



HALF YEAR RESULTS FOR
THE SIX MONTHS ENDED 31 MARCH 2025

20 MAY 2025

STRONG H1 PERFORMANCE
FULL YEAR UPGRADE

DIPLOMA PLC
VALUE-ADD SOLUTIONS

AGENDA

01 OVERVIEW

02 FINANCIAL PERFORMANCE

03 STRATEGY AND BUSINESS REVIEW



01

OVERVIEW

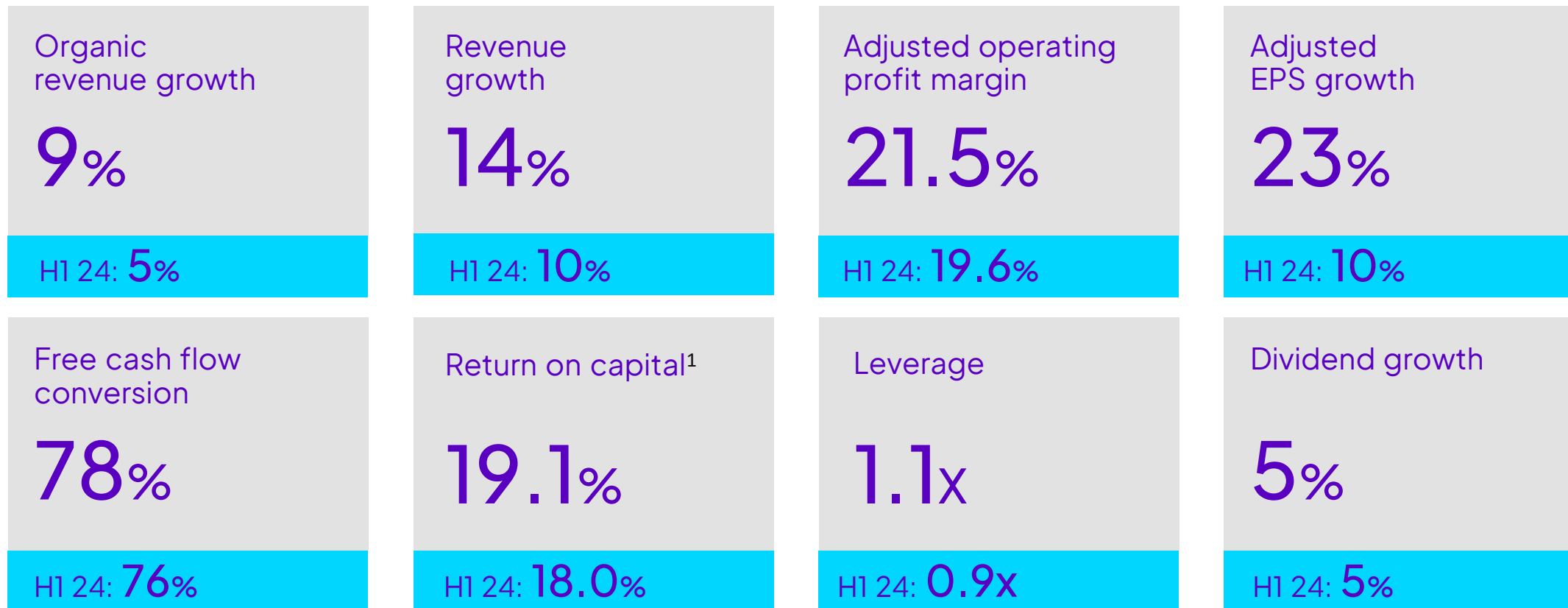
DIPLOMA PLC

SUSTAINABLE QUALITY COMPOUNDING

- **Very strong performance** building on long-term track record
- **Organic growth of 9%**, demonstrating quality of portfolio
- **Balancing ambition with discipline:** EPS up 23%, return on capital¹ of 19.1%
- **Healthy acquisition pipeline:** executed with discipline
- **Diversified portfolio and differentiated business model:** underpin confidence despite uncertainty
- **Strong start to H2**

