

**Great H1. Further 6% FY26 upgrade.
Very strong organic growth and further acquisitions.**

	H1 26	H1 25	Change
Revenue	£851.1m	£728.5m	+17%
Organic revenue growth	15%	9%	
Adjusted operating profit	£208.9m	£156.9m	+33%
Adjusted operating margin	24.5%	21.5%	+300bps
Statutory operating profit	£165.1m	£139.4m	
Free cash flow	£110.7m	£83.8m	
Free cash flow conversion	76%	78%	
Adjusted earnings per share	109.2p	80.2p	+36%
Basic earnings per share	74.7p	71.5p	
Leverage	0.8x	1.1x	
Interim dividend per share	19.1p	18.2p	+5%
ROATCE	22.7%	19.1%	+360bps

- **Organic revenue growth of 15%:** building on five-year average of 10% p.a.
- **Operating margin of 24.5%,** up 300 basis points: differentiated value-add model and strong execution
- **EPS¹ growth of 36%:** building on long-term track record of ambitious earnings growth
- **Returns of 22.7%,** up 360 basis points: demonstrating our disciplined approach
- **Acquisitions accelerate our growth:** significant investment and healthy pipeline
 - 15 deals in LTM² for c.£310m at average 8x multiple
 - 7 deals since Q1 update for c.£180m at average 9x multiple, including CDM, a c.\$80m revenue US interconnect business into defence (subject to regulatory approval)
- **Financial firepower:** strong cash generation, significant balance sheet headroom
- **Attractive end markets driving structural growth.** Quality and diversity of portfolio and resilient business model underpin confidence despite uncertain environment
- **Positive momentum into H2.** Another year of **Sustainable Quality Compounding**

Further upgrade to FY26 guidance (at constant currency):

- **Organic revenue growth of 12%** - up from 9%
- **Acquisitions announced to date add 6% to reported growth** - up from 3%
- **Operating margin of c.25%** - unchanged

Operating profit¹ growth of over 30%, representing a **6% upgrade to consensus³**

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

"It's been a great first half. Thank you to my brilliant colleagues who work hard to deliver for our customers and drive our growth.

"The strong first half performance demonstrates how we balance ambitious earnings growth with disciplined returns – in good times and bad – to build on our long track record of sustainable quality compounding. We have strong positions in attractive, structurally growing markets, our acquisition pipeline is healthy, and our team is in great shape.

"The second half has started well and, despite the uncertain environment, we're confident in our upgraded full year guidance."

Sector performance

- **Controls +26%** organic growth: Excellent execution in favourable market conditions. Attractive end market exposures including aerospace, defence, datacentres, and energy. Double-digit growth in IS Group, Clarendon, and Windy City Wire, and continued outstanding performance from Peerless.
- **Seals +2%** organic growth: North American Seals progressing well. Strong growth in infrastructure and exciting developments in nuclear power generation. International Seals remained challenging in H1 but outlook is improving.
- **Life Sciences +4%** organic growth: Consistent performance in a tough healthcare market. Focus on business development in medtech and in vitro diagnostic (IVD) markets.

Notes:

¹ Unless otherwise stated, references to earnings per share (EPS), operating profit, and operating margin throughout this document refer to adjusted measures (as set out in note 13 to the Condensed Consolidated Financial Statements in this Announcement).

² Unless otherwise stated, references throughout this report to 15 deals in the last twelve months (LTM) includes: 4 acquisitions completed in Q4 25; 6 acquisitions completed in H1 26; 4 acquisitions completed in Q3 26 (following the period end date); and 1 acquisition for which completion is subject to regulatory approval.

³ Analyst consensus adjusted operating profit for FY26 is £428m as at 18 May 2026.

Diploma PLC uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. These include organic revenue growth, adjusted operating profit/adjusted operating margin, adjusted earnings per share, free cash flow/free cash flow conversion, leverage and Return on adjusted trading capital employed (ROATCE). Definitions of these metrics are set out in note 13 to the Condensed Consolidated Financial Statements in this Announcement.

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

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

https://brrmedia.news/DPLM_HY_26

Conference call dial in details:

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

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

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

Diploma delivers sustainable quality compounding. Over the last five years, the Group has grown adjusted earnings per share (EPS) at an average of c.26% p.a. through a combination of organic growth and acquisitions.

Diploma is a member of the FTSE 100.

