

18 November 2025

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Very strong results – ahead of expectations. Great momentum

	FY25	FY24	Change
Revenue	£1,524.5m	£1,363.4m	+12%
Organic revenue growth	11%	6%	
Adjusted operating profit	£342.7m	£285.0m	+20%
Adjusted operating margin	22.5%	20.9%	+160bps
Statutory operating profit	£283.7m	£207.4m	+37%
Free cash flow	£247.2m	£197.9m	+25%
Free cash flow conversion	105%	101%	
Adjusted earnings per share	176.0p	145.8p	+21%
Basic earnings per share	137.9p	96.5p	+43%
Leverage	0.8x	1.3x	
Total dividend per share	62.3p	59.3p	+5%
ROATCE¹	20.9%	19.1%	+180bps

All alternative performance measures are defined in note 15 to the Condensed Consolidated Financial Statements

¹ Return on adjusted trading capital employed as defined in note 15

- **Very strong organic revenue growth** of 11%, ahead of expectations. Volume-led growth in all three Sectors. Reported growth of 12%, including +3% net acquisitions partially offset by FX
- **Differentiated value-add model and strong execution:** Margin up 160 basis points to 22.5%, ahead of expectations
- **Strong earnings growth reflects ambition, building on long-term track record:** FY25 EPS growth of 21%
- **Disciplined returns:** 20.9%, up 180 basis points
- **Acquisition momentum:** Six deals since start of Q4 for £92m at average 8x multiple. Total of seven since start of FY25 in attractive markets like aerospace, defence and IVD. Healthy acquisition pipeline
- **Financial firepower:** Strong cash generation, modest leverage at 0.8x
- **Quality and diversity of portfolio:** attractive end markets driving structural growth
- **Positive start to new year.** FY26 guidance: organic revenue growth of 6%, significantly weighted to H1, and operating margin of c.22.5%
- **Sustainable Quality Compounding**

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

"It's been another great year. I'd like to thank my brilliant Diploma colleagues for their skill, dedication and passion. They make it happen.

"These strong results demonstrate how we balance ambitious earnings growth and disciplined returns – in good times and bad – to build on our long track record of sustainable quality compounding.

"We have great momentum into the new year. The quality and diversity of our portfolio positions us well for structural organic growth. Our acquisition pipeline is healthy. And the team is in great shape. We're just getting started."

Sector performance

- **Controls +20%** organic growth: Strong execution and attractive end market exposures. Double-digit growth in Windy City Wire and International Controls. Peerless exceeded expectations
- **Seals +2%** organic growth: Sequential improvement in H2. North American Seals strong, International Seals recovered well in Europe while UK remains challenging. Well-positioned for growth
- **Life Sciences +6%** organic growth: Strong growth in a tough healthcare market, driven by share gains across medtech and in vitro diagnostics (IVD) markets in Canada and Australia

FY26 guidance

- **Organic revenue growth of 6%** - with growth from all three Sectors
- Significantly H1 weighted performance - reflecting very strong H2 comparators
- **Acquisitions announced to date add +2% to reported growth** - this will increase if further acquisitions are made
- **Maintaining operating margin at c.22.5%**

Notes:

1. *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 ROATCE. Definitions of these metrics are set out in note 15 to the Condensed Consolidated Financial Statements in this Announcement.*
2. *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 GMT. This will be streamed live via webcast and audio conference call and webcast.

Register your attendance for the webcast at: https://brrmedia.news/DPLM_FY25

Conference call dial in details:

- Dial in: UK-Wide: +44 (0) 33 0551 0200 / UK Toll Free: 0808 109 0700
- Password: Diploma

A recording of the presentation will be available after the event on our website:

<https://www.diplomaplc.com/investors/financial-presentations/>

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NOTE TO EDITORS:

Diploma PLC is a group of specialist businesses that provide critical products and value-added services to customers across a wide range of markets – where quality, reliability and expertise matter most.

We help our customers run smarter, safer and stronger. We provide the bolts that hold planes and race cars together, design the seals that make wind turbines work, and help surgeons find the best solutions to save lives.

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

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

Diploma is a member of the FTSE 100.

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

The person responsible for releasing this Announcement is Anna Lawrence, Company Secretary.

LEI: 2138008OGI7VYG8FGR19

CEO review

Another year of strong performance and great progress

This has been a year of strong financial performance and great strategic progress, building on a decades-long track record of compounding growth and strong returns. Organic growth is our priority. This year it has exceeded our expectations at 11%. High margins reflect the strength of our value-add customer propositions. This year we improved operating margin by 160 basis points, to 22.5%. Strong cash generation builds our firepower for investment. This year, free cash flow conversion was very strong at 105%. We have a robust balance sheet with modest leverage.

We run Diploma by balancing ambition with discipline. Adjusted earnings per share growth of 21% reflects our ambition. Return on capital (ROATCE) of 20.9% demonstrates the discipline that we live and breathe. The combination of our ambition and our discipline delivers sustainable quality compounding.

That discipline is central to how we approach acquisitions. We have welcomed seven new, high-quality businesses across our three Sectors, including six since the start of July. We also divested some small businesses – an infrequent but important part of our portfolio discipline.

I thank all my brilliant colleagues whose performance and progress collectively drives great results. It's been another great year for Diploma.

On a journey

Diploma today is not the same business I joined in 2019. Then, we were a UK-centric, industrial-focused distribution group – a very successful one. Over several decades, we had delivered significant growth and shareholder returns. This success was built around two key features – strong value-add customer propositions and a powerful decentralised culture. It is the same two features that underpin our success today – our secret sauce. But, over the last few years we have evolved. We have become more ambitious. We have become more focused. We have maintained discipline.

Through our strategy we have driven our businesses to think bigger than the niche they once operated in – expanding into new end markets, across geographies and into broader product sets.

This evolution has strengthened us. It has diversified our businesses and our portfolio and accelerated our growth. We are now more resilient to economic cycles.

In 2019, our portfolio was narrower and more exposed to industrial cycles. We continue to succeed in the same spaces, driving growth as we take our strong value-add propositions to thousands of customers, but today, they represent a much smaller proportion of our portfolio. We have broadened our exposure to attractive

markets in structural growth – aerospace, clean energy, diagnostics, datacentres, to name a few. This has, in turn, made our growth more structural.

As in the past, we have continued to effectively deploy capital into bolt-on acquisitions, maintaining the discipline Diploma has always been known for. More recently, we have scaled our acquisition capabilities – welcoming new talent, improving processes and adding strategic focus. And, we have grown our pipeline – this gives us the freedom to walk away from anything that doesn't meet our high bar.

We have achieved a lot. But we're only getting started. The opportunities ahead are vast, and exciting. We are building an ever-stronger platform to continue delivering sustainable quality compounding long into the future.

Strategic progress

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

Organic growth is our priority

Our ambition is reflected in our organic growth. Our success is driven by it.

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

This has been another great year for organic growth. Peerless, Clarendon, Windy City Wire, and Life Sciences North America, have been stand-out performers, all delivering double-digit organic growth. Impressive performances driven by impressive teams. But, I am as pleased with the businesses that haven't delivered such strong growth but have dug deep and delivered great improvement in tough markets – Hercules OEM and DICSA, to name a couple.

Our strongest performances have been supported by attractive end market positions – aerospace, datacentres, diagnostics. It is in strategic end market expansion where we see some of our most exciting opportunities in the years ahead. We're investing behind this, selectively introducing strategic market expertise in some key focus areas to accelerate progress.

We have identified a number of attractive growth markets. We already have an established presence in some of these markets – for example, aerospace, defence, infrastructure, in vitro diagnostics – and we are seeking opportunities to extend our presence. In other markets – for example, datacentres, automation, clean energy, scientific – we are in the early stages of establishing a presence and are building on the great work that has already been happening to make these parts of the business more meaningful. And, there are some markets that we're exploring – for example,

water treatment, energy storage, nuclear – where we have a very small footprint today. There is a lot for us to go for.

Targeted acquisitions accelerate organic growth

Since 2019, we've acquired 48 businesses investing £1.4bn to drive future organic growth and strong returns.

Some newly acquired businesses are quick out of the starting blocks, surpassing our expectations in year one. Others take a little longer, requiring more effort and perhaps more change than we anticipated. But, they all deserve their place in our portfolio.

We have seen strong acquisition momentum in recent months. This follows a period of more modest investment, reflecting the challenging market. Macro events have created uncertainty and we've seen fewer quality assets coming to market. I'm delighted with the acquisitions we have made – seven deals for a total of £93m. And, I'm pleased with the momentum we are seeing – six deals since the start of Q4.

Our pipeline is very healthy – bigger than ever and filled with opportunities to unlock growth across exciting, fragmented markets. We have a disciplined process that prioritises quality over quantity and ensures an intense focus on returns. Our proposition to sellers is compelling – cementing us as a buyer of choice. There's lots to go for and we have considerable financial firepower.

Scaling for sustainable growth

We probably talk more about the 'grow' part of our strategy than the 'scaling' part. They're equally important.