Very strong performance. Full year upgrade

STRONG H1 PERFORMANCE



Ambition with discipline

PEOPLE AND CULTURE



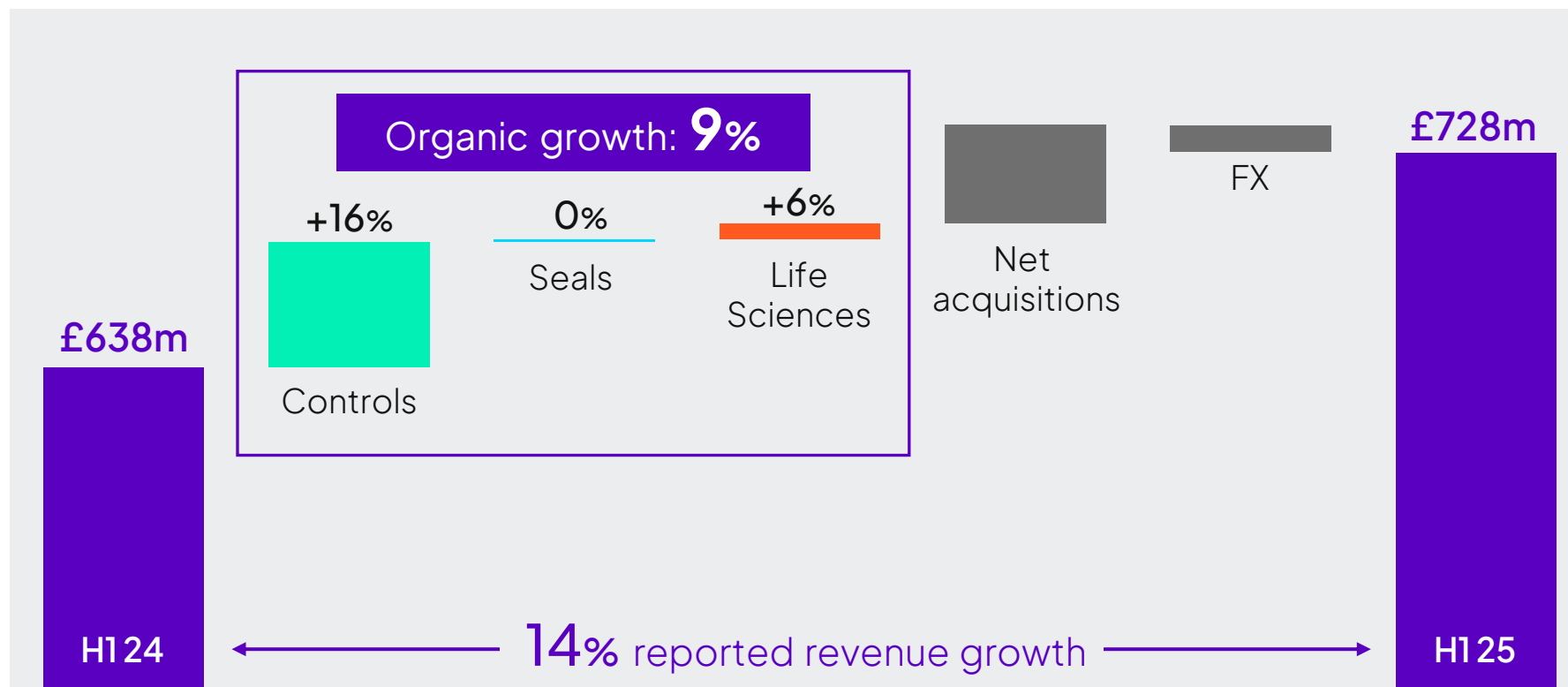


02

FINANCIAL
PERFORMANCE

REVENUE GROWTH

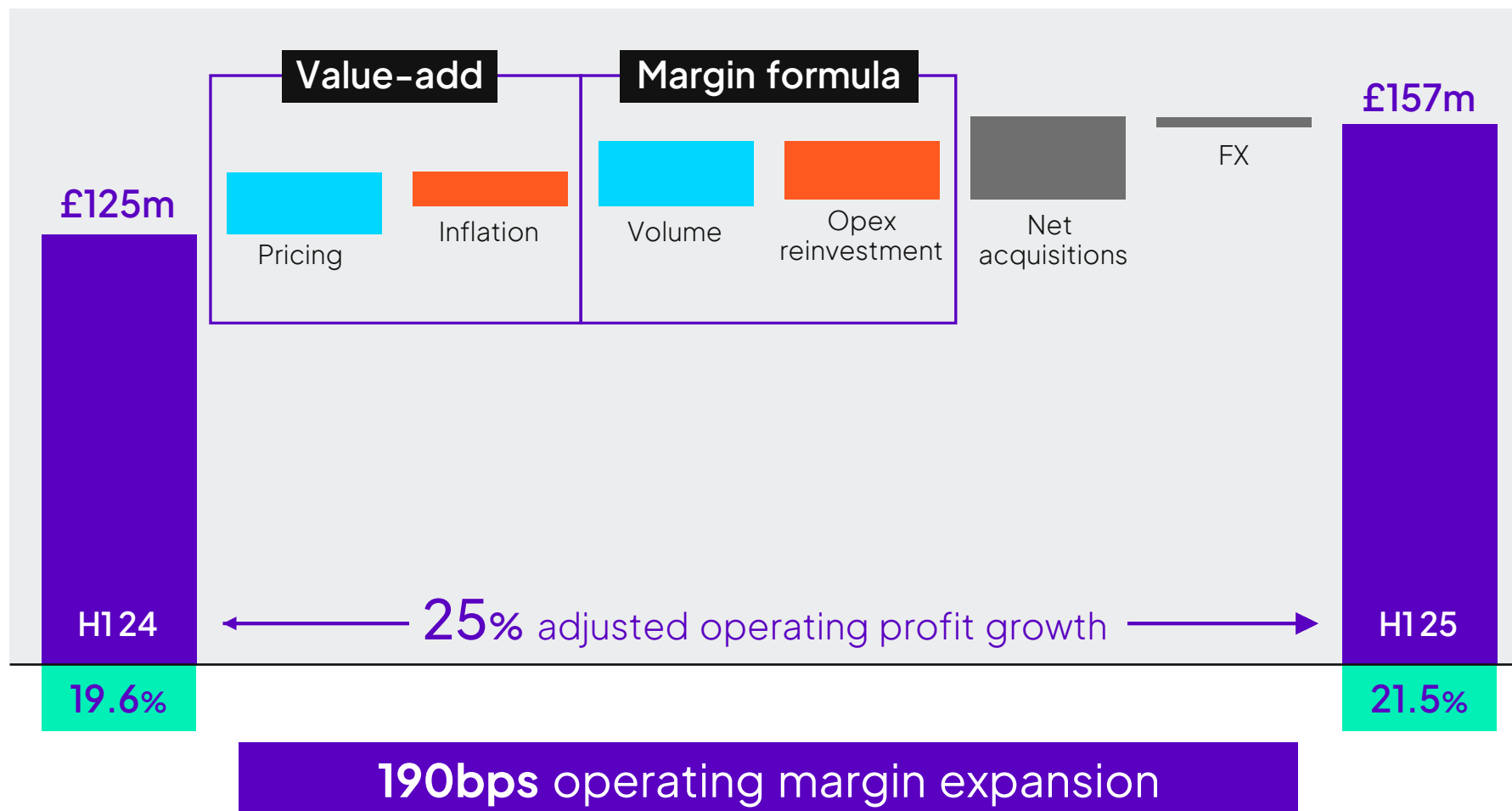
Six months ended 31 March



Very strong organic growth

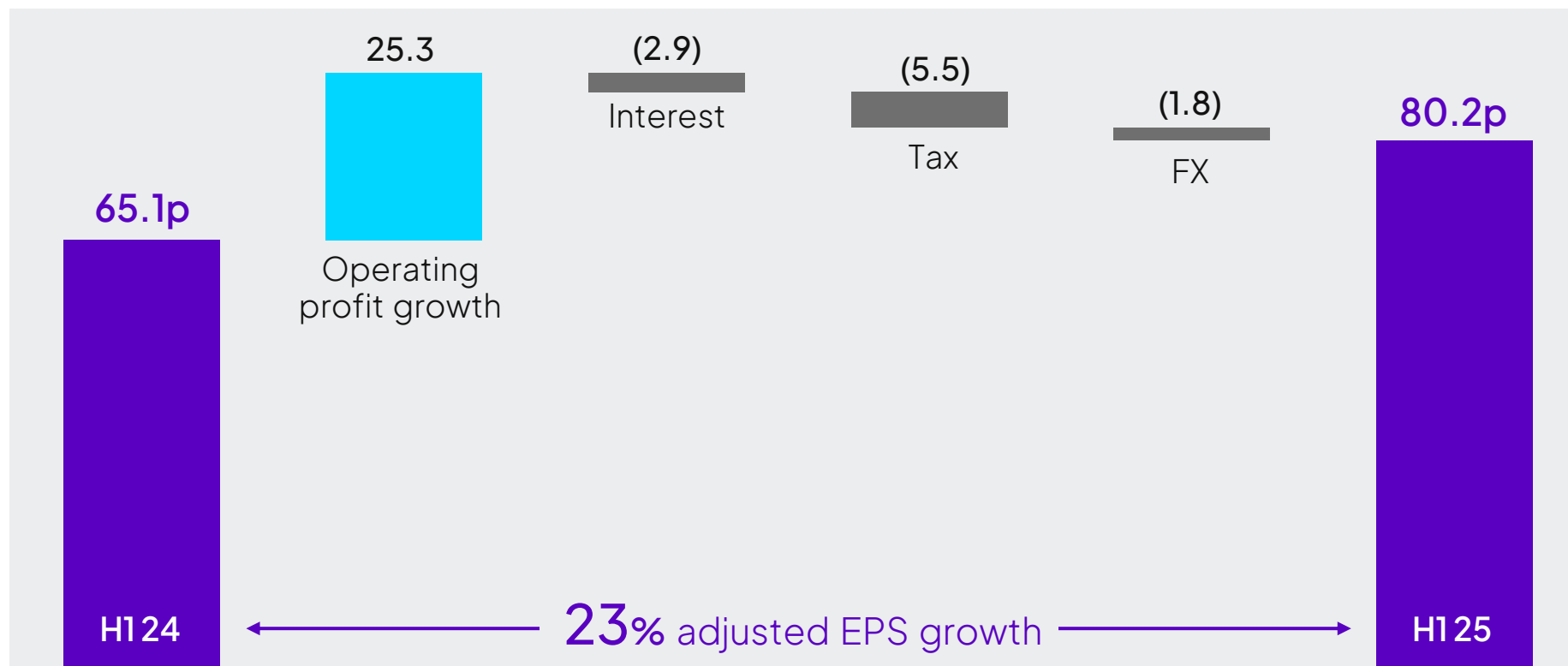