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

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

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CEO Review

Overview

This has been a great start to the year. We have delivered very strong organic growth, continued acquisition momentum and made great strategic progress – positioning us well for long-term sustainable quality compounding.

We are ambitious about growth. We grew organic revenue by 15%, increased operating margin by 300 basis points to 24.5%, and drove earnings per share (EPS) growth of 36%. We are consistent in our discipline. We delivered 76% cash conversion, generated 22.7% return on capital, and maintained significant balance sheet headroom with leverage of 0.8x, even with the acquisition momentum in the period.

We have welcomed new businesses to all three Sectors in the year so far. These additions to our portfolio demonstrate progress in our three strategic buckets: 1) increasing our exposure to attractive end markets; 2) supporting geographic penetration in our core regions; and 3) extending our value-add product and service capabilities.

This strong first half performance demonstrates how we balance ambitious earnings growth and disciplined returns – in good times and bad – to build on our long track record.

Organic growth

Our strategy is focused on driving sustainable organic growth. Our strong first half performance demonstrates excellent execution of this strategy and the cumulation of years of building a strong and diverse group with a portfolio of quality businesses.

As with any portfolio, there is a range of performance across our businesses, and this changes over time. In this half year, we have had some outstanding performances across some of our businesses reflecting excellent execution against favourable market backdrops. But, what excites me even more is the strength of performance across the portfolio. In the half, the portfolio excluding Peerless achieved high single-digit organic growth - well ahead of our financial model (5%). This demonstrates the quality of the portfolio. It is something we have consciously enhanced over recent years, by investing in high quality acquisitions and, importantly, in scaling our existing businesses not just to make them bigger, but to make them better businesses too.

This is exciting because of what it means for our future prospects. By continuing to execute on our strategy in the same way, we build both a bigger and better group that continues to deliver sustainable quality compounding for the long term.

We are placing a lot of focus on increasing our exposure to attractive end markets. Our products and services are relevant to so many, meaning we can pursue stronger, more structural growth while maintaining the benefits of diversification in our portfolio.

Acquisitions

Acquisitions are an important part of our strategy. They accelerate our organic growth whilst delivering strong returns on capital.

We have a strong track record. We have done 57 deals since 2019, for £1.6bn, collectively generating returns over 20%. This track record is something we are very proud of and are committed to maintaining.

Acquisition momentum has been building. Following a period of lower-than-typical activity during FY25, we have delivered a meaningful step up in deals over the last twelve months. We have welcomed 14 new businesses to Diploma, including four since March. We look forward to welcoming a fifteenth, CDM (subject to regulatory approval) – a c.\$80m revenue US interconnect solutions business supplying custom cable and connector solutions into attractive segments of defence and other markets.

Our c.£310m investment in these 15 businesses is expected to generate annualised operating profit of c.£40m. Not only do these new businesses immediately contribute to the top and bottom line, importantly, they unlock opportunities across our three strategic buckets accelerating organic growth.

Looking ahead, we have a very healthy and diverse pipeline. We will continue to execute on the right opportunities with the discipline needed to deliver high returns.

Read more about our acquisitions in the Sector reviews.

Scaling

Our brilliant teams work hard every day, not just to deliver great results in the year, but to build a stronger group that can sustain compounding growth and returns over the long term.

We have continued to invest in developing our talent; supporting our leaders' growth journeys, selectively introducing strategic market expertise, and launching our first graduate programme. We have invested in systems and processes; continuing the momentum of our sales excellence initiative launched in FY25, and selectively enhancing ERP and warehouse management systems. And, we have invested in facilities; introducing a new facility in the Czech Republic to support growth in Europe.

If we don't scale at the same pace as our growth, our growth can't be sustained. So, we continually focus on and invest in building capability in our people, improving systems and processes to increase efficiency and unlock opportunities, and enhancing our facilities to strengthen our platforms for growth.

Sector performance

	Revenue £m		Growth	
	H1 26	H1 25	Reported	Organic
Controls	495.3	391.3	+27%	+26%
Seals	224.9	226.7	(1%)	+2%
Life Sciences	130.9	110.5	+18%	+4%
Group	851.1	728.5	+17%	+15%

Controls delivered another very strong performance. Organic growth of 26% was driven by excellent execution in favourable market conditions. Opportunities arising from structural tailwinds across a number of end markets like aerospace, defence, datacentres and energy were optimised by strong leadership in the Sector, enabling Clarendon, IS Group, Peerless and Windy City Wire to achieve double-digit growth.

