored by management and reflects the Group's strategy of acquiring businesses to drive synergies across a Sector, rather than within an individual business. The impairment test requires a 'value in use' model to be prepared for each Sector using discounted cash flow forecasts. The cash flow forecasts are based on a combination of annual budgets prepared by each business and the Group's strategic plan.

The assumptions used to prepare the cash flow forecasts relate to operating margins, revenue growth rates, discount rates and climate-related risks. The operating margins are assumed to remain sustainable, which is supported by historical experience. Revenue growth rates reflect the Group's expectations for the businesses and markets in which they operate. The cash flow forecasts use the budgeted figures for the following year, with subsequent years based on strategic growth assumptions for revenue and operating margins, before transitioning towards the long-term growth rate of 2.1%.

The cash flow forecasts are discounted to determine a current valuation using market derived pre-tax discount rates; Controls 9.8% (2025: 9.7%), Seals 9.2% (2025: 9.9%) and Life Sciences 9.5% (2025: 9.4%). The equivalent post-tax discount rates for FY26 are: Controls 9.8% (2025: 9.6%), Seals 9.2% (2025: 9.8%) and Life Sciences 9.5% (2025: 9.3%).

These rates are based on the characteristics of lower risk, non-technically driven, distribution businesses operating generally in well-developed markets and with robust capital structures.

Based on the criteria set out above, no impairments in the values of goodwill in the CGUs were identified.

The Directors have also carried out sensitivity analyses on the assumptions noted above to determine whether a 'reasonably possible adverse change' in any of these assumptions, including the net financial impact of climate-related risks and opportunities, would result in an impairment of goodwill. The analysis indicates that a 'reasonably possible adverse change' would not give rise to an impairment charge to goodwill in any of the three CGUs.

11. ACQUISITIONS AND DISPOSALS OF BUSINESSES

Acquisition of WDS Components Limited

On 10 November 2025, the Group completed the acquisition of 100% of the shares in WDS Components Limited (WDS), a UK-based supplier of industrial components. The total investment, net of cash acquired, is £21.9m.

Acquisition of Swift Aerospace Group

On 9 December 2025, the Group completed the acquisition of 100% of the shares in Swift Aerospace Services Limited, Swift Aerospace France SAS and Swift Aerospace Malaysia SDN BHD (Swift), a supplier of aerospace fasteners, primarily into European markets. The total investment, net of cash acquired, is £19.1m.

Acquisition of F.C. Lane Group

On 5 May 2026, the Group completed the acquisition of 100% of the shares in The Lodge Group Limited, F.C. Lane Electronics Limited and Weald Electronics Limited (FC Lane), a UK-based manufacturer and distributor of electrical interconnect products. The total investment, net of cash acquired, is £23.9m.

Acquisition of CDM Group

On 25 June 2026, the Group completed the acquisition of 100% of the shares in CDM Inc., Custom Cable Solutions Inc. and Maryland Integrated Systems Inc. (CDM), a US-based distributor and light manufacturer of custom connectors, cable assemblies, wire harnesses and related components. The total investment, net of cash acquired, is £130.2m.

Other acquisitions

The Group completed 10 other acquisitions in the year.

- 100% of the shares in Spring Industrial Limited (Spring) (07 November 2025);
- 100% of the shares in Hydraulic Seals Australia Pty Ltd and Hydraulic Seals Holdings Pty Ltd (together HSA) (12 December 2025);
- 100% of the shares in Tack Interconnect Limited and Selwyn Electronics Limited (together Selwyn) (16 March 2026);
- 100% of the shares in C&C Packings Inc. (C&C) (19 March 2026);
- The trade and assets of Sinus Electronic GmbH (Sinus) (01 April 2026);
- 100% of the shares in Modul Nordic AS (Modul) (16 April 2026);
- 90% of the shares in Abbey Seals International Limited (Abbey Seals) (27 April 2026);
- 100% of the shares in Gytech Pty Limited (Gytech) (18 August 2026);
- 100% of the shares in Sealco International Limited (Sealco) (04 September 2026); and
- 100% of the shares in MGC Aerospace Limited (MGC) (30 September 2026).

The combined initial investment for these acquisitions was £80.5m (net of cash acquired of £10.8m), ranging from £1.8m to £16.9m.