OPERATING MARGIN EXPANSION

Six months ended 31 March



COMPOUNDING EPS GROWTH

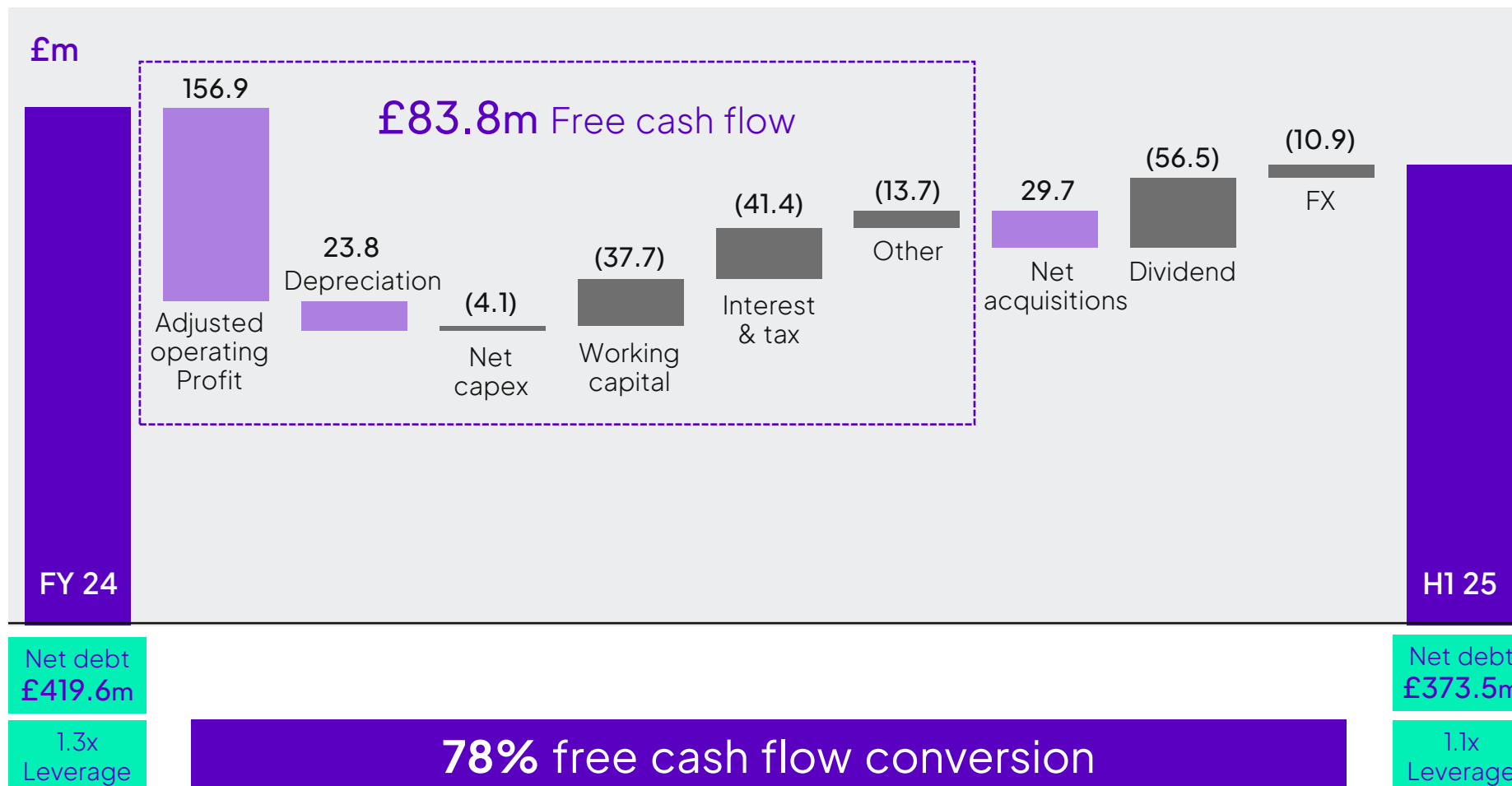
Six months ended 31 March



Continuing long-term track record

STRONG CASH CONVERSION

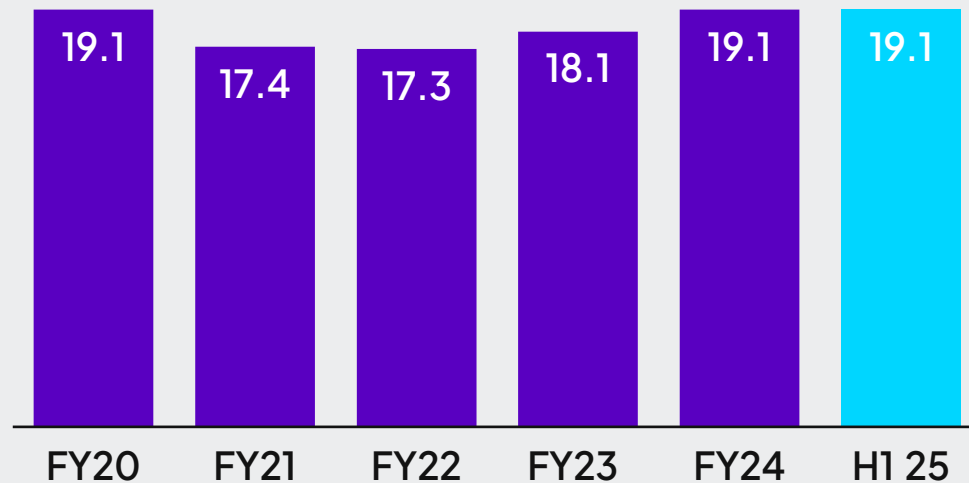
Six months ended 31 March



DISCIPLINED STEWARDSHIP OF CAPITAL

Return on capital¹ (%)