If we don't scale at the same pace as our growth, our growth can't be sustained. And, if we don't preserve our secret sauce as we scale, our growth won't be sustained.

The majority of my time is spent on building capability. It's our biggest driver of success. Every one of the 3,400 people in Diploma is on their own scaling journey – myself included. As our leaders develop and grow, their teams also step up, so that our capabilities continue to build at every level of the organisation.

We further build on the investments we make in developing our people by bringing in new talent as well. Growing future succession within our Group is critically important and is something we're very focused on – but it's something that takes time. Our recently-launched graduate programme, in the US and the UK, is designed to develop our businesses and build the leaders of tomorrow. It's the first programme we've run and it's something I'm very excited about.

The new year has seen a Group-wide focus on scaling our capabilities in Sales Excellence. Following a fantastic event earlier in the year which brought together 75 leaders from across every business in the Group to share, learn and collaborate, our businesses are now driving improvement through the individual sales excellence plans they all developed. I'm excited about what they will deliver.

In the coming year, we will be selectively investing in specialist strategic market expertise, introducing a number of roles that will focus on specific markets to accelerate future growth.

At the same time as consciously scaling our businesses and our Group, we consciously preserve our secret sauce. Our differentiated culture of commerciality, accountability, and continuous improvement is thriving in our businesses. And we complement that with a connectivity and performance ownership mentality across our decentralised Group. When coupled with our value-add propositions, this drives loyalty and share of wallet, reputation and market share potential, and pricing power and strong margins.

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 renewable energy generation or supporting a circular economy through aftermarket repairs. Our Delivering Value Responsibly (DVR) framework focuses on three themes –our people, doing business responsibly, and the environment – through which we can have a meaningful, positive impact. There are some great success stories from the year – including solid progress on health and safety, colleague engagement and inclusion – making Diploma an even safer, better and fairer place to work.

An exciting future

FY26 is off to a strong start.

We remain focused on executing our strategy of building high-quality, scalable businesses for organic growth. By continuing to effectively balance ambition and discipline we are confident in continuing to deliver sustainable quality compounding over the long term, in good times and bad.

I am fuelled by excitement for what Diploma can deliver in the years to come. We're just getting started.

CFO's Review

Further commentary relating to the FY25 financial results can be found in the Financial Review.

Ambitious growth, disciplined delivery

Sustainable quality compounding combines ambition with discipline. 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 ambitious compounding earnings growth.

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

Ambition

	FY25	Model
Organic growth is our first priority	11%	5%
Total revenue growth accelerated by quality acquisitions	12%	10%*
Value-add drives strong adjusted operating margins	22.5%	20%+
Compounding adjusted EPS growth	21%	Double-digit

*At constant currency

With discipline

	FY25	Model
Capital-light business model drives strong cash conversion	105%	90%
Capital stewardship focused on strong ROATCE	20.9%	High teens
Balance sheet discipline maintains prudent leverage	0.8x	<2.0x
Return to shareholders with a progressive dividend	5%	5%

Structural growth markets drive strong organic growth

Organic growth is our first priority and is what our strategy is designed to deliver. Our value-add businesses drive growth through end market exposure, geographic expansion 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 an average of 5%. Over the last 7 years, we have stepped this up to 7%.

We delivered 11% organic growth in FY25. As always in a portfolio, performance varied across our businesses. We have seen some impressive double-digit growth in a number of businesses, supported by market tailwinds and driven by strong

execution. We have seen some more challenged performances, hindered by market conditions in many cases.

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 the right deals, not the number of deals – ambition with discipline.

On average, since FY19, net acquisitions have added 11% per annum to the top line. This year has been lower, at 3%, reflecting more modest investment in bringing new businesses into the Group, as well as some small disposals.

Value-add solutions drive high operating margin

This year, we delivered an operating margin of 22.5%, an increase of 160 basis points on the prior year. Again, this is the portfolio effect, as some businesses saw a meaningful step up – such as Peerless – while others saw a dip in margins – such as some of our Life Sciences businesses. Reflecting our local-for-local business models, we have limited exposure to tariffs. Where we do have exposure, we have successfully passed through pricing and margins have not been impacted.

Diploma's operating margins are sustainable above 20%. This is underpinned by our strong value-add customer propositions. Margins have structurally stepped up over recent years. This reflects operational leverage and accretive margins in recent acquisitions, alongside continued reinvestment.

Our diversified portfolio delivers a broad range of operating margins. Typically, our lower margin businesses have lower asset intensity, whilst those requiring more inventory to support their customer propositions are compensated with higher margins. What is most important is the return each business generates.

Our financial model recognises that each business should deliver sustainable operating leverage. However, three factors mean margins may not expand every year: 1) business mix; 2) the margin profile of acquired businesses; and 3) the level of reinvestment. In the coming year, we will be upweighting investment in capability, selectively introducing strategic end market expertise, enhancing our assurance platforms, and building our general management capabilities.

The combination of our growth and margin drives the double-digit adjusted earnings per share growth included in our financial model. This year, we delivered 21% growth.

Capital-light model drives strong cash conversion

Our capital-light business model drives 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. FY25 cash conversion was 105%. Working capital increased by

less than prior year while growing organic revenue by 11%. Capital expenditure at c.1% of revenue was below the 2% we typically expect.

Ingrained discipline drives strong returns

Our key returns metric, Return on Adjusted Trading Capital Employed (ROATCE), adds back accounting adjustments, such as acquisition related amortisation. This means our performance is driven by genuine economic factors. We believe our optimal returns range is high-teens, while deploying significant capital with discipline.

FY25 returns stepped a little above this level – a very strong 20.9%, up by 180 basis points on the prior year. This is a reflection of 1) a lower level of acquisition spend in the year; and 2) exceptional returns from the FY24 acquisition, Peerless. While this year's performance has been very strong, delivering a Group return on capital of over 20% is not our goal. The high-teens sweet spot for Diploma reflects the right level of disciplined investment for growth.

Achieving this 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 FY25, we have completed seven deals for a combined investment of £93m at an average EBIT multiple of 8x (including two deals after year end for £37m). This more modest investment than our recent average is itself a clear demonstration of our disciplined approach. While many more opportunities were considered, we walked away from a lot of deals during the year because they were not right for Diploma.

We are as disciplined about the effective recycling of capital as we are about its deployment. Over the past five years, we have completed nine disposals at average multiples of 6x, including some small disposals during FY25 for a combined £47m, at average multiples of 6x. We don't divest due to underperformance – we see that as our job to resolve – but we view it as key to responsible stewardship of capital to find new homes for businesses that no longer align with our strategy or business model. While portfolio discipline is very important to our strategy, we have a collection of high quality businesses and do not expect to make divestments on a regular basis.

Balance sheet discipline drives firepower

Our Board policy is to maintain the net debt to EBITDA ratio (leverage) below 2x, with covenants allowing up to 3.5x. As a result of our strong cash generation, leverage reduces at approximately 0.4x per annum.

Reflecting the more modest investment in acquisitions made during the year, we ended FY25 with a leverage ratio of 0.8x. There is, therefore, significant headroom for future investment.

We maintain a well-supported balance sheet. Over the last 18 months, we have secured £885m, through the combination of our revolving credit facility and US private placement notes, termed in tranches out to 2036.

To build our financial firepower to fund our growth ambitions, we intend to raise further finance over and above the existing level of our facilities 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 a 25-year track record of doing so. Our compounding model includes dividends growing by 5% per annum. The 62.3p dividend proposed for FY25, represents a 5% increase.

FY26 guidance

We expect another strong performance in FY26. Organic growth is expected to be 6%. This is significantly weighted to the first half reflecting the very strong H2'25 comparator. Operating margin is expected to be flat at c.22.5%.

Acquisitions announced to date, net of disposals, will contribute 2% to reported revenue. Of course, any further acquisitions made throughout the year will increase this contribution.

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.

	FY25	FY24	Change
Revenue	£836.4m	£652.4m	+28%
Organic revenue growth	+20%	+10%	
Statutory operating profit	£211.2m	£132.3m	+60%
Adjusted operating profit	£250.6m	£169.9m	+47%
Adjusted operating margin	30.0%	26.0%	+400bps

FY25 highlights

International Controls (64%⁽¹⁾ of Controls Sector revenue)

- Very strong organic revenue growth of 25%
- Excellent execution leveraging opportunities presented by end market tailwinds – especially aerospace, driven by Peerless
- Material increase in margins – benefiting from structural improvements and favourable market conditions
- Four acquisitions – two in-year acquisitions with a further two post year end supporting growth in the UK and US

Windy City Wire (36%⁽¹⁾ of Controls Sector revenue)

- Volume-led double-digit organic revenue growth of 11%
- Diversified revenue in attractive markets – strong performance in datacentres
- Continued strength in core buildings market and other established markets – gaining share
- Copper 100% US sourced – successful transition from some Canadian supply
- Strong margin performance – consistent with prior year

1. Pro forma revenue adjusted for acquisitions net of disposals completed up to the date of this announcement

STRONG EXECUTION SUPPORTED BY STRUCTURAL TAILWINDS

Driving expansion in attractive growth markets

Our Controls businesses are well positioned with a high proportion of revenues generated in attractive end markets with limited cyclicity. Organic growth in the year has been driven by gains in a number of strong growth markets. Aerospace has

production backlogs on the build of civil aircraft of over 10 years, driving strong customer demand for our speciality fastener products and interconnect solutions.