Fair value of net assets acquired

The fair value of net assets acquired during the year, particularly the fair value of inventory, acquired intangible assets and goodwill, are provisional, subject to reviews up to the end of the measurement period of each acquisition. For acquisitions during the year, the estimates relate primarily to completion account adjustments, and any adjustments are expected to be materially similar to the fair values estimated at the year end. On all acquisitions, the provisional fair value of the total net assets acquired excluding acquisition intangibles and associated deferred tax, and cash is £44.8m. Other than where separately identifiable acquisition intangible assets and associated deferred tax were recognised, total fair value adjustments to the acquired book value across all acquisitions is a £7.6m reduction to the carrying value.

The following table summarises the consideration paid for the acquisitions completed in the year and fair value of assets acquired and liabilities assumed.

	CDM	FC Lane	WDS	Swift	Others	**Total**
	£m	£m	£m	£m	£m	£m
Acquisition intangible assets[1]	65.9	12.3	10.6	7.0	51.7	147.5
Deferred tax	(17.4)	(3.7)	(2.9)	(2.1)	(11.1)	(37.2)
Property, plant and equipment, and other intangible assets	3.7	0.6	0.5	0.2	2.7	7.7
Inventories	18.4	11.8	3.9	8.8	7.6	50.5
Trade and other receivables	5.7	5.2	1.9	4.5	9.1	26.4
Trade and other payables	(11.7)	(7.8)	(1.6)	(5.2)	(10.7)	(37.0)
Net assets acquired	64.6	18.4	12.4	13.2	49.3	157.9
Goodwill	65.6	5.5	9.5	5.9	38.2	124.7
Minority interests	–	–	–	–	(1.8)	(1.8)
Cash paid[2]	128.1	29.2	22.6	19.8	91.3	291.0
Cash and cash equivalents acquired	(0.5)	(6.5)	(0.7)	(0.7)	(10.8)	(19.2)
	127.6	22.7	21.9	19.1	80.5	271.8
Deferred consideration	2.6	1.2	-	-	5.2	9.0
Total investment	130.2	23.9	21.9	19.1	85.7	280.8

1 Acquired intangibles relate to customer relationships, trade names and brands, and order backlog.
2 Of the initial cash paid on acquisitions during the year, funds of £7.6m were directed to settle outstanding debts at the point of acquisition.

	£m
Total Investment	280.8
Debt	(7.6)
Net Consideration	273.2

Acquisitions revenue and adjusted operating profit

From the date of acquisition to 30 September 2026, each acquired business contributed the following to Group revenue and adjusted operating profit:

	Acquisition date	Revenue £m	Adjustments[1] £m	Pro forma revenue £m	Adjusted operating Profit £m	Adjustments[1] £m	Pro forma adjusted operating Profit £m
WDS	10-Nov-25	8.3	1.2	9.5	2.3	0.4	2.7
Swift	09-Dec-25	17.8	3.6	21.4	2.4	0.5	2.9
FC Lane	05-May-26	8.6	12.0	20.6	1.7	2.5	4.2
CDM	25-Jun-26	17.4	52.3	69.7	3.4	10.1	13.5
Others		26.7	26.5	53.2	7.5	6.4	13.9
		78.8	95.6	174.4	17.3	19.9	37.2

1 Pro forma revenue and adjusted operating profit have been extrapolated (as prescribed under UK-adopted International Accounting Standards) from the actual results reported since acquisition to indicate what these businesses would have contributed if they had been acquired at the beginning of the financial year on 1 October 2025. These amounts should not be viewed as confirmation of the results of these businesses that would have occurred if these acquisitions had been completed at the beginning of the year.

12. DIVIDENDS

	2026 pence per share	2025 pence per share	2026 £m	2025 £m
Interim dividend, paid in June	19.1	18.2	25.7	24.4
Final dividend of the prior year, paid in January	44.1	42.0	59.2	56.3
	63.2	60.2	84.9	80.7

The Directors have proposed a final dividend in respect of the current year of 46.3p per share (2025: 44.1p), which will be paid on 29 January 2027 subject to approval by shareholders at the Annual General Meeting (AGM) on 13 January 2027. The total dividend for the current year, subject to approval of the final dividend, will be 65.4p per share (2025: 62.3p).

The Diploma PLC Employee Benefit Trust holds no shares (2025: 81,368 shares). EBT shares are ineligible for dividends.