5 year average: **18%**



CAPITAL ALLOCATION PRIORITIES

i

Investment for organic growth

Capital-light model
(c.2% capex / revenue) drives 90% cash conversion

ii

Targeted acquisitions to drive future organic growth

Acquisitions deliver **20% return on capital** over time

iii

Returns to shareholders

Progressive dividend – 5% annual growth

iv

Balance sheet prudence

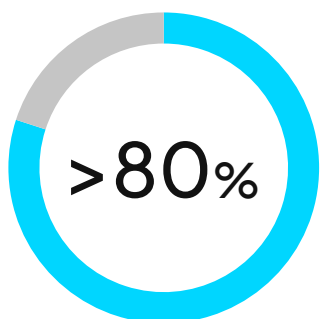
Net debt / EBITDA **< 2.0x**

High teens returns

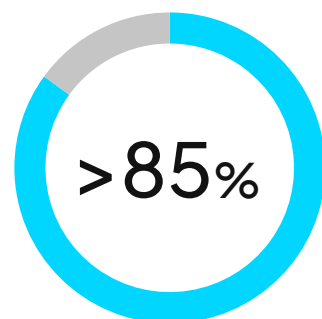
WELL-POSITIONED AGAINST TARIFF BACKDROP

US businesses 52% of Group revenue

US sourced

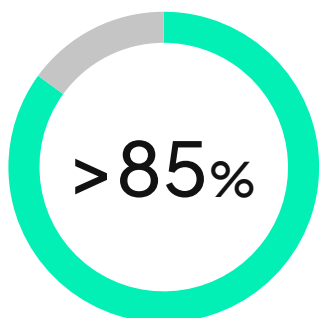


US generated revenue

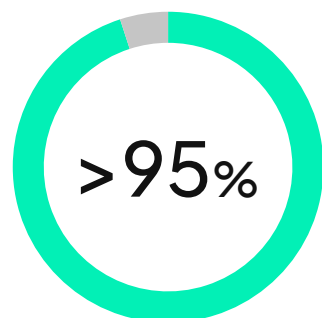


Non-US businesses 48% of Group revenue

Non-US sourced



Non-US generated revenue



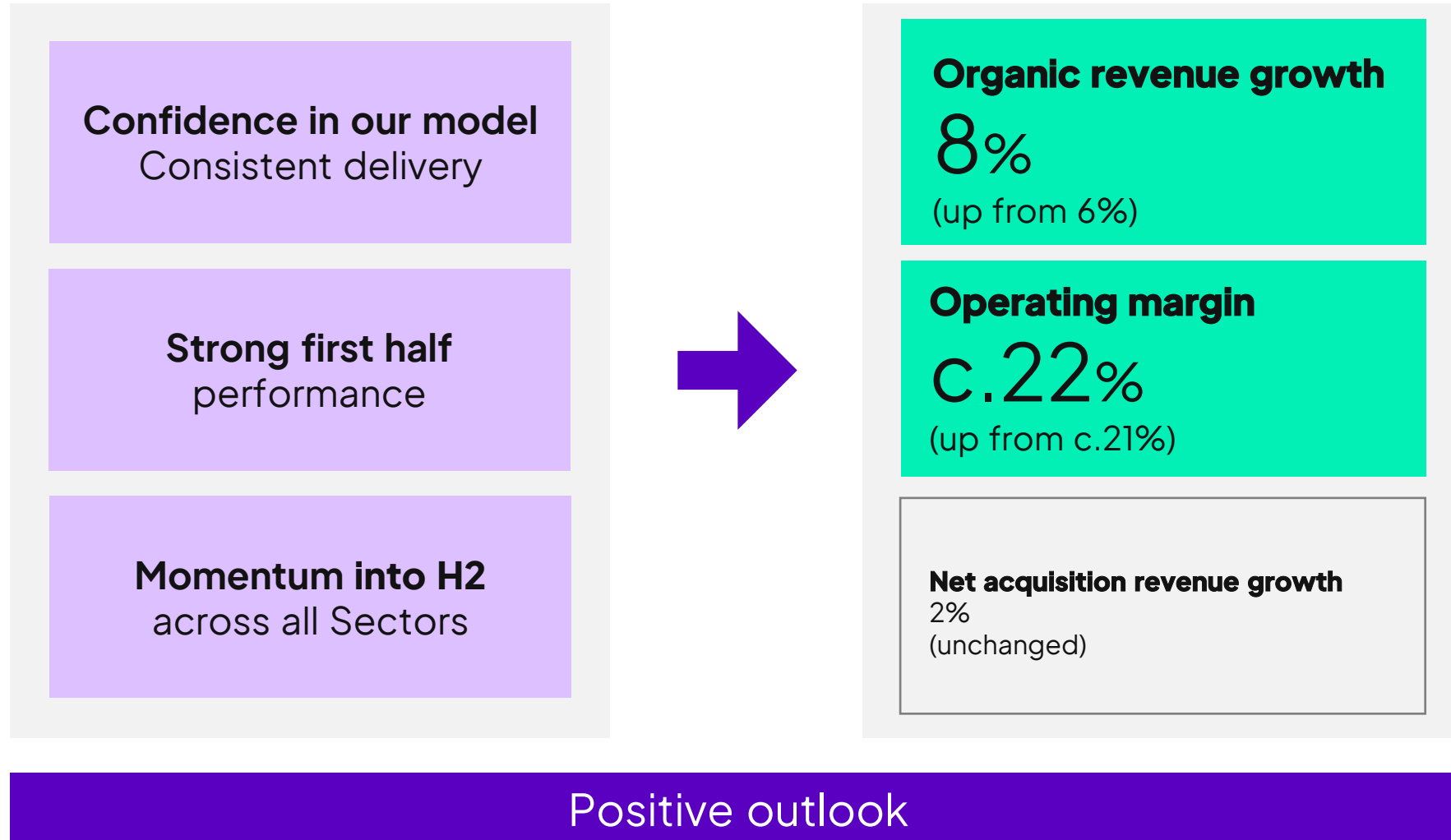
RESILIENT MODEL

- Diversified portfolio
- Value-added solutions
- Low cost, critical components
- 'Local for local' supply chains

MITIGATING ACTIONS

- Proactive customer engagement
- Confident pricing
- Selective re-sourcing

UPGRADING FY25 GUIDANCE





03

STRATEGY AND BUSINESS REVIEW

A CLEAR STRATEGY FOR GROWTH