Our International Controls businesses with strong aerospace exposure have been the best performing during the year, led by Peerless. Datacentres has provided a similarly strong tailwind. Windy City Wire's strong customer offering has continued to resonate in the market, leading to increased specification of Windy City Wire solutions across datacentre builds in the US. Some International Controls businesses are also gaining increasing traction in the datacentre space, presenting a promising growth opportunity for future years. Defence and energy markets have continued to perform well and have driven significant growth across the Sector. Some of the smaller businesses with more exposure to automotive and construction markets, had a more challenging year but have had success diversifying towards growth markets to minimise the cyclical impact in future years.

Acquisitions to accelerate growth

We have welcomed four new businesses to the Sector. Two acquisitions made in FY25 – in Q1 Viking Tapes in the UK and in Q4 Astro Industries in the US – bring complementary offerings to Techsil and IS Group, respectively, extending the product range and geographical footprint. A further two acquisitions in the UK – Spring Solutions and WDS Components – were completed following the year end, extending our exposure in attractive end markets, including defence, and expanding our product offerings.

Investing in geographic expansion

As our businesses grow, we support them through selective scaling investment. This year, we have invested, primarily, in new facilities. IS Group opened a new European distribution centre in the Czech Republic during the year, enabling more efficient direct access to the growing customer opportunities supporting supply chains, particularly in the European defence and energy markets. Similarly, we have invested in Clarendon with a new facility in Germany. This creates additional capacity to support growth and improves access to the European aerospace and defence markets. This will be further enabled by the addition of sales talent in France.

A network greater than the sum of its parts

While our Controls businesses are diverse – supplying a broad range of solutions into many varied applications – they are increasingly creating opportunities to collaborate. This takes many forms from cross-selling to sharing best practice. During the year, UK-based businesses Shoal, Clarendon and Techsil collectively leveraged their individual platforms by joining forces at the Paris Airshow. They are also presenting their individual customer offerings from a shared space at the Datacentres Ireland Conference.

More recently, the International Controls business leaders met for a two-day strategy workshop to explore emerging growth markets, opportunities within AI and collaboration opportunities to increase value-add benefits for our global customers. Not only do these sessions generate direct commercial opportunities, they also

bring intangible benefits that come from the energy created when our entrepreneurial leaders come together.

Strengthening leadership, building succession

The success of our businesses is driven by the strength of our leadership. Aided through the creation of a Sector HR Director role during the year, International Controls embarked on a series of strategic people changes, particularly in the finance director population. This created development opportunities through internal promotions and strengthened local leadership teams.

The formation of a new leadership team at T.I.E. was completed towards the end of the year enhancing capabilities and strategic focus. Performance in the business has shown encouraging signs of improvement in recent months. This follows a period of more challenging performance since its acquisition in 2023, reflecting softness across automation markets.

Powering progress by scaling our capabilities

Developing and enhancing capabilities to support our growth is vital to our success. We have identified a number of specialist markets with attractive opportunities and are selectively investing to ensure we are well positioned to maximise the potential growth. This includes the introduction of a small number of new roles, including strategic market expertise. This will support growth from the top down – thinking strategically about Sector and Group-wide opportunities – and bottom up, working with individual businesses to expand product ranges and deliver on their strategies. At the same time, maintaining the decentralised model that is so important to Diploma's success.

Outlook

Our Controls businesses have strong value-add customer propositions, solid business models and excellent leadership. This positions the Sector well to leverage its position within attractive markets and deliver strong growth into the future. Following such a strong performance in FY25, we expect more moderate growth in FY26, as we lap strong comparators particularly in the second half. We therefore expect growth in FY26 to be significantly first half weighted. This is most relevant to Peerless.

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 to agriculture and energy to water.

	FY25	FY24	Change
Revenue	£456.0m	£489.1m	(7%)
Organic revenue growth	+2%	+1%	
Statutory operating profit	£79.0m	£62.2m	+27%
Adjusted operating profit	£88.1m	£90.7m	(3%)
Adjusted operating margin	19.3%	18.5%	+80bps

FY25 results include the impact of disposals net of one acquisition made during the year.

FY25 highlights

- Sequential improvement in underlying performance in the second half, resulting in 2% organic growth and margin improvement of 80 basis points
- Reported performance adversely impacted by the reduction in revenue and adjusted operating profit due to disposals (net of one acquisition). The positive impact on statutory operating profit principally reflects the net gain on disposal of businesses

North American Seals (46%¹ of Seals Sector revenue)

- Organic growth of 5% - very strong H2 performance
- Improving market conditions, effective strategic delivery and operational execution
- Margin improvement driven by operating leverage as growth accelerates
- Limited tariff exposure - effective recovery

International Seals (54%¹ of Seals Sector revenue)

- Organic revenue declined by 2% - as markets remained soft in the UK, Europe and Australia
- Some pockets of strong growth demonstrating strength of customer propositions and solid market positions
- Margin improvement driven by restructuring, operating cost discipline and mix benefits
- Well-positioned for market improvement following selective scaling investment
- Acquisition of Haagensen in Denmark consolidates our position in the Nordics

1. Pro forma revenue adjusted for acquisitions and disposals completed up to the date of this announcement

NORTH AMERICAN SEALS

Positive momentum and growth driven by disciplined strategic execution

Hercules Aftermarket delivered a strong performance in a challenging market, achieving share gains in its core US repair segment and driving expansion in the industrial aftermarket – a new but rapidly growing market for the business. Investment in sales and digital capabilities has made it easier for customers to do business with us. Our enhanced e-commerce platform has driven significant growth in online ordering – now representing over two-thirds of sales. Continued investment in seal machining and product adjacencies positions the business well for sustained growth.

VSP delivered another strong performance. Organic growth driven by market share gains in transportation, expansion into nuclear and further product development, more than offset the impact of some market softness amidst tariff uncertainty. VSP has a number of strategic growth initiatives that position it well for sustained organic growth.

Hercules OEM grew slightly in the year, weighted towards the second half where growth was driven by market share gains, including in fluid power. Growth from smaller customers and more proactive sales outreach drove some momentum, however tariff uncertainties resulted in some hesitancy from end customers.

INTERNATIONAL SEALS

Resilience in challenging markets

Through clear strategic focus and strong execution, our businesses have continued to deliver resilient performances in challenging conditions. Our European fluid power business, DICS, delivered good growth in the second half of the year. The formation of a new leadership team was completed during the year which has sharpened strategic focus and strengthened the culture, delivering improved performance.

Consolidating our position in the Nordics

M Seals, our European OEM seals business, delivered solid growth amid continued market softness. Our new facility in Denmark, opened last year, has expanded warehousing capacity and enhanced our value-add service proposition, supporting solid performance. The acquisition of Haagensen in July adds complementary products, in-house gasket manufacturing and greater scale to strengthen M Seals' offering and accelerate future growth.

Strengthening our UK business for growth

Performance in our UK fluid power business, R&G, has been challenging reflecting continued weakness in some of its markets, including construction, oil and gas, and agriculture, exacerbated by policy change impacting the UK business landscape. R&G's revenue declined slightly, partly due to delays in government infrastructure projects and softer demand for hydraulic components. Following four acquisitions into R&G in the prior year, our focus during this year has been on successful onboarding – particularly at PAR Group, where operational and cost efficiencies have already been realised. Our focus into FY26 is on optimising execution to position the business strongly for market recovery.

Navigating challenging extraction markets in Australia

Diploma Australia Seals' (DAS) revenue declined year-on-year. Performance was affected by conditions in the extraction sector, driven by a downturn in nickel mining activity, along with continued softness in oil and gas. We maintained our market share and achieved solid growth in the water and wastewater segments.

Disciplined portfolio management

In October 2024, we completed a number of small disposals principally comprising Kubo, a Swiss OEM-focused business, and Pennine Pneumatics, an R&G business. These assets were held for sale as at the end of FY24. Further details are provided in Note 11 to the Condensed Consolidated Financial Statements.

Outlook

The Sector continues to make strategic progress, increasing its presence across attractive end markets, while also building opportunities and scaling our operations. Having invested in our Seals businesses, and in particular around our commercial execution, we have positioned the Sector well to drive future growth. We remain very positive about the prospects for Seals.

SECTOR REVIEW: LIFE SCIENCES

Technological innovations that drive better patient outcomes

Our Life Sciences businesses provide value-add solutions in the medtech, in vitro diagnostics (IVD) and scientific segments of the global healthcare market. 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.