13. EXCHANGE RATES

The exchange rates used to translate the results of the overseas businesses are as follows:

	Average		Closing	
	2026	2025	2026	2025
US dollar (US$)	1.34	1.31	1.33	1.35
Canadian dollar (C$)	1.86	1.83	1.89	1.87
Euro (€)	1.15	1.18	1.17	1.15
Swiss franc (CHF)	1.07	1.11	1.11	1.07
Australian dollar (AUD)	1.93	2.04	1.91	2.03

14. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Trustees of the Diploma Holdings PLC UK Pension Scheme commenced the process of winding up the Scheme, as agreed by the Principal Employer and the Trustees on 30 September 2026.

Following the year end, the Group acquired 100% of Elite Manufacturing Systems LLC (Elite) and 100% of SpecTech USA LLC (SpecTech) for a combined initial investment of £87.4m on a cash-free and debt-free basis.

15. ALTERNATIVE PERFORMANCE MEASURES

The Group reports under UK-adopted International Accounting Standards (UK-adopted IAS) and references alternative performance measures where the Board believes that they help to effectively monitor the performance of the Group and support readers of the Condensed Consolidated Financial Statements in drawing comparisons with past performance. Certain alternative performance measures are also relevant in calculating a meaningful element of Executive Directors' variable remuneration and our debt covenants. Alternative performance measures are not considered to be a substitute for, or superior to, UK-adopted IAS measures.

15.1 Revenue growth

As a multi-national group of businesses which trades in a large number of currencies, and acquires and sometimes disposes of companies, organic growth is a key performance measure and is referred to throughout our reporting. The Board believes that this allows users of the financial statements to gain a better understanding of the Group's performance.

A reconciliation of the movement in reported revenue compared to the prior year and the calculation of organic growth is shown below:

	£m	%
September 2025 Reported revenue (basis for Acquisitions and Disposals / Exchange Rates impacts)	1,524.5	
Acquisitions and Disposals[1]	89.6	6
Basis for organic growth impact	1,614.1	
Organic growth[2]	241.8	15
Exchange rates[3]	(15.6)	(1)
September 2026 Reported revenue	1,840.3	

1 The impact of acquisitions is the revenue of the acquiree prior to the acquisition by Diploma for the comparable year at prior year exchange rates. The impact of disposals is the removal of the revenue of the disposed entity in the comparable post disposal period at prior year exchange rates.
2 Organic growth measures the change in revenue compared to the prior year, at prior year exchange rates. For acquisitions, this includes incremental revenues generated under Diploma's ownership compared to the revenue in the same period prior to acquisition, at prior year exchange rates.
3 Exchange rates movements are assessed by retranslating current year reported values at prior year exchange rates.

15.2 Adjusted operating profit and adjusted operating margin

Adjusted operating profit is the operating profit before adjusting items that would otherwise distort operating profit, being amortisation of acquisition intangible assets, acquisition expenses, post-acquisition related remuneration costs and adjustments to deferred consideration, the costs of a significant restructuring or rationalisation and the profit or loss relating to the sale of businesses. These are treated as adjusting items (referred to as acquisition related and other charges) as they are considered to be significant in nature and/or quantum and where treatment as an adjusting item provides all our stakeholders with additional useful information to assess the year-on-year trading performance of the Group on a like-for-like basis. Adjusted operating margin is the Group's adjusted operating profit divided by the Group's reported revenue.

A reconciliation between operating profit as reported under UK-adopted IAS and adjusted operating profit is given below:

	Note	2026 £m	2025 £m
Revenue		1,840.3	1,524.5
Operating profit as reported under UK-adopted IAS		390.0	283.7
Add: Acquisition related and other charges	2	97.1	59.0
Adjusted operating profit	3	487.1	342.7
Adjusted operating margin		26.5%	22.5%

15.3 Adjusted earnings per share

Adjusted earnings per share (adjusted EPS) is calculated as the total of adjusted profit before tax, less income tax costs, but including the tax impact on the items included in the calculation of adjusted profit, less profit attributable to minority interests, divided by the weighted average number of ordinary shares in issue during the year of 134,280,203 (2025: 134,082,545), as set out in note 7. The Directors believe that adjusted EPS provides an important measure of the earnings capacity of the Group.