Seals achieved year-on-year organic growth of 2% despite conditions remaining challenging across a number of our International Seals' markets, particularly in the UK. Performance across these markets is showing signs of improvement into H2. Building on the positive momentum in the second half of last year, our North American businesses delivered strong mid-to-high single-digit growth, with the benefits of investments made throughout the prior year delivering improved commercial performance.

Life Sciences delivered a consistent performance in challenging healthcare markets, with organic growth of 4%. Recent acquisitions have strengthened our platforms in the Nordics, the UK and Ireland, from which to drive strong future growth.

Read more about the performance of our businesses in our Sector Reviews.

Outlook and guidance

The first half of the year has been very strong and we have entered H2 with great momentum. Having upgraded our expectations for FY26 performance earlier in the year, we are increasing our full year guidance again. We do not operate in regions directly impacted by the ongoing Middle East conflict but remain alert to the wider implications across economies and markets we operate in. Whilst mindful of this, and acknowledging that we are lapping strong comparators in the second half of our financial year, our expectations for both organic and acquisition growth have each increased by 300 basis points (all at constant currency):

- Organic growth of 12% - up from 9%
- Acquisitions announced to date add 6% to reported growth - up from 3%.
- Operating margin of c.25% (unchanged), driving operating profit growth of over 30%

This represents a 6% upgrade to consensus operating profit (at constant currency).

Beyond the current year, we are excited about the sustainable quality compounding outcomes we will continue to deliver. We have designed a strategy for growth, built a strong business model for consistent delivery and grown high performing teams of brilliant people. Diploma is in great shape.

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.

	H1 26	H1 25	Change
Revenue	£495.3m	£391.3m	+27%
Organic revenue growth	+26%	+16%	
Statutory operating profit	£141.3m	£96.3m	+47%
Adjusted operating profit	£165.7m	£114.4m	+45%
Adjusted operating margin	33.5%	29.2%	+430bps

H1 26 highlights

International Controls (70%* of Controls Sector revenue)

- Very strong organic revenue growth of 32%
- Excellent execution in favourable markets, especially aerospace, defence and energy, driven by Peerless, Clarendon and IS Group
- Material increase in margins, benefiting from operating leverage and strong value add propositions in favourable market conditions
- Six acquisitions (inc. three in H2), supporting growth in the US, the UK and Europe

Windy City Wire (30%* of Controls Sector revenue)

- Very strong organic growth of 16%, building on post-acquisition track record of 17% average p.a.
- Strong commercial discipline and volume performance
- Continued progress in attractive market segments including datacentres and digital antenna systems (DAS)
- Strong margin performance

* Pro forma revenue adjusted for acquisitions up to the date of this announcement

Excellent execution 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 excellent execution in a number of strong growth markets. Strong demand in aerospace, defence, datacentre and energy markets has created favourable conditions and through targeted growth strategies and excellent leadership, we have taken share in a number of markets.

Clarendon, IS Group, Peerless and Windy City Wire – our four largest Controls businesses have delivered double digit organic revenue growth operating across these markets. Some of the Sector's smaller businesses that have less exposure to strong growth markets have delivered more modest performances during the first half.

Investing behind sustainable growth

Investment in scaling is key to our sustainable success. Growth in the first half of the year has been supported by our investment in new facilities during FY25. IS Group's distribution centre in the Czech Republic has enabled proximity to supply chains serving the German defence and energy markets, driving double-digit growth. Similarly, the investment we made in Clarendon's new German facility has accelerated growth in the region.

Building capability and developing talent is vitally important in enabling long term growth. To support progress in some strategic end markets – starting with defence and datacentres – we have selectively invested in specialist resource. Our market experts 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.

Acquisitions to accelerate growth

We have welcomed six new businesses to the Sector since the start of FY26 and await completion of a seventh acquisition in the coming weeks. Early in the year, we welcomed WDS Components, a UK business which adds capability in OEM machining parts to our offering. Bolting into Clarendon, UK-based Swift Aerospace and Spring Solutions expand our aerospace and defence exposure, improve access to European supply chains and extend our product offering. Techsil has extended its footprint in Germany through the acquisition of Sinus Electronic's adhesives and silicones business, and joining IS Group, FC Lane and Selwyn Electronics will also support growth across our three strategic buckets. Also joining IS Group (subject to regulatory approval) is CDM, a c.\$80m revenue US interconnect business with strong defence exposure.