	FY25	FY24	Change
Revenue	£232.1m	£221.9m	+5%
Organic revenue growth	+6%	+6%	
Statutory operating profit	£34.8m	£35.3m	(1%)
Adjusted operating profit	£45.3m	£46.8m	(3%)
Adjusted operating margin	19.5%	21.1%	(160bps)

FY25 highlights

- Organic revenue growth of 6% reflects market share gains in Australia and New Zealand and strong performance in Canada partially offset by flat revenue in Europe following a rationalisation of the product portfolio
- Margins declined, primarily reflecting product mix and adverse foreign exchange impact
- Two value-adding bolt-on acquisitions expand our reach in the UK IVD and Irish medtech markets, contributing 3% to total revenue growth

Building resilience to support sustainable growth

Scaling for growth and success in Canada

In FY24, we led a major scaling project in Canada to improve customer service through faster response times and a broader product offering. The initiative further integrated our three businesses into two regional hubs – East and West – and strengthened the support provided by local teams. Customers, particularly in Western Canada, have responded positively to the enhanced service offer. The dual facility model strengthens our market position, provides benefits to our customers, including the ability to ship across Canada within 24 hours, and improves business continuity. Fully operational during the first half of the year, the investment has already supported double-digit revenue growth and increased capacity for future expansion.

While growth was strong, operating margins were adversely impacted by the lifecycle of the product portfolio and the adverse impact of foreign exchange due to the weakening of the Canadian dollar.

Continued growth in Australia and New Zealand IVD

We continue to deliver strong growth in Australia and New Zealand's IVD segment, supported by rising demand for screening and diagnostic testing. Our expansion of allergy and autoimmunity testing in recent years has deepened relationships with existing customers. Increased demand for genetic pre-conception screening and diabetes diagnostics, along with new wins in diabetes and immunology, have further strengthened performance. We are focused on maintaining our collaborative partnerships with existing suppliers while driving business development pipelines to support sustainable performance over the long term.

Focusing our product portfolio and positioning for growth in Europe

In the prior year, we restructured and streamlined our European product portfolio to create a more scalable and sustainable model. As anticipated, this resulted in limited revenue growth in FY25. However, the portfolio optimisation has already delivered some margin improvements and enhanced overall quality. The Nordics faced pricing pressures and the loss of a key supplier, which we are addressing through closer collaboration with existing partners.

Expanding our reach in IVD and critical care in the UK and Ireland

During the year we completed two bolt-on acquisitions – Alpha Laboratories in the UK and Electramed in Ireland. Alpha Laboratories, a specialist medical distributor with an extensive range of value-added diagnostic solutions and laboratory products, has expanded our offer and strengthened our commitment to the UK market. Electramed complements our existing business in Ireland and enhances our offer in orthopaedic and surgical trauma.

Outlook

We have built resilience and positive momentum across the sector during FY25 and remain well positioned for growth. The diversity of our portfolio continues to be a key strength, with strong performance in some markets and specialisms offsetting more moderate conditions elsewhere. Healthcare markets are challenging but increasing market investment in technology, innovation and efficiency will support long term growth. We are positive about the outlook for Life Sciences.

FINANCIAL REVIEW

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.

Strong growth at high margins

	Year ended 30 September 2025			Year ended 30 September 2024		
	Adjusted £m	Adjustments £m	Total £m	Adjusted £m	Adjustments £m	Total £m
Revenue	1,524.5	-	1,524.5	1,363.4	-	1,363.4
Operating expenses	(1,181.8)	(59.0)	(1,240.8)	(1,078.4)	(77.6)	(1,156.0)
Operating profit	342.7	(59.0)	283.7	285.0	(77.6)	207.4
Financial expense, net	(27.3)	(8.1)	(35.4)	(27.0)	(3.8)	(30.8)
Profit before tax	315.4	(67.1)	248.3	258.0	(81.4)	176.6
Tax expense	(78.8)	16.0	(62.8)	(61.9)	15.3	(46.6)
Profit for the year	236.6	(51.1)	185.5	196.1	(66.1)	130.0
Earnings per share						
Adjusted/Basic	176.0p		137.9p	145.8p		96.5p

Reported revenue increased by 12% to £1,524.5m (2024: £1,363.4m), driven by organic growth of 11% and a 3% net contribution from acquisitions and disposals, partly offset by adverse movements in foreign exchange translation.

Adjusted operating profit increased by 20% to £342.7m (2024: £285.0m) driven by operational leverage from the increase in revenue, disciplined cost management, and the annualisation and exceptional performance of Peerless. This resulted in a year-on-year improvement of 160 basis points in the adjusted operating margin to 22.5% (2024: 20.9%). Statutory operating profit increased 37% to £283.7m (2024: £207.4m), benefiting from a net gain on disposal of businesses of £17.3m (2024: £nil).

Adjusted net finance expense remained relatively flat at £27.3m (2024: £27.0m), largely due to the blended cost of our borrowing facilities being flat year-on-year at 5.3% (2024: 5.3%).

Statutory profit before tax was £248.3m (2024: £176.6m) and is stated after charging acquisition related and other charges of £59.0m (2024: £77.6m) and acquisition related finance charges of £8.1m (2024: £3.8m).

The adjustments to operating expenses made in relation to acquisition related and other charges comprised of £61.7m (2024: £59.4m) amortisation of acquisition intangible assets, £5.7m (2024: £4.4m) relating to the unwind of fair value adjustments to inventory acquired through acquisitions, £4.9m (2024: £1.5m) of

deferred remuneration costs related to acquisitions completed in previous years, and net other income of £13.3m (2024: expense of £12.3m) comprising the net gain on disposal of businesses of £17.3m (2024: £nil), partly offset by acquisition related expenses of £4.0m (2024: £8.7m) and £nil restructuring costs (2024: £3.6m).

Acquisition related finance charges include fair value movements and the unwind of discount on acquisition liabilities of £6.8m charge (2024: £3.2m charge); amortisation and write-off of capitalised borrowing fees on acquisition related borrowings of £1.0m charge (2024: £0.9m charge); fair value remeasurements of put options for future minority interest purchases of £0.3m charge (2024: £0.1m income); and net income from interest and settlement of acquisition and disposal related items of £nil (2024: £0.2m net income).

The Group's adjusted effective rate of tax on adjusted profit before tax was 25.0% (2024: 24.0%), reflecting a change in the geographic mix of profits, with a greater proportion arising from the Group's US businesses. The Group's Board-approved tax strategy is published on our website.

Adjusted earnings per share increased by 21% to 176.0p (2024: 145.8p). Basic earnings per share increased by 43% to 137.9p (2024: 96.5p) reflecting the net gain on disposals in the year.

Recommended 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 FY25, the Board has recommended a final dividend of 44.1p per share (2024: 42.0p), making the proposed full year dividend 62.3p (2024: 59.3p), a 5% increase.

Strong cash flow

Free cash flow increased by 25% to £247.2m (2024: £197.9m). Statutory cash flow from operating activities increased by 32% to £370.5m (2024: £279.7m). Free cash flow conversion for the year was 105% (2024: 101%), ahead of the 90% in our financial model, demonstrating the highly cash-generative qualities of our businesses.

	Year ended 30 Sep 2025	Year ended 30 Sep 2024
	£m	£m
Funds flow		
Adjusted operating profit	342.7	285.0
Depreciation and other non-cash movements	43.0	33.4
Working capital movement	(4.6)	(8.5)
Interest paid, net (excluding borrowing fees)	(21.6)	(17.4)
Tax paid	(76.6)	(58.4)
Capital expenditure, net of disposal proceeds	(13.1)	(14.0)
Lease repayments	(18.5)	(19.9)
Notional purchase of own shares on exercise of options	(4.1)	(2.3)
Free cash flow	247.2	197.9
Acquisition and disposals ¹	(29.6)	(311.0)
Dividends paid to shareholders and minority interests	(80.9)	(77.2)
Foreign exchange and other non-cash items	(16.5)	25.4
Net funds flow	120.2	(164.9)
Net debt	(299.4)	(419.6)

¹ Net of cash acquired/disposed and including acquisition expenses, deferred consideration, and payments of pre-acquisition debt-like items.

Depreciation and other non-cash movements includes £30.5m (2024: £32.2m) of depreciation and amortisation of tangible, intangible and right-of-use assets and non-cash items of £12.5m (2024: £1.2m), primarily relating to an increase in share-based payments expense and other accruals, and profit on disposal of tangible assets in the prior year.

Working capital increased by £4.6m (2024: £8.5m), less than prior year, reflecting proactive working capital management alongside strong growth.

Interest payments increased by £4.2m to £21.6m (2024: £17.4m) driven largely by the timing of the first set of interest payments on the US private placement notes (USPP). Tax payments increased by £18.2m to £76.6m (2024: £58.4m) with the cash tax rate increasing to 24% (2024: 23%), in line with the Group's increase in effective tax rate.

Net capital expenditure was broadly consistent with prior year at £13.1m (2024: £14.0m), principally relating to the investment of plant and equipment and property improvements across our businesses.

The Group funded the Company's Employee Benefit Trust with £4.1m (2024: £2.3m) in connection with the Company's long-term incentive plan.