15.4 Free cash flow and free cash flow conversion

Free cash flow is defined as net cash flow from operating activities, less net capital expenditure on tangible and intangible assets, and including proceeds received from property, plant and equipment disposals, but before expenditure on business combinations/investments (including any pre-acquisition debt-like items such as pensions or tax settled post-acquisition) and proceeds from business disposals, borrowings received to fund acquisitions, net proceeds from issues of share capital and dividends paid to both minority shareholders and the Company's shareholders. 'Free cash flow conversion' reflects free cash flow as a percentage of adjusted earnings. The Directors believe that free cash flow gives an important measure of the cash flow of the Group, available for future investment or distribution to shareholders.

	Note	2026 £m	2025 £m
Net increase in cash and cash equivalents		1.1	23.4
Add: Dividends paid to shareholders and minority interests		85.2	80.9
Acquisition of minority interest		–	0.8
Acquisition/disposal of businesses (including net expenses)		285.1	24.1
Acquisition related deferred payments/receipts, net		5.8	4.7
Net (proceeds from)/repayments of borrowings (including borrowing fees)		(53.9)	113.3
Free cash flow		323.3	247.2
Adjusted earnings[1]	7	343.3	236.0
Free cash flow conversion		94%	105%

1 Adjusted earnings is shown on the face of the Condensed Consolidated Income Statement as profit for the year attributable to shareholders of the Company.

15.5 Leverage

Leverage is net debt, defined as cash and cash equivalents and borrowings translated at average exchange rates for the reporting period, divided by EBITDA as defined in the Group's external facilities covenants, which is the Group's adjusted operating profit adjusting for depreciation and amortisation of tangible and other intangible assets, the share of adjusted operating profit attributable to minority interests and the annualisation of EBITDA for acquisitions and disposals made during the financial year, excluding the impact of IFRS 16 (Leases). The Directors consider this metric to be an important measure of the Group's financial position, as well as a key covenant metric.

	Note	2026 £m	2025 £m
Cash and cash equivalents	9	85.1	81.7
Borrowings	9	(435.7)	(381.1)
Retranslation at average exchange rates		1.1	0.9
Net debt at average exchange rates		(349.5)	(298.5)
Adjusted operating profit	15.2	487.1	342.7
Depreciation and amortisation of tangible and other intangible assets	2	17.6	15.0
IFRS 16 impact		(3.4)	(2.1)
Minority interest share of adjusted operating profit		(0.9)	(0.8)
Pro forma adjustments[1]		20.9	5.8
EBITDA		521.3	360.6
Leverage		0.7x	0.8x

1 Annualisation of EBITDA, including that of acquisitions and disposals in the year.

15.6 Trading capital employed and ROATCE

Trading capital employed is defined as net assets less cash and cash equivalents and retirement benefit assets, after adding back borrowings (other than lease liabilities), deferred tax, retirement benefit obligations and net acquisition liabilities in respect of future purchases of minority interests, deferred consideration payable on acquisitions, and acquisition receivables in respect of previously completed disposals. Adjusted trading capital employed is reported as being trading capital employed plus goodwill and acquisition related charges previously charged to the income statement (net of deferred tax on acquisition intangible assets) and retranslated at the average exchange rates for the reporting period. Return on adjusted trading capital employed (ROATCE) is defined as the pro forma adjusted operating profit, divided by adjusted trading capital employed, where pro forma adjusted operating profit is the annualised adjusted operating profit including that of acquisitions and disposals in the period. The Directors believe that ROATCE is an important measure of our success in creating value for shareholders.

	Note	2026 £m	2025 £m
Net assets as reported under UK-adopted IAS		1,188.3	994.2
Add/(deduct):			
– Deferred tax liabilities, net		50.4	35.2
– Retirement benefit assets, net		(0.7)	(1.7)
– Acquisition related liabilities/assets, net		41.8	24.7
– Net debt	9	350.6	299.4
Trading capital employed		1,630.4	1,351.8
– Historic goodwill and acquisition related charges, net of deferred tax and currency movements		373.7	309.6
Adjusted trading capital employed		2,004.1	1,661.4
Adjusted operating profit	15.2	487.1	342.7
Pro forma adjustments[1]		19.9	5.2
Pro forma adjusted operating profit		507.0	347.9
ROATCE		25.3%	20.9%

1 Annualisation of adjusted operating profit, including that of acquisitions and disposals in the year.

END