Outlook

Our Controls businesses have strong value-add customer propositions, solid business models and excellent leadership. The Sector remains well positioned to benefit from its exposure to attractive markets and deliver strong growth into the future. The second half of the year has started strongly, carrying forward the momentum from H1, with continued focus on execution. Whilst acknowledging the strong comparators in H2 25, and some moderation in Peerless performance towards more typical growth rates, we expect another great performance from the Sector in H2 26.

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.

	H1 26	H1 25	Change
Revenue	£224.9m	£226.7m	(1%)
Organic revenue growth	+2%	0%	
Statutory operating profit	£28.6m	£47.2m	(39%)
Adjusted operating profit	£42.5m	£42.4m	+0%
Adjusted operating margin	18.9%	18.7%	+20bps

H1 25 statutory operating profit included a gain on disposal of business

H1 26 highlights

- Organic growth of 2% - good progress supported by investment
- Margin improvement demonstrates strength of value-add proposition and operating leverage from improving growth in North America

North American Seals (45%* of Seals Sector revenue)

- Organic growth of 7% - strong execution
- Investment in commercial capability driving growth
- One acquisition extending OEM sealing solutions platform in the US

International Seals (55%* of Seals Sector revenue)

- Organic revenue declined by 1% - markets remained soft, particularly in the UK
- Improving momentum and some pockets of strong growth as we exit Q2, demonstrating strength of customer propositions and solid market positions
- Selective scaling investments to support future growth
- Two acquisitions in Australia and Ireland build capability and enhance routes to broad end markets

* Pro forma revenue adjusted for acquisitions up to the date of this announcement

Organic growth of 7% reflected strong execution across our North American markets. Particularly strong performance across core OEM and aftermarket channels, with growth supported by confident pricing actions, effective tariff recovery, and continued market share gains.

Activity in Hercules OEM remained robust, with growth being driven by existing customers and new contract wins.

Trading conditions were more challenging within VSP. Greater exposure to more cyclical industrial and transportation end markets impacted demand with the uncertain environment resulting in deferred investment by some customers. This was mitigated by share gains and progress in new attractive growth markets, such as nuclear and datacentres.

Hercules Aftermarket delivered a strong performance, with activity in its core repair market and its newer industrial segment supporting growth. Investment in e-commerce initiatives, including AI-enabled search tools, has made it easy for

customers to do business with us. Improvements have delivered a step-up in engagement and trading by existing and new customers. This will remain a focus area for continued investment.

Organic revenue in the International Seals Sector declined by 1% in H1. Market conditions remained subdued, particularly in the UK. Weakness continued in markets served by our UK fluid power business, R&G, including construction, oil & gas, and agriculture. This, combined with infrastructure project delays, continued to impact performance. Significant focus has been placed on optimising execution to deliver improved performance despite challenging market conditions.

Following the formation of a new leadership team last year in DICSA, our European fluid power business, and having invested in a new warehouse management system to unlock growth opportunities and increase efficiency, the business is well positioned for growth.

Following the acquisition of Haagensen towards the end of the prior year, M-Seals successfully transitioned the business to its existing facility and is leveraging the benefits of new product and technical capabilities within the business. Diploma Australia Seals welcomed new leadership during the first half following the retirement of the managing director – the founder of the business who continued to lead the business for 6 years under Diploma ownership. The business is well positioned for growth.

Acquisitions to accelerate growth

Three businesses have been welcomed to the Sector since the beginning of FY26. In the US, C&C Packings has joined Hercules OEM, extending its sealing solution platform and enhancing technical capabilities. Joining our business in Australia, Hydraulic Seals Australia (HSA) extends our aftermarket capabilities and reach. Following the half year end, we welcomed Abbey Seals. Based in Ireland, the business provides a platform for R&G in the region and enhances its aftermarket product offering.

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.

Following a strong H1, North American Seals has continued momentum into H2. International Seals performance is improving. The short term prospects are improving and we are positive about the longer term outlook too.

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.

	H1 26	H1 25	Change
Revenue	£130.9m	£110.5m	+18%
Organic revenue growth	+4%	+6%	
Statutory operating profit	£20.4m	£17.7m	+15%
Adjusted operating profit	£25.9m	£21.9m	+18%
Adjusted operating margin	19.8%	19.8%	0bps

H1 26 highlights

- **Organic growth of 4%** a consistent performance outpacing challenging healthcare markets.
- Growth in North America, Europe and Australia driven by strong sales execution and business development capability
- Operating margins were consistent at 19.8%, a 50 basis point improvement on H2 25

In Canada, success in key markets has been driven by strong growth in consumables following successful capital placements in recent years. Growth has also been driven in the West of Canada following completion of our Western hub in Alberta through which we can better support customers through our enhanced service offering in the local market.