Acquisitions accelerate growth

Net cash outflow from acquisitions and disposals of £29.6m (2024: £311.0m) includes cash paid (net of cash acquired) for five acquisitions in the year of £53.8m, acquisition related deferred consideration paid of £4.7m, acquisition and disposal fees of £10.6m, acquisition of minority interests of £0.8m, partly offset by the proceeds from the five disposals (net of cash disposed) of £40.3m.

The Group's liabilities to shareholders of acquired businesses at 30 September 2025 was £26.7m (2024: £25.4m) and principally comprised both put options to purchase outstanding minority shareholdings and deferred consideration payable to vendors of businesses acquired during the current and prior years.

The liability to acquire minority shareholdings outstanding has reduced to £5.5m (2024: £9.0m) due to acquiring the remaining 2% minority interest in R&G Fluid Power Holdings Limited. The remaining balance relates to a 10% interest held in M Seals and 5% interest in Techsil. These options are valued based on the latest estimate of EBIT when these options crystallise.

The liability for deferred consideration payable at 30 September 2025 was £21.2m (2024: £16.4m). This liability represents the best estimate of any outstanding payments based on the expected performance of the relevant businesses during the measurement periods. The increase in the year is primarily due to the additions from acquisitions, fair value remeasurement of the Peerless deferred consideration amount as well as the unwind of discount, partly offset by payments made in the year.

Goodwill at 30 September 2025 was £563.5m (2024: £541.1m). Goodwill is assessed each year to determine whether there has been any impairment in the carrying value. There was significant headroom on the valuation of this goodwill, compared with the carrying value of the related Cash Generating Units at the year end.

Dividends of £80.9m (2024: £77.2m) were paid to ordinary and minority interest shareholders.

Attractive returns

Return on adjusted trading capital employed (ROATCE) is a key metric used to measure our success in creating value for shareholders. It is a metric that drives ongoing capital and operating discipline, adding back amortised intangibles and other factors such as any impaired goodwill such that any improvement must be driven by true economic factors. As at 30 September 2025, the Group's ROATCE increased by 180 basis points to 20.9% (2024: 19.1%). This increase was driven by the strong operating profit growth in the year and modest acquisition spend.

Improved funding

At 30 September 2025, the Group's net debt stood at £299.4m (2024: £419.6m).

The Group is financed through a blend of long-term, structural financing from the USPP market supplemented by a revolving credit facility (RCF) provided by a group of supportive relationship banks.

The Group has USPP notes issued for an aggregate principal amount of €250.0m (£218.2m at the year end exchange rate), that matures in tranches between 2031 and 2036, and for an aggregate principal amount of \$150.0m (£111.4m at the year end exchange rate), that matures in two tranches in 2032 and 2035. The multi-currency RCF has an aggregate principal amount of £555.0m. In July 2025, the Group exercised the final extension option for the RCF, which was accepted by all banks. The RCF is now contractually due to expire in July 2030. No further extension options remain. At 30 September 2025, the Group had utilised £55.4m of the RCF (2024: £165.1m), with £499.6m of the revolving facility remaining undrawn. At 30 September 2025, net debt of £299.4m (2024: £419.6m) represented leverage of 0.8x (2024: 1.3x) 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 £580m (2024: £450m). The table below outlines the composition of the Group's net debt at 30 September 2025:

Type	Currency	Amount	GBP equivalent	Interest rate exposure
PP (2031 maturity)	EUR	€75.0m	£65.5m	Fixed 4.18%
PP (2034 maturity)	EUR	€100.0m	£87.2m	Fixed 4.27%
PP (2036 maturity)	EUR	€75.0m	£65.5m	Fixed 4.38%
PP (2032 maturity)	USD	\$100.0m	£74.3m	Fixed 5.39%
PP (2035 maturity)	USD	\$50.0m	£37.1m	Fixed 5.52%
RCF	EUR	€45.0m	£39.3m	Floating
RCF	USD	\$15.0m	£11.1m	Floating
RCF	GBP	£5.0m	£5.0m	Floating
Overdraft facilities			£0.9m	Floating
Capitalised borrowing fees			(£4.8m)	
Gross debt drawn at 30 September 2025			£381.1m	
Cash and cash equivalents			(£81.7m)	
Net debt at 30 September 2025			£299.4m	

Pensions

The Group maintains a legacy closed defined benefit pension scheme (the Scheme) in the UK. As at 30 September 2025, the UK defined benefit scheme was in a surplus position of £1.7m (2024: £1.5m). In the year, there were £nil cash contributions (2024: £0.5m) to this scheme. As at 30 September 2025, 93% of the scheme assets are concentrated in the Buy-In policy and we expect to make no further funding payments.

In respect of Virgin Media Limited v NTL Pension Trustees II Limited Court of Appeal ruling in July 2024, the Scheme pension advisors, following their review, have confirmed to the Trustees that no further investigation is required in respect of this case as the necessary procedures were previously adhered to.

The pension scheme in Switzerland was disposed of in conjunction with the disposal of Kubo in the year.

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 FY24, 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 £33.7m and a decrease in the Group's adjusted operating profit of £9.0m. The impact to net debt is an increase of £11.2m.

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 up on a business-by-business basis 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. 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. Separately, it can be noted that the Group operates primarily on a 'local for local' basis, sourcing and selling products within the same regions to ensure availability and competitive advantage therefore minimally impacted by the current tariff environment.

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 pages 42-48 of the 2025 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 includes disruption from geopolitical instability, trade restrictions, tariffs, logistics shocks, supplier financial distress or disintermediation.
- **Climate – max legislation:** We actively engage with environmental legislation to identify and respond to both risks and opportunities. Risks include environmental legislation that adds cost or complexity to products and services and/or renders some products obsolete, regulatory changes disrupting supply chains.
- **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 2025

	Note	Adjusted ¹ 2025 £m	Adjustments ¹ £m	Total 2025 £m	Adjusted ¹ 2024 £m	Adjustments ¹ £m	Total 2024 £m
Revenue	3,4	1,524.5	–	1,524.5	1,363.4	–	1,363.4
Operating expenses	2	(1,181.8)	(59.0)	(1,240.8)	(1,078.4)	(77.6)	(1,156.0)
Operating profit		342.7	(59.0)	283.7	285.0	(77.6)	207.4
Financial expense, net	5	(27.3)	(8.1)	(35.4)	(27.0)	(3.8)	(30.8)
Profit before tax		315.4	(67.1)	248.3	258.0	(81.4)	176.6
Tax expense	6	(78.8)	16.0	(62.8)	(61.9)	15.3	(46.6)
Profit for the year		236.6	(51.1)	185.5	196.1	(66.1)	130.0
Attributable to:							
Shareholders of the Company		236.0	(51.1)	184.9	195.4	(66.1)	129.3
Minority interests		0.6	–	0.6	0.7	–	0.7
		236.6	(51.1)	185.5	196.1	(66.1)	130.0
Earnings per share (p)							
Adjusted/Basic earnings	7	176.0p		137.9p	145.8p		96.5p
Adjusted/Diluted earnings	7	175.3p		137.3p	145.3p		96.1p

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 2025

	Note	2025 £m	2024 £m
Profit for the year		185.5	130.0
Items that will not be reclassified to the Condensed Consolidated Income Statement			
Actuarial loss on the defined benefit pension schemes		(0.2)	(7.0)
Deferred tax on items that will not be reclassified	6	–	1.8
		(0.2)	(5.2)
Items that may be reclassified to the Condensed Consolidated Income Statement			
Exchange differences on translation of foreign operations		2.2	(65.7)
Recycling of foreign exchange reserve and net investment hedging on disposal of businesses		(1.7)	–
Exchange differences on translation of net investment hedge		(9.8)	7.2
Fair value losses/(gains) of cash flow hedges transferred from the hedging reserve		1.0	(1.3)
Gains/(losses) on fair value of cash flow hedges		0.2	(2.3)
Deferred tax on items that may be reclassified	6	–	0.7
		(8.1)	(61.4)
Total Other Comprehensive Income		(8.3)	(66.6)
Total Comprehensive Income for the year		177.2	63.4
Attributable to:			
Shareholders of the Company		176.5	62.7
Minority interests		0.7	0.7
		177.2	63.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	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 2023		6.8	420.2	42.5	1.7	424.4	895.6	6.4	902.0
Total Comprehensive Income		–	–	(58.5)	(2.9)	124.1	62.7	0.7	63.4
Share-based payments		–	–	–	–	7.1	7.1	–	7.1
Tax on items recognised directly in equity	6	–	–	–	–	1.7	1.7	–	1.7
Notional purchase of own shares		–	–	–	–	(2.3)	(2.3)	–	(2.3)
Dividends	12	–	–	–	–	(76.8)	(76.8)	(0.4)	(77.2)
At 30 September 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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	2025 £m	2024 £m
Non-current assets			
Goodwill	10	563.5	541.1
Acquisition intangible assets		479.1	507.8
Other intangible assets		3.0	2.6
Property, plant and equipment		66.7	63.4
Leases – right-of-use assets		76.1	65.9
Other financial assets		1.5	–
Retirement benefit assets		1.7	1.5
Deferred tax assets		9.7	0.9
		1,201.3	1,183.2
Current assets			
Inventories		297.4	280.1
Trade and other receivables		229.0	206.9
Assets held for sale		–	46.4
Cash and cash equivalents	9	81.7	55.5
		608.1	588.9
Current liabilities			
Borrowings	9	(0.9)	–
Trade and other payables		(245.3)	(204.4)
Liabilities held for sale		–	(22.0)
Current tax liabilities	6	(27.7)	(22.9)
Other liabilities		(10.9)	(8.8)
Lease liabilities		(13.5)	(13.1)
		(298.3)	(271.2)
Net current assets		309.8	317.7
Total assets less current liabilities		1,511.1	1,500.9
Non-current liabilities			
Borrowings	9	(380.2)	(479.8)
Trade and other payables		(5.7)	(1.1)
Lease liabilities		(70.3)	(59.2)
Other liabilities		(15.8)	(16.6)
Deferred tax liabilities		(44.9)	(49.5)
		(516.9)	(606.2)
Net assets		994.2	894.7
Equity			
Share capital		6.8	6.8
Share premium		420.2	420.2
Translation reserve		(25.3)	(16.0)
Hedging reserve		–	(1.2)
Retained earnings		588.0	478.2
Total shareholders' equity		989.7	888.0
Minority interests		4.5	6.7
Total equity		994.2	894.7