GROW

Organic growth in 3 buckets:

1 END MARKETS

2 GEOGRAPHIC
PENETRATION

3 PRODUCT
EXTENSION

Complementary acquisitions to drive future organic growth

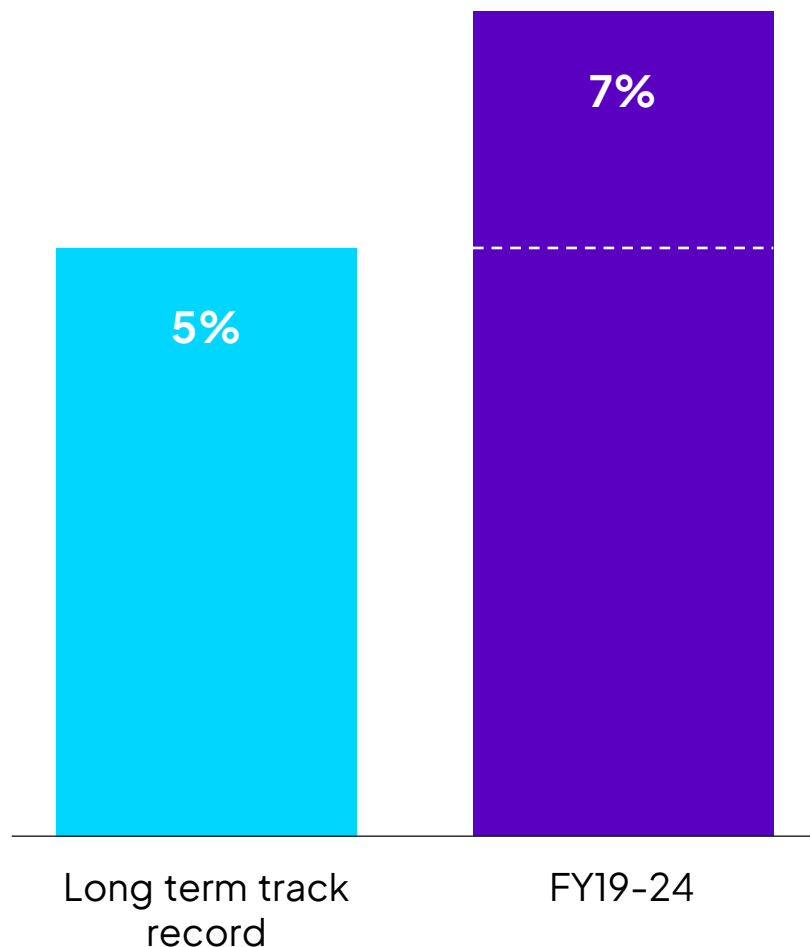
SCALE

Value-add business model at scale

Powerful decentralised Group at scale

Deliver Value Responsibly

SUSTAINABLE QUALITY COMPOUNDING: AMBITIOUS ORGANIC GROWTH



GROWTH OPPORTUNITY

- Fantastic growth opportunities for all businesses
- Increasing exposure to structurally growing end markets
- Massive geographic/product white space

EXECUTION: SALES EXCELLENCE

- Share of wallet: excellent customer service and relationships
- Building our business development capability
- Leveraging the Group network

SUSTAINABLE QUALITY COMPOUNDING: DISCIPLINED RETURNS

EFFECTIVE CAPITAL DEPLOYMENT



H1 25 return on capital: **19.1%**

HEALTHY ACQUISITION PIPELINE

Long term pipeline

>3,500

(from >3,000 at FY24)

Active opportunities

>60

(from >50 at FY24)

Average size by enterprise value

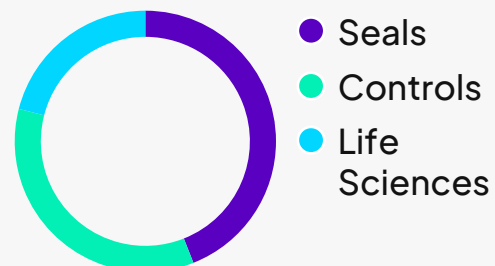
c.£25m

(consistent with FY24)

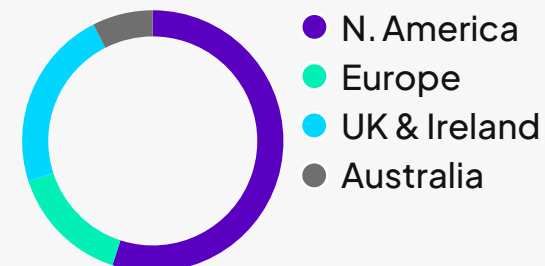
Well diversified

(by number of opportunities)