In Europe, following the acquisition of Electramed and Alpha Laboratories towards the end of FY25, both businesses have been successfully onboarded and contributed to growth in the UK and Ireland in the half year. In the Nordics, new contract wins have driven strong growth in the endoscopy segment.

In Australia, investment in business development capability in recent years has driven consistent solid growth and positions us well to capture new business and introduce new technologies and solutions to replace expiring agreements.

Across the Sector, our businesses are leveraging each other's technical expertise and commercial relationships to drive growth opportunities in their local markets.

Acquisitions to accelerate growth

The acquisition of Modul Nordic has added a medtech base in Norway, adding breadth and scale to our Nordic platform.

Outlook

We have built resilience and positive momentum across the Sector and remain well positioned for growth. The diversity of our portfolio is 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

Summary income statement

	Six months ended 31 March 2026			Six months ended 31 March 2025		
	Adjusted ¹	Adjustments ¹	Total	Adjusted ¹	Adjustments ¹	Total
	£m	£m	£m	£m	£m	£m
Revenue	851.1	-	851.1	728.5	-	728.5
Operating expenses	(642.2)	(43.8)	(686.0)	(571.6)	(17.5)	(589.1)
Operating profit	208.9	(43.8)	165.1	156.9	(17.5)	139.4
Financial expense, net	(13.0)	(12.7)	(25.7)	(14.1)	(3.0)	(17.1)
Profit before tax	195.9	(56.5)	139.4	142.8	(20.5)	122.3
Tax expense	(49.0)	10.2	(38.8)	(35.0)	8.8	(26.2)
Profit for the period	146.9	(46.3)	100.6	107.8	(11.7)	96.1
Earnings per share						
Basic	109.2p	(34.5p)	74.7p	80.2p	(8.7p)	71.5p

¹ The Group reports under UK-adopted International Accounting Standards (UK-adopted IAS) and references alternative performance measures where the Board believes that they help to effectively monitor the performance of the Group and support readers of the Financial Statements in drawing comparisons with past performance. Certain alternative performance measures are also relevant in calculating a meaningful element of Executive Directors' variable remuneration and our debt covenants. Alternative performance measures are not considered to be a substitute for, or superior to, UK-adopted IAS measures. These are detailed in note 13 to the Condensed Consolidated Financial Statements.

Reported revenue increased by 17% to £851.1m (H1 25: £728.5m), consisting of organic growth of 15%, a 3% net contribution from acquisitions and disposals, partly offset by an adverse impact from foreign exchange translation.

Adjusted operating profit increased by 33% to £208.9m (H1 25: £156.9m) resulting in a 300bps period-on-period improvement in the adjusted operating margin to 24.5% (H1 25: 21.5%). This was largely driven by operating leverage benefits and excellent execution, supported by favourable end markets, particularly in aerospace, defence, datacentres and energy. Statutory operating profit increased by 18% to £165.1m (H1 25: £139.4m).

Adjusted profit before tax increased 37% to £195.9m (H1 25: £142.8m). Net adjusted financial expense decreased to £13.0m (H1 25: £14.1m) due to a decrease in net debt in the period. The all-in, blended cost of our borrowing facilities is flat period-on-period at 5.3% (H1 25: 5.3%). Statutory profit before tax was 14% higher period-on-period at £139.4m (H1 25: £122.3m).

The adjustments to operating expenses are made in relation to acquisition related and other charges, totaling £43.8m (H1 25: £17.5m) and primarily relates to £32.4m (H1 25: £31.2m) of amortisation of acquisition intangible assets and £7.4m (H1 25: £3.0m) of acquisition expenses. The prior period included a £19.3m net gain on disposal of businesses; £nil in the current period.

The adjustments to net financial expense are acquisition related finance charges primarily relating to the unwind of discount on and remeasurement of acquisition liabilities of £11.3m charge (H1 25: £1.7m charge).

The Group's effective tax rate on adjusted profit before tax was 25.0% (FY 25: 25.0%), in line with the year ended 30 September 2025.