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £m	2024 £m
Operating profit		283.7	207.4
Acquisition related and other charges		59.0	77.6
Non-cash items and other		32.4	3.2
Increase in working capital		(4.6)	(8.5)
Cash flow from operating activities	8	370.5	279.7
Interest paid, net (including borrowing fees)		(26.3)	(23.2)
Tax paid		(76.6)	(58.4)
Net cash inflow from operating activities		267.6	198.1
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)		(53.8)	(270.5)
Acquisition related deferred (payments)/receipts, net		(4.7)	(10.3)
Proceeds from sale of business (net of cash disposed)		40.3	-
Purchase of property, plant and equipment		(13.4)	(18.9)
Purchase of other intangible assets		(1.0)	(0.8)
Proceeds from sale of property, plant and equipment		1.3	5.7
Net cash used in investing activities		(31.3)	(294.8)
Cash flow from financing activities			
Dividends paid to shareholders	12	(80.7)	(76.8)
Dividends paid to minority interests		(0.2)	(0.4)
Acquisition of minority interest		(0.8)	-
Notional purchase of own shares on exercise of share options		(4.1)	(2.3)
Proceeds from borrowings		141.9	694.9
Repayment of borrowings		(254.4)	(509.1)
Principal elements of lease payments		(14.6)	(16.0)
Net cash (outflow)/inflow from financing activities		(212.9)	90.3
Net increase/(decrease) in cash and cash equivalents		23.4	(6.4)
Cash and cash equivalents at beginning of year		60.2	62.4
Effect of exchange rates on cash and cash equivalents		(1.9)	4.2
Cash and cash equivalents including cash held in disposal groups at the end of the year		81.7	60.2
Cash and cash equivalents held in disposal groups		-	(4.7)
Cash and cash equivalents at end of year		81.7	55.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

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 18 November 2025. 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 2025 and 2024. Statutory financial statements for the year ended 30 September 2024 have been delivered to the Registrar of Companies and are available on the website at www.diplomapl.com. The statutory financial statements for the year ended 30 September 2025, which were approved by the Directors on 18 November 2025, will be sent to shareholders in December 2025 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 2025 and 2024. 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 14 January 2026 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 2025 £m	Adjustments £m	Total 2025 £m	Adjusted 2024 £m	Adjustments £m	Total 2024 £m
Cost of inventories sold	812.7	5.7	818.4	730.1	4.4	734.5
Employee costs	237.0	4.9	241.9	230.9	3.9	234.8
Depreciation of property, plant and equipment	14.2	–	14.2	14.6	–	14.6
Depreciation of right-of-use assets	15.5	–	15.5	16.3	–	16.3
Amortisation	0.8	61.7	62.5	1.3	59.4	60.7
Net impairment movements on trade receivables	1.2	–	1.2	(0.6)	–	(0.6)
Other operating expenses/(income)	100.4	(13.3)	87.1	85.8	9.9	95.7
Operating expenses	1,181.8	59.0	1,240.8	1,078.4	77.6	1,156.0

The adjustments to operating expenses are made in relation to acquisition related and other charges, as defined in note 15.2, totalling £59.0m (2024: £77.6m) and comprises of £61.7m (2024: £59.4m) of amortisation of acquisition intangible assets, £5.7m (2024: £4.4m) relating to the unwind of fair value adjustments to inventory acquired through acquisitions, £4.9m (2024: £1.5m) of deferred remuneration costs related to acquisitions completed in previous years, and net other income of £13.3m (2024: expense of £12.3m) comprising a net gain on disposal of businesses of £17.3m (2024: £nil), partly offset by acquisition related expenses of £4.0m (2024: £8.7m) and £nil restructuring costs (2024: £3.6m).

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	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Revenue – existing ¹	833.5	652.4	454.3	489.1	225.8	221.9	–	–	1,513.6	1,363.4
Revenue – acquisitions ¹	2.9	–	1.7	–	6.3	–	–	–	10.9	–
Revenue	836.4	652.4	456.0	489.1	232.1	221.9	–	–	1,524.5	1,363.4
Cost of inventories sold – existing ¹	(458.1)	(373.3)	(223.8)	(238.6)	(129.6)	(122.6)	–	–	(811.5)	(734.5)
Cost of inventories sold – acquisitions ¹	(2.0)	–	(1.0)	–	(3.9)	–	–	–	(6.9)	–
Cost of inventories sold	(460.1)	(373.3)	(224.8)	(238.6)	(133.5)	(122.6)	–	–	(818.4)	(734.5)
Adjusted operating profit – existing ¹	250.5	169.9	87.8	90.7	44.0	46.8	(41.3)	(22.4)	341.0	285.0
Adjusted operating profit – acquisitions ¹	0.1	–	0.3	–	1.3	–	–	–	1.7	–
Adjusted operating profit	250.6	169.9	88.1	90.7	45.3	46.8	(41.3)	(22.4)	342.7	285.0
Acquisition related and other charges	(39.4)	(37.6)	(9.1)	(28.5)	(10.5)	(11.5)	–	–	(59.0)	(77.6)
Operating profit	211.2	132.3	79.0	62.2	34.8	35.3	(41.3)	(22.4)	283.7	207.4
Operating assets	343.6	301.6	216.5	262.9	104.2	94.2	–	–	664.3	658.7
Other financial assets	–	–	–	–	1.5	–	–	–	1.5	–
Goodwill	267.6	265.3	185.1	179.1	110.8	96.7	–	–	563.5	541.1
Acquisition intangible assets	239.7	268.4	172.0	183.4	67.4	56.0	–	–	479.1	507.8
	850.9	835.3	573.6	625.4	283.9	246.9	–	–	1,708.4	1,707.6
Unallocated assets:										
– Deferred tax assets							9.7	0.9	9.7	0.9
– Cash and cash equivalents							81.7	55.5	81.7	55.5
– Acquisition related assets							2.0	1.8	2.0	1.8
– Retirement benefit assets							1.7	1.5	1.7	1.5
– Corporate assets							5.9	4.8	5.9	4.8
Total assets	850.9	835.3	573.6	625.4	283.9	246.9	101.0	64.5	1,809.4	1,772.1
Operating liabilities	(166.6)	(120.7)	(100.5)	(119.2)	(55.5)	(52.1)	–	–	(322.6)	(292.0)
Unallocated liabilities:										
– Deferred tax liabilities							(44.9)	(49.5)	(44.9)	(49.5)
– Acquisition related liabilities							(26.7)	(25.4)	(26.7)	(25.4)
– Corporate liabilities							(39.9)	(30.7)	(39.9)	(30.7)
– Borrowings							(381.1)	(479.8)	(381.1)	(479.8)
Total liabilities	(166.6)	(120.7)	(100.5)	(119.2)	(55.5)	(52.1)	(492.6)	(585.4)	(815.2)	(877.4)
Net assets/(liabilities)	684.3	714.6	473.1	506.2	228.4	194.8	(391.6)	(520.9)	994.2	894.7

¹ 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	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Capital expenditure	2.3	5.7	4.8	4.7	7.2	9.2	0.1	0.1	14.4	19.7
Depreciation and amortisation	4.9	5.0	4.5	6.1	5.3	4.5	0.3	0.3	15.0	15.9
Revenue recognition										
– immediately on sale	826.7	642.2	438.8	465.3	216.5	207.3	–	–	1,482.0	1,314.8
– over a period of time	9.7	10.2	17.2	23.8	15.6	14.6	–	–	42.5	48.6
	836.4	652.4	456.0	489.1	232.1	221.9	–	–	1,524.5	1,363.4

Accrued income (“contract assets”) at 30 September 2025 of £0.1m (2024: £0.8m) and deferred revenue (“contract liabilities”) of £2.6m at 30 September 2025 (2024: £2.8m) are included in trade and other receivables and trade and other payables, respectively.