By sector



By geography



SUSTAINABLE QUALITY COMPOUNDING: CONSISTENT DELIVERY

DIVERSIFIED PORTFOLIO

- Broad **end-market** exposure
- Attractive **geographical** footprint
- Diverse specialised **product** portfolio
- **Agile businesses** unconstrained by markets



DIFFERENTIATED BUSINESS MODELS

- **Value-add solutions**
- **Low cost components** funded from customers' **opex**
- **Critical** to customer needs in **high-stakes applications**
- Responsive **customer service** and **deep technical support**
- **Local supply chains**

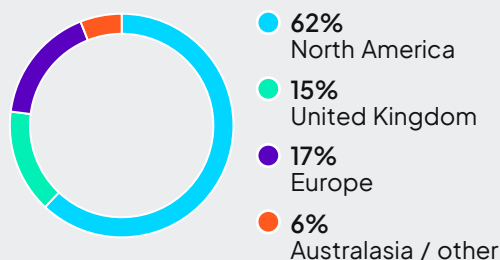
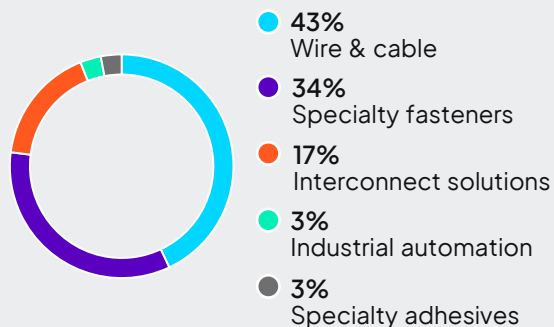
Resilience through the cycle

CONTROLS: EXCELLENT PERFORMANCE

PERCENTAGE OF GROUP REVENUE*

54%

SECTOR REVENUE MIX



* Pro forma revenues adjusted for acquisitions and disposals completed during the period

	H1 25	H1 24	Change
Revenue	£391.3m	£288.1m	+36%
Organic growth	+16%	+7%	
Adjusted operating profit	£114.4m	£69.9m	+64%
Adjusted operating margin	29.2%	24.3%	+490bps

H1 25 highlights

- Windy City Wire: Double-digit growth. Diversified revenue growth
- International Controls: accelerated share gains in high growth end markets
- Continued outperformance in Peerless driving ROATCE >20% in year one
- Portfolio discipline: one small disposal in the period
- Margin +490bps: accretive acquisition of Peerless
- Confidence in outlook

PEERLESS: A GREAT FIRST YEAR



STRONG AEROSPACE MARKET DEMAND

- New build backlog
- Active refurbishment

CRITICAL ROLE IN SUPPLY CHAIN

- Quality product/service
- Inventory availability

BRILLIANT TEAM

- Strong leadership
- Great culture

EXCELLENT PERFORMANCE

- Great first year
- Expect moderation to historic levels

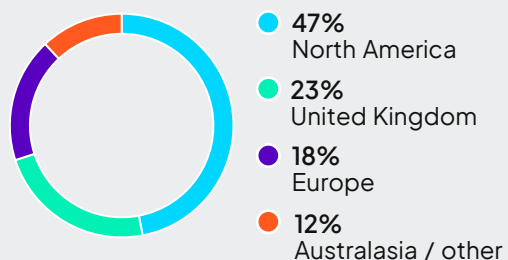
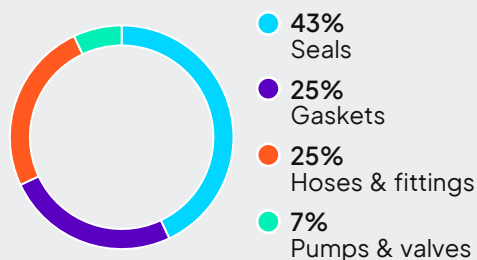
Year one return on capital >20%

SEALS: RESILIENT PERFORMANCE

PERCENTAGE OF GROUP REVENUE*



SECTOR REVENUE MIX



* Pro forma revenues adjusted for acquisitions and disposals completed during the period

	H1 25	H1 24	Change
Revenue	£226.7m	£241.2m	(6%)
Organic growth	0%	+1%	
Adjusted operating profit	£42.4m	£44.3m	(4%)
Adjusted operating margin	18.7%	18.4%	+30bps

H1 25 highlight

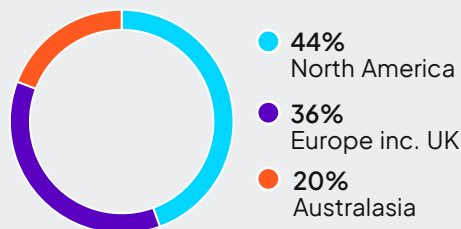
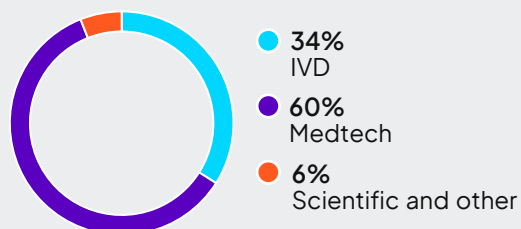
- Continued resilience in challenging markets
- Sequential growth from Q1 to Q2
- North American Seals: Modest growth and sequential improvement
- International Seals: Pockets of growth mitigated impact of market softness
- Portfolio discipline: two disposals in Q1
- Margins +30bps: pricing, mix benefits, and cost discipline
- Sector well-positioned for future growth

LIFE SCIENCES: STRONG PERFORMANCE

PERCENTAGE OF GROUP REVENUE



SECTOR REVENUE MIX

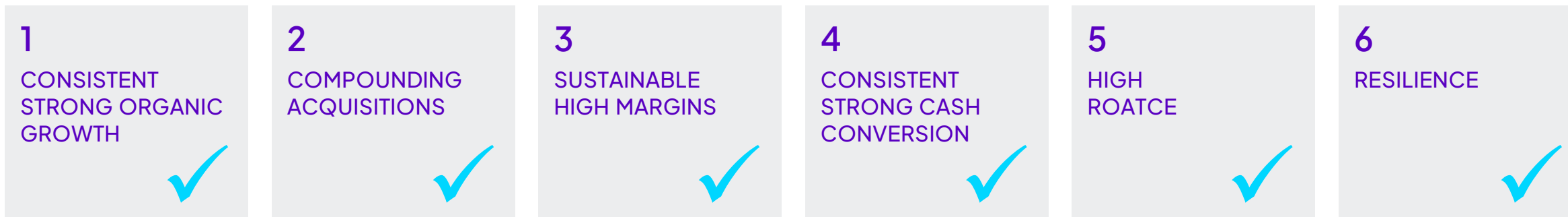


	H1 25	H1 24	Change
Revenue	£110.5m	£109.0m	+1%
Organic growth	+6%	+5%	
Adjusted operating profit	£21.9m	£21.6m	+1%
Adjusted operating margin	19.8%	19.8%	-