Adjusted earnings per share increased by 36% to 109.2p (H1 25: 80.2p). Basic earnings per share is up by 4% to 74.7p (H1 25: 71.5p). As at 31 March 2026, the average number of ordinary shares (which includes any potentially dilutive shares) was 134,777,848 (H1 25: 134,637,589) and the weighted average number of ordinary shares in issue was 134,242,804 (H1 25: 134,072,312).

Cash management

Free cash flow increased by 32% to £110.7m (H1 25: £83.8m). Statutory net cash flow from operating activities increased by 17% to £111.0m (H1 25: £94.7m).

	Six months ended 31 March 2026 £m	Six months ended 31 March 2025 £m
Funds flow		
Adjusted operating profit	208.9	156.9
Depreciation and other non-cash items	22.7	23.8
Working capital movement	(58.9)	(37.7)
Interest paid, net (excluding borrowing fees)	(10.5)	(10.4)
Tax paid, net	(40.1)	(31.0)
Capital expenditure, net of disposal proceeds	(1.3)	(4.1)
Lease repayments	(10.1)	(9.6)
Notional purchase of own shares on exercise of options	-	(4.1)
Free cash flow	110.7	83.8
Acquisitions and disposals ²	(91.8)	30.5
Acquisition of minority interests	-	(0.8)
Dividends paid to shareholders and minority interests	(59.5)	(56.5)
Foreign exchange and other non-cash movements	(3.9)	(10.9)
Net funds flow	(44.5)	46.1
Net debt	(343.9)	(373.5)

² Net of cash acquired/(disposed) including acquisition expenses and acquisition related deferred (payments)/receipts.

Working capital increased by £58.9m, driven by investment in inventory to support the growth of the Group, as well as securing inventory in some businesses to ensure our ability to meet customers' needs given the potential supply chain impacts resulting from the conflict in the Middle East. Receivables (£35.5m) and payables (£20.7m) have also increased reflecting the increased level of sales.

Depreciation and other non-cash items includes £16.5m (H1 25: £15.0m) of depreciation and amortisation of tangible, intangible and right-of-use assets and £6.2m (H1 25: £8.8m) of non-cash items, primarily due to share-based payments expense and movements in other accruals offset by profit on disposal of assets in the period.

Net interest payments were flat, at £10.5m (H1 25: £10.4m). Tax payments in the first half of the year were higher by £9.1m at £40.1m (H1 25: £31.0m) due to increased operating profits.

Net capital expenditure was £2.8m lower at £1.3m (H1 25: £4.1m) due to higher disposal proceeds in the period.

The Group did not provide any funding to the Company's Employee Benefit Trust (H1 25: £4.1m) in connection with the Company's long term incentive plan due to a change in the plan administration.

The Group generated free cash flow of £110.7m (H1 25: £83.8m) a 32% increase on the prior period, resulting in free cash flow conversion of 76% (H1 25: 78%). Net acquisition and disposal related cash outflow of £91.8m (H1 25: £30.5m inflow) comprises the investment in 6 acquisitions during the period of £82.4m, acquisition and disposal fees of £8.3m and acquisition related deferred payments of £1.1m.

Dividends of £59.5m (H1 25: £56.5m) were paid to ordinary and minority interest shareholders.

Net debt

The Group has a syndicated multi-currency revolving credit facility agreement (RCF) with an aggregate principal amount of £555.0m and is due to expire in July 2030. During the period, the Group entered into an additional £100.0m bilateral multi-currency RCF. This RCF has a maturity date of December 2028 with two one year extension options. At 31 March 2026, the Group had utilised £84.0m (H1 25: £118.2m) of the £655.0m available, leaving £571.0m undrawn.

The Group has US private placement (PP) notes issued for an aggregate principal amount of £218.4m (€250.0m), that matures in March 2031 (€75.0m), March 2034 (€100.0m) and March 2036 (€75.0m), and for an aggregate principal amount of £113.8m (\$150.0m), that matures in August 2032 (\$100.0m) and August 2035 (\$50.0m).

The Group continues to maintain a robust balance sheet with net debt (excluding IFRS 16 liabilities) of £343.9m (H1 25: £373.5m) comprised of borrowings of £412.6m (H1 25: £438.9m), less cash funds of £68.7m (H1 25: £65.4m). This represented leverage of 0.8x (H1 25: 1.1x) against a Board policy of below 2.0x and lending covenants of 3.5x. The Group maintains strong liquidity, with period end headroom

(comprised of undrawn committed facilities and cash funds) of £639.7m (H1 25: £502.2m).