4. GEOGRAPHIC SEGMENT ANALYSIS BY ORIGIN

	Revenue		Adjusted operating profit		Non-current assets ¹		Trading capital employed		Capital expenditure	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
United Kingdom ²	279.8	273.0	8.6	23.3	260.0	242.4	219.4	229.3	2.4	4.9
Rest of Europe	247.5	267.8	48.3	53.9	287.7	264.9	326.9	321.4	2.5	2.3
USA	802.6	626.1	248.5	165.5	543.1	566.9	691.4	698.2	2.2	3.6
Rest of world	194.6	196.5	37.3	42.3	99.1	106.6	114.1	136.1	7.3	8.9
	1,524.5	1,363.4	342.7	285.0	1,189.9	1,180.8	1,351.8	1,385.0	14.4	19.7

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

	2025 £m	2024 £m
Interest expense/(income) and similar charges		
– bank facility and commitment fees	2.3	1.7
– interest income on short-term deposits	(0.7)	(0.6)
– interest expense on borrowings	21.8	22.2
– notional interest income on the defined benefit pension scheme	(0.1)	(0.3)
– amortisation of capitalised borrowing fees	0.1	0.1
– interest on lease liabilities	3.9	3.9
Net interest expense and similar charges	27.3	27.0
– acquisition related finance charges, net	8.1	3.8
Financial expense, net	35.4	30.8

Acquisition related finance charges as adjusted in the Condensed Consolidated Income Statement includes fair value movement and unwind of discount on acquisition liabilities of £6.8m charge (2024: £3.2m charge), £1.0m charge (2024: £0.9m 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 £0.3m charge (2024: £0.1m income), and net income from interest and settlement of acquisition and disposal related items of £nil (2024: £0.2m net income). 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

	2025 £m	2024 £m
Current tax		
The tax charge is based on the profit for the year and comprises:		
UK corporation tax	25.2	15.2
Overseas tax	61.6	40.1
	86.8	55.3
Adjustments in respect of prior year:		
UK corporation tax	(2.1)	(0.2)
Overseas tax	(2.2)	0.4
Total current tax	82.5	55.5
Deferred tax		
The net deferred tax credit based on the origination and reversal of timing differences comprises:		
United Kingdom	(5.0)	(1.2)
Overseas	(14.7)	(7.7)
Total deferred tax	(19.7)	(8.9)
Total tax on profit for the year	62.8	46.6

A deferred tax credit relating to the retirement benefit scheme and cash flow hedges of £nil was recognised in the Condensed Consolidated Statement of Comprehensive Income (2024: £2.5m credit). The Condensed Consolidated Statement of Changes in Equity includes a £1.6m tax credit (2024: £1.7m 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 £248.3m and the amount set out above is as follows:

	2025 £m	2024 £m
Profit before tax	248.3	176.6
Tax on profit at UK effective corporation tax rate of 25.0% (2024: 25.0%)	62.1	44.2
Effects of:		
overseas tax rates	0.7	0.4
adjustments in respect of UK and Overseas corporation tax in prior years	(4.3)	0.2
other permanent differences	4.3	1.8
Total tax on profit for the year	62.8	46.6
Tax effect on adjusting items	16.0	15.3
Adjusted tax expense	78.8	61.9

The tax adjustment in the Condensed Consolidated Income Statement of £16.0m (2024: £15.3m) 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 2025 was 25.0% (2024: 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 higher than the prior year at 25.0% (2024: 24.0%). 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 2025 have been calculated by reference to the UK corporation tax rate of 25.0% (2024: 25.0%).

At 30 September 2025, the Group had outstanding tax liabilities of £27.7m (2024: £22.9m). These amounts are expected to be paid within the next financial year.

During 2021, the OECD published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. The legislation implementing these 'Pillar Two' rules in the UK was substantively enacted on 20 June 2023 and has applied to the Group for the first time this year. We have applied the temporary exception under IAS 12 from the requirement to recognise and disclose deferred taxes arising from the implementation of the Pillar Two rules.

The OECD has issued guidance on safe harbours and penalty relief. This includes a transitional Country-by-Country safe harbour (TCSH), which allows multinationals to avoid detailed calculations for a jurisdiction if they meet certain criteria. We have assessed the exposure to Pillar Two income taxes based on the latest financial information for the year ended 30 September 2025. With the exception of immaterial Pillar Two income tax exposures for our trading operations in Ireland (due to the statutory rate being lower than 15%), the rest of the Group are able to rely on the TCSH in their jurisdictions.

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 134,082,545 (2024: 134,020,566) and the profit for the year attributable to shareholders of £184.9m (2024: £129.3m). Basic earnings per share is 137.9p (2024: 96.5p). Diluted earnings per share is 137.3p (2024: 96.1p) and is based on the average number of ordinary shares (which includes any potentially dilutive shares related to share options) of 134,658,354 (2024: 134,494,807).

Adjusted earnings per share

Adjusted EPS, which is defined in note 15.3, is 176.0p (2024: 145.8p).

	2025 pence per share Basic	2025 pence per share Diluted	2024 pence per share Basic	2024 pence per share Diluted	2025 £m	2024 £m
Profit before tax					248.3	176.6
Tax expense					(62.8)	(46.6)
Minority interests					(0.6)	(0.7)
Earnings for the year attributable to shareholders of the Company	137.9	137.3	96.5	96.1	184.9	129.3
Acquisition related and other charges and acquisition related finance charges, net of tax	38.1	38.0	49.3	49.2	51.1	66.1
Adjusted earnings	176.0	175.3	145.8	145.3	236.0	195.4

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

	2025 £m	2024 £m
Operating profit	283.7	207.4
Acquisition related and other charges (note 2)	59.0	77.6
Adjusted operating profit	342.7	285.0
Depreciation or amortisation of tangible, other intangible assets and leases – right-of-use assets (note 2)	30.5	32.2
Share-based payments expense	6.2	7.1
Defined benefit pension scheme payments	(0.1)	(0.5)
Profit on disposal of assets	(0.1)	(1.9)
Acquisition and disposal expenses paid	(10.6)	(30.2)
Other non-cash movements	6.5	(3.5)
Non-cash items and other	32.4	3.2
Operating cash flow before changes in working capital	375.1	288.2
Increase in inventories	(17.4)	(7.7)
Increase in trade and other receivables	(14.7)	(18.5)
Increase in trade and other payables	27.5	17.7
Increase in working capital	(4.6)	(8.5)
Cash flow from operating activities	370.5	279.7

9. NET DEBT

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

	2025 £m	2024 £m
Net increase/(decrease) in cash and cash equivalents	23.4	(6.4)
Cash reclassified to assets held for sale	-	4.7
Decrease/(increase) in borrowings	113.3	(183.9)
	136.7	(185.6)
Effect of exchange rates and other non-cash movements	(16.5)	20.7
Decrease/(increase) in net debt	120.2	(164.9)
Net debt at beginning of year	(419.6)	(254.7)
Net debt at end of year	(299.4)	(419.6)
Comprising:		
Cash and cash equivalents	81.7	55.5
Cash and cash equivalents held in disposal groups	-	4.7
Bank borrowings:		
– Overdraft facilities	(0.9)	-
– Revolving credit facility	(55.4)	(165.1)
– Private placement notes	(329.6)	(319.8)
– Capitalised borrowing fees	4.8	5.1
	(381.1)	(479.8)
Net debt at end of year	(299.4)	(419.6)
Analysed as:		
Repayable within one year	(0.9)	-
Repayable after one year	(380.2)	(479.8)

A summary of the maturities and rates of the private placement notes, with an aggregate principal amount of £329.6m 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 a multi-currency revolving credit facility agreement (RCF) with an aggregate principal amount of £555.0m. In July 2025, the Group exercised the final extension option for the RCF, which was accepted by all banks. The RCF is now contractually due to expire in July 2030. No further extension options remain.

Borrowings include capitalised borrowing fees of £4.8m (2024: £5.1m).

The RCF is subject to interest at variable rates while the private placement notes are at fixed rates. At 30 September 2025, fixed rate debt was 85% of total debt.

As at 30 September 2025 the Group's net debt is £299.4m (2024: £419.6m) and excludes lease liabilities of £83.8m (2024: £72.3m).

At 30 September 2025, the Group's Net Debt/EBITDA ratio is 0.8x, as illustrated in note 15.5.

10. GOODWILL

	Controls £m	Seals £m	Life Sciences £m	Total £m
At 1 October 2023	167.3	169.4	102.4	439.1
Acquisitions	118.1	27.0	-	145.1
Transfers to Held for Sale Assets	(0.6)	(11.8)	-	(12.4)
Exchange adjustments	(19.5)	(5.5)	(5.7)	(30.7)
At 30 September 2024	265.3	179.1	96.7	541.1
Acquisitions (note 11)	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

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 generally approximate to the average rates for the markets in which the business operates, unless there are particular factors relevant to a business. The cash flow forecasts use the budgeted figures for FY26, and then the three-year strategy cash flows for the next two years. From year four onwards a long-term growth rate of 2% is utilised.