H1 25 highlights

- Improving IVD and medtech markets
- Good development of new business pipeline
- Share gains in Australia and Canada driving strong growth
- Improving product portfolio in Europe
- Stable margin: product portfolio rationalisation in Europe and operating leverage offsetting selective scaling investments
- Positive outlook for the Sector

SUSTAINABLE QUALITY COMPOUNDING



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- **Organic growth of 9%**, demonstrating quality of portfolio
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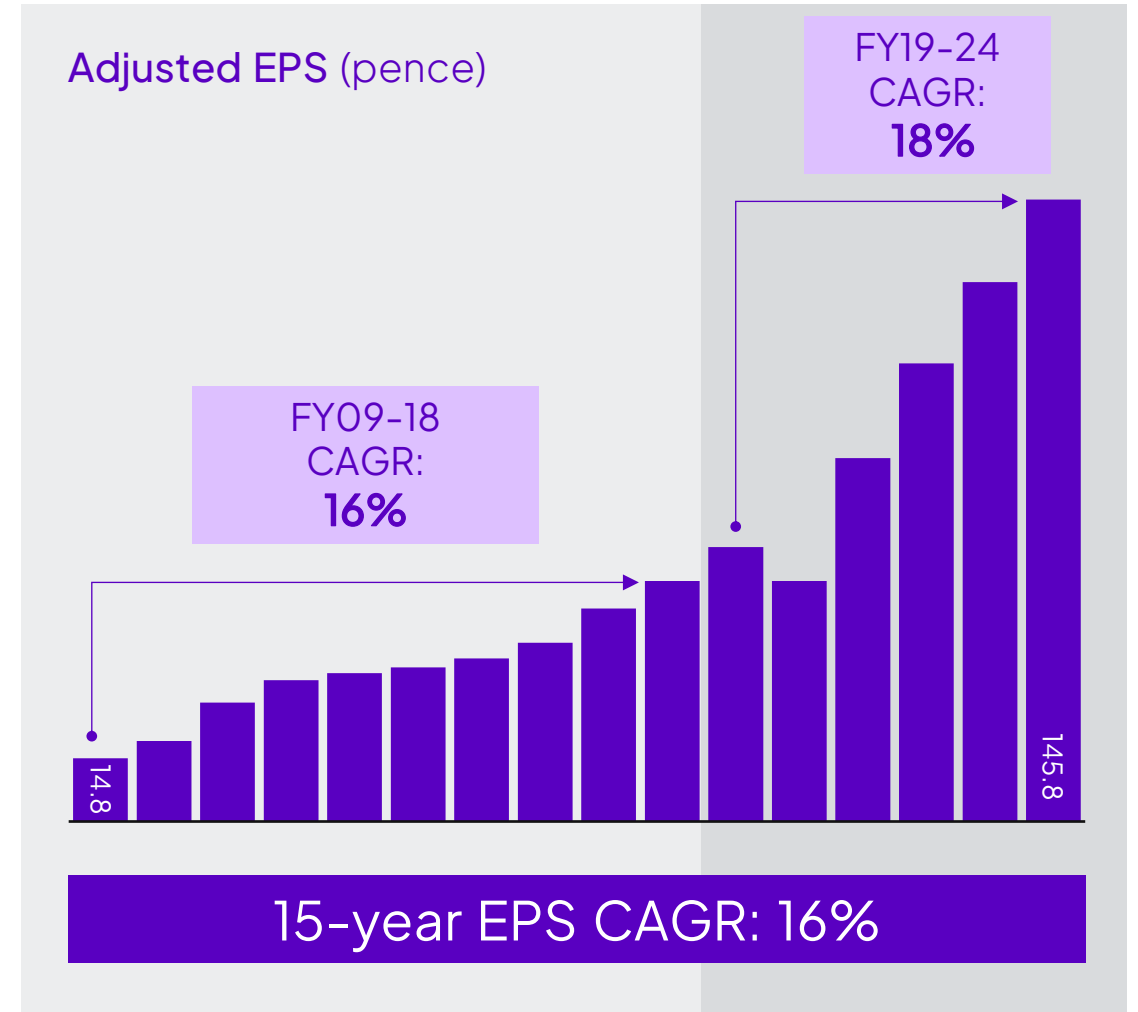
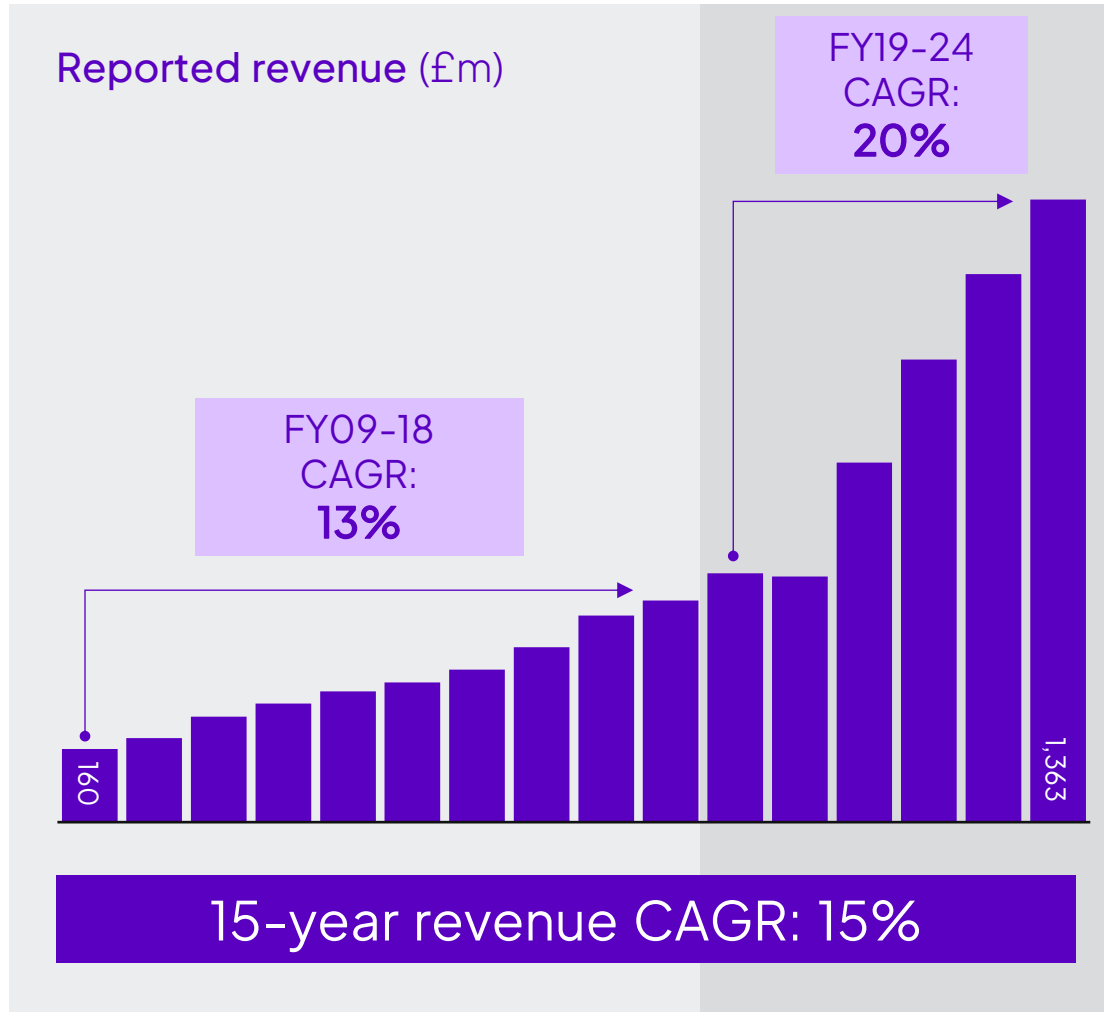