The table below outlines the composition of the Group's net debt at 31 March 2026:

Type	Currency	Amount	GBP equivalent	Interest rate
PP (March 2031 maturity)	EUR	€75.0m	£65.5m	Fixed 4.18%
PP (March 2034 maturity)	EUR	€100.0m	£87.4m	Fixed 4.27%
PP (March 2036 maturity)	EUR	€75.0m	£65.5m	Fixed 4.38%
PP (August 2032 maturity)	USD	\$100.0m	£75.9m	Fixed 5.39%
PP (August 2035 maturity)	USD	\$50.0m	£37.9m	Fixed 5.52%
Syndicated RCF	GBP	£84.0m	£84.0m	Floating
Overdraft facilities			£1.2m	Floating
Capitalised borrowing fees			(£4.8m)	
Gross debt drawn at 31 March 2026			£412.6m	
Cash and cash equivalents at period end			(£68.7m)	
Net debt at 31 March 2026			£343.9m	

Defined Benefit Pension

The Group maintains a legacy closed defined benefit pension scheme in the UK. As at 31 March 2026, the UK defined benefit scheme was in a surplus position of £1.7m (30 September 2025: £1.7m). As 100% of the scheme liabilities are covered by the insured assets from the buy-in policy, we have made no further funding payments (H1 25: £nil).

Exchange rates

A significant proportion of the Group's revenues (c.80%) are derived from businesses located outside the UK, principally in the US, Canada, Australia and Europe. Compared with the first half of last year, the average Sterling exchange rate strengthened against most of the major currencies in which the Group operates, except for the Euro and Australian dollar where it has seen a marginal decrease. The impact from translating the results of the Group's overseas businesses into UK sterling has led to a decrease in Group revenues of £17.9m, a decrease in the Group's adjusted operating profit of £7.6m, and an increase in net debt of £5.1m, compared with the same period last year.

Going concern

The Directors have assessed the relevant factors surrounding going concern.

The Group continues to operate against a backdrop of macroeconomic disruption, including the potential impact of the evolving conflict in the Middle East and the continued tariff environment. The Group has carried out a thorough assessment of its projected trading for the 18-month period through to the year ending 30 September 2027. This assessment incorporated a severe but plausible downside scenario which demonstrates that the Group has sufficient liquidity, resources and covenant

headroom to continue in operation for the foreseeable future. The Group has considerable financial resources, together with a broad spread of customers and suppliers across different geographic areas and sectors, often secured with longer term agreements. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors confirm there are no material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and these Condensed Consolidated Financial Statements have therefore been prepared on a going concern basis.

RISKS AND UNCERTAINTIES

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 44 to 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 included in the 2025 Annual Report and Accounts are summarised below (not ranked):

- **Cybersecurity:** a successful attack on our systems, sites, data or a third party, resulting in confidential information being lost or business critical systems becoming unavailable that may lead to negative customer or supplier impacts, regulatory action, reputational damage and/or loss of revenue.
- **Product liability:** an own-brand, manufactured, or mission-critical product may fail in service. Additionally, supplier quality issues, counterfeit, or non-compliant products present risks in healthcare or other safety-critical environments.
- **Talent and capability:** if we are not able to attract, develop and retain the necessary high-performing employees and capabilities, we may not be able to meet our ambitious strategic goals and maintain customer service levels and relationships.
- **M&A activity:** the Group may overpay for a target, the acquired business may experience limited growth post-acquisition, loss of key customers or suppliers post integration, potential cultural misalignment.
- **Supply chain disruption:** the risk of manufacturing lead times increasing as a result of supply chain shortages or supply chain partners not operating to the same ethical standards, the risk that a key supplier revokes a supply agreement and access the market through a competitor or directly, the risk of loss of a key supplier due to insolvency.
- **Climate – max legislation:** the risk of increasing environmental legislation that adds cost or complexity to products and services and/or renders some products obsolete.

- **Market disruption:** adverse changes in the major markets that the businesses operate in can result in slowing revenue growth due to reduced or delayed demand for products and services, or margin pressures due to increased competition.
- **Geopolitical environment:** future global destabilisation, including changes in global tariff environment and conflicts, impacts our international business activities, increasing operating costs, additional trade sanctions, supply chain delays, and/or hinders passage of products between our sites with delays and higher costs.