The cash flow forecasts are discounted to determine a current valuation using market derived pre-tax discount rates; Controls 9.7% (2024: 9.7%), Seals 9.9% (2024: 10.1%) and Life Sciences 9.4% (2024: 9.4%). The equivalent post-tax discount rates for FY25 are: Controls 9.6% (2024: 9.6%), Seals 9.8% (2024: 10.0%) and Life Sciences 9.3% (2024: 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 Alpha Laboratories Limited

On 7 July 2025, the Group completed the acquisition of 100% of the shares in Alpha Laboratories Limited (Alpha Labs), a supplier of laboratory and diagnostic products. The total investment, net of cash acquired was £27.5m.

The provisional fair value of Alpha Labs' net assets acquired excluding acquisition intangibles, related deferred tax and cash is £10.2m following fair value adjustments of £2.3m. The principal fair value adjustments relate to a net increase in inventory (£0.2m), fair value uplift of property plant and equipment of (£2.4m) and recognition of previously unrecognised liabilities (£0.3m).

Acquisition expenses of £1.6m have been recognised in respect of this transaction in the financial year.

From the date of acquisition to 30 September 2025, Alpha Labs contributed £5.7m to revenue and £1.2m to adjusted operating profit. Had it had been acquired at the beginning of the financial year, it would have contributed on a pro forma basis £22.9m to revenue and £4.7m to adjusted operating profit. However, these amounts should not be viewed as indicative of the results that would have occurred if Alpha Labs had been completed at the beginning of the year.

Other acquisitions

The Group completed four other acquisitions in the year. This comprised 50% of the shares in Viking Industrial Products Limited and 100% of the shares of Viking Conversions Limited (which owns the other 50% of the Viking Industrial Products shares) together "Viking Tapes" (18 December 2024), 100% of the share capital of Haagensen A/S (Haagensen) (01 July 2025), Electramed Limited (Electramed) (21 August 2025), and Astro Industries Inc. (Astro) (25 September 2025). The combined initial investment for these acquisitions was £26.3m, net of cash acquired of £2.7m. Deferred consideration with a fair value of £2.3m is payable.

Acquisition expenses of £2.4m have been recognised in respect of these transactions completed in the financial year.

The provisional fair value of the total net assets acquired excluding acquisition intangibles, related deferred tax and cash is £2.8m.

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 value adjustments at the year end.

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

	Alpha Labs		Others		Total	
	Book value £m	Fair value £m	Book value £m	Fair value £m	Book value £m	Fair value £m
Acquisition intangible assets ¹	–	11.0	–	16.3	–	27.3
Deferred tax	0.8	(2.1)	(0.1)	(2.6)	0.7	(4.7)
Investment	1.2	1.2	–	–	1.2	1.2
Property, plant and equipment, and other intangible assets	2.6	5.0	0.5	0.5	3.1	5.5
Inventories	2.8	3.0	4.4	4.6	7.2	7.6
Trade and other receivables	3.3	3.3	3.7	3.5	7.0	6.8
Trade and other payables	(2.8)	(3.1)	(5.0)	(5.7)	(7.8)	(8.8)
Net assets acquired	7.9	18.3	3.5	16.6	11.4	34.9
Goodwill	–	9.2	–	12.0	–	21.2
Minority interests	–	–	–	–	–	–
Cash paid ²		50.4		29.0		79.4
Cash and cash equivalents acquired		(22.9)		(2.7)		(25.6)
		27.5		26.3		53.8
Deferred consideration		–		2.3		2.3
Total investment		27.5		28.6		56.1

1 Acquired intangibles relate entirely to customer relationships.

2 Of the initial cash paid on acquisitions during the year, funds of £1.2m were directed to settle outstanding debts at the point of acquisition.

	£m
Total Investment	56.1
Debt	(1.2)
Net Consideration	54.9

Acquisitions revenue and adjusted operating profit

From the date of acquisition to 30 September 2025, 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
Viking Tapes	18-Dec-24	2.8	0.9	3.7	0.1	0.1	0.2
Haagensen	01-Jul-25	1.7	5.0	6.7	0.3	1.0	1.3
Alpha Labs	07-Jul-25	5.7	17.2	22.9	1.2	3.5	4.7
Electramed	21-Aug-25	0.6	4.7	5.3	0.1	1.1	1.2
Astro	25-Sep-25	0.1	7.9	8.0	-	1.4	1.4
		10.9	35.7	46.6	1.7	7.1	8.8

¹ Pro forma revenue and adjusted operating profit has 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 2024. 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.

Disposals

During the year, the Group disposed of its entire interest in five businesses for proceeds of £46.6m. The carrying value of the net assets disposed was £28.7m, and selling costs of £2.3m were partly offset by the recycling of cumulative foreign currency translations gains of £1.7m, resulting in a net gain of £17.3m. These disposals principally related to Kubo Tech AG (Kubo), Pneumatic Services Limited (Pennine) and Gremtek SAS (Gremtek).

12. DIVIDENDS

	2025 pence per share	2024 pence per share	2025 £m	2024 £m
Interim dividend, paid in June	18.2	17.3	24.4	23.2
Final dividend of the prior year, paid in January	42.0	40.0	56.3	53.6
	60.2	57.3	80.7	76.8

The Directors have proposed a final dividend in respect of the current year of 44.1p per share (2024: 42.0p), which will be paid on 30 January 2026 subject to approval by shareholders at the Annual General Meeting (AGM) on 14 January 2026. The total dividend for the current year, subject to approval of the final dividend, will be 62.3p per share (2024: 59.3p).

The Diploma PLC Employee Benefit Trust holds 81,368 (2024: 60,708) shares, which are ineligible for dividends.

13. EXCHANGE RATES

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

	Average		Closing	
	2025	2024	2025	2024
US dollar (US\$)	1.31	1.27	1.35	1.34
Canadian dollar (C\$)	1.83	1.73	1.87	1.81
Euro (€)	1.18	1.17	1.15	1.20
Swiss franc (CHF)	1.11	1.12	1.07	1.13
Australian dollar (AUD)	2.04	1.92	2.03	1.93

14. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Group acquired 100% of the shares in Spring Industrial Limited and WDS Components Limited for total investment (net of cash acquired) of £37.4m. The acquisitions were completed on 7 November 2025 and 10 November 2025, respectively.

An assessment for both acquisitions is currently being performed to determine the fair value of the acquired net assets and goodwill arising on the acquisitions.

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 2024 Reported revenue (basis for Acquisitions and Disposals / Exchange Rates impacts)	1,363.4	
Acquisitions and Disposals ¹	35.0	3
Basis for organic growth impact	1,398.4	
Organic growth ²	159.8	11
Exchange rates ³	(33.7)	(2)
September 2025 Reported revenue	1,524.5	

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	2025 £m	2024 £m
Revenue		1,524.5	1,363.4
Operating profit as reported under UK-adopted IAS		283.7	207.4
Add: Acquisition related and other charges	2	59.0	77.6
Adjusted operating profit	3	342.7	285.0
Adjusted operating margin		22.5%	20.9%

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 134,082,545 (2024: 134,020,566), 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	2025 £m	2024 £m
Net increase/(decrease) in cash and cash equivalents		23.4	(6.4)
Add: Dividends paid to shareholders and minority interests		80.9	77.2
Acquisition of minority interest		0.8	-
Acquisition/disposal of businesses (including net expenses)		24.1	300.7
Acquisition related deferred payments/receipts, net		4.7	10.3
Net repayments of/(proceeds from) borrowings (including borrowing fees)		113.3	(183.9)
Free cash flow		247.2	197.9
Adjusted earnings¹	7	236.0	195.4
Free cash flow conversion		105%	101%

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	2025 £m	2024 £m
Cash and cash equivalents	9	81.7	55.5
Cash and cash equivalents held in disposal groups		-	4.7
Borrowings	9	(381.1)	(479.8)
Retranslation at average exchange rates		0.9	(3.5)
Net debt at average exchange rates		(298.5)	(423.1)
Adjusted operating profit	15.2	342.7	285.0
Depreciation and amortisation of tangible and other intangible assets	2	15.0	15.9
IFRS 16 impact		(2.1)	(3.6)
Minority interest share of adjusted operating profit		(0.8)	(0.9)
Pro forma adjustments ¹		5.8	39.1
EBITDA		360.6	335.5
Leverage		0.8x	1.3x

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	2025 £m	2024 £m
Net assets as reported under UK-adopted IAS		994.2	894.7
Add/(deduct):			
– Deferred tax liabilities, net		35.2	48.6
– Retirement benefit assets, net		(1.7)	(1.5)
– Acquisition related liabilities/assets, net		24.7	23.6
– Net debt	9	299.4	419.6
Trading capital employed		1,351.8	1,385.0
– Historic goodwill and acquisition related charges, net of deferred tax and currency movements		309.6	308.0
Adjusted trading capital employed		1,661.4	1,693.0
Adjusted operating profit	15.2	342.7	285.0
Pro forma adjustments ¹		5.2	38.9
Pro forma adjusted operating profit		347.9	323.9
ROATCE		20.9%	19.1%

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

END