04

APPENDIX

DIPLOMA PLC

OUR TRACK RECORD



FINANCIAL KPIS

Five-year trends




	5yr average	2024	2023	2022	2021	2020
Reported revenue growth	20% ¹	+14%	+19%	+29%	+46%	(1%)
Organic revenue growth	7%	+6%	+8%	+15%	+12%	(7%)
Adjusted operating margin	19%	20.9%	19.7%	18.9%	18.9%	16.2%
Adjusted EPS growth	18% ¹	+15%	+18%	+26%	+51%	(12%)
Free cash conversion	101%	101%	100%	90%	103%	113%
Return on capital ²	18%	19.1%	18.1%	17.3%	17.4%	19.1%
Leverage ratio ³	1.2x	1.3x	0.9x	1.4x	1.1x	n/a
Dividend growth	16%	5%	5%	26%	42%	3%

¹ 5-year CAGR

² Return on Adjusted Trading Capital Employed (ROATCE)

³ Net debt / EBITDA

SIGNIFICANT “WHITE SPACE”

			US	CANADA	UK&I	GERMANY	FRANCE	SPAIN	OTHER EU	ANZ
CURRENT Addressable Market	Controls 	Wire & Cable								
		Interconnect								
		Specialty fasteners								
		Specialty adhesives								
		Industrial automation								
	Seals 	Seals								
		Gaskets								
		Hoses & fittings								
		Pumps & valves								
	Life Sciences 	IVD								
		Medtech								
		Scientific								
GROWING Addressable Market		<div>↓ New product verticals ↓</div>	<div>Market share</div> <div>SignificantModerateSmallWhite space</div>							

INCOME STATEMENT

Six months ended 31 March

£m	H1 25	H1 24	Change
Revenue	728.5	638.3	+14%
Adjusted operating profit	156.9	125.4	+25%
Operating margin (%)	21.5%	19.6%	
Financial expense, net	(14.1)	(10.2)	
Profit before tax	142.8	115.2	+24%
Effective tax rate	24.5%	24.0%	
Adjusted earnings	107.5	87.2	+23%
Weighted average no. shares (m)	134.1	134.0	
Adjusted earnings per share	80.2p	65.1p	+23%
Interim dividend per share	18.2p	17.3p	+5%

SECTOR REVENUE AND PROFIT

	Revenue		
	H1 25 £m	H1 24 £m	Change
Controls	391.3	288.1	+36%
Seals	226.7	241.2	(6%)
Life Sciences	110.5	109.0	+1%
Group	728.5	638.3	+14%

	Organic growth	
	H1 25 %	H1 24 %
	+16	+7
	+0	+1
	+6	+5
	+9	+5

	Adjusted operating profit		
	H1 25 £m	H1 24 £m	Change
Controls	114.4	69.9	+64%
Seals	42.4	44.3	(4%)
Life Sciences	21.9	21.6	+1%
Central costs	(21.8)	(10.4)	(110%)
Group	156.9	125.4	+25%

	Adjusted operating margin		
	H1 25 %	H1 24 %	Change
	29.2	24.3	+490bps
	18.7	18.4	+30bps
	19.8	19.8	+0bps
	-	-	-
	21.5	19.6	+190bps

BALANCE SHEET

£m, as at 31 March	H1 25	H1 24
Goodwill and acquisition intangible assets	1,039.3	919.6
Tangible and other intangible assets	62.0	62.5
Net lease liabilities	(3.7)	(6.6)
Net working capital	291.5	237.3
Trading capital employed – reported	1,389.1	1,212.8
<i>ROATCE</i>	<i>19.1%</i>	<i>18.0%</i>
Retirement benefit assets, net	1.6	1.1
Acquisition liabilities and assets, net	(23.4)	(20.9)
Net debt	(373.5)	(258.6)
Minority interests and deferred tax, net	(49.6)	(60.4)
Total shareholders' equity (excluding minority interests)	944.2	874.0

AMPLE CAPACITY FOR GROWTH

- £555m RCF
- USPPs: €250m + \$150m
- c.£500m cash and undrawn facilities at 31 March
- All-in blended rate @ 5.3%¹
- Average maturity of drawn debt 7.4 years
- Covenants: leverage <3.5x, interest cover >4.0x
- Pension buy-in completed

¹ Weighted average rates

Funding facilities (£m)