The Directors confirm that the principal risks and uncertainties and the processes for managing them have not changed materially since the publication of the 2025 Annual Report and Accounts and that they remain relevant for the second half of the financial year.

Wilson Ng
Chief Financial Officer

19 May 2026

Responsibility Statement of the Directors in respect of the Half Year Report 2026

The directors confirm that Condensed Consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year, and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of Diploma PLC and their respective responsibilities are listed in the Annual Report and Accounts for 2025 and on the Company's website at www.diplomapl.com.

By Order of the Board

JD Thomson
Chief Executive Officer
19 May 2026

W Ng
Chief Financial Officer
19 May 2026

Independent review report to Diploma PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Diploma PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Report 2026 of Diploma PLC for the 6 month period ended 31 March 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 31 March 2026;
- the Condensed Consolidated Income Statement and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report 2026 of Diploma PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Report 2026 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report 2026, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Report 2026 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Report 2026, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report 2026 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
19 May 2026

Condensed Consolidated Income Statement

For the six months ended 31 March 2026

	Unaudited Six months ended 31 Mar 2026			Unaudited Six months ended 31 Mar 2025			Audited Year ended 30 Sep 2025	
	Note	Adjusted ¹ £m	Adjust- ments ¹ £m	Total £m	Adjusted ¹ £m	Adjust- ments ¹ £m	Total £m	Total £m
Revenue	3	851.1	-	851.1	728.5	-	728.5	1,524.5
Operating expenses	2	(642.2)	(43.8)	(686.0)	(571.6)	(17.5)	(589.1)	(1,240.8)
Operating profit		208.9	(43.8)	165.1	156.9	(17.5)	139.4	283.7
Financial expense, net	4	(13.0)	(12.7)	(25.7)	(14.1)	(3.0)	(17.1)	(35.4)
Profit before tax		195.9	(56.5)	139.4	142.8	(20.5)	122.3	248.3
Tax expense	5	(49.0)	10.2	(38.8)	(35.0)	8.8	(26.2)	(62.8)
Profit for the period		146.9	(46.3)	100.6	107.8	(11.7)	96.1	185.5
Attributable to:								
Shareholders of the Company	6	146.6	(46.3)	100.3	107.5	(11.7)	95.8	184.9
Minority interests		0.3	-	0.3	0.3	-	0.3	0.6
		146.9	(46.3)	100.6	107.8	(11.7)	96.1	185.5
Earnings per share								
Basic	6	109.2p	(34.5p)	74.7p	80.2p	(8.7p)	71.5p	137.9p
Diluted	6	108.8p	(34.4p)	74.4p	79.8p	(8.6p)	71.2p	137.3p

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

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 March 2026

	Unaudited 31 Mar 2026 £m	Unaudited 31 Mar 2025 £m	Audited 30 Sep 2025 £m
Profit for the period	100.6	96.1	185.5
Items that will not be reclassified to the Consolidated Income Statement			
Actuarial loss on the defined benefit pension schemes	-	(0.2)	(0.2)
Changes in fair value of other financial assets	(1.5)	-	-
	(1.5)	(0.2)	(0.2)
Items that may be reclassified to the Consolidated Income Statement			
Exchange differences on translation of foreign operations	19.6	20.3	2.2
Recycling of foreign exchange reserve and net investment hedging on disposal of businesses	-	(1.9)	(1.7)
Exchange differences on translation of net investment hedge	(2.7)	(5.6)	(9.8)
Fair value (gains)/losses of cash flow hedges transferred from the hedging reserve	(0.1)	0.5	1.0
(Losses)/gains on fair value of cash flow hedges	(0.7)	1.5	0.2
Deferred tax on items that may be reclassified	0.3	(0.3)	-
	16.4	14.5	(8.1)
Total Comprehensive Income for the period	115.5	110.4	177.2
Attributable to:			
Shareholders of the Company	115.2	110.1	176.5
Minority interests	0.3	0.3	0.7
	115.5	110.4	177.2

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2026

	Share capital	Share premium	Transl- ation reserve	Hedging reserve	Retained earnings	Share- holders' equity	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 October 2024 (audited)	6.8	420.2	(16.0)	(1.2)	478.2	888.0	6.7	894.7
Total comprehensive income	-	-	12.8	1.7	95.6	110.1	0.3	110.4
Share-based payments	-	-	-	-	4.3	4.3	-	4.3
Disposal of business	-	-	-	-	-	-	(0.5)	(0.5)
Purchase of minority interest	-	-	-	-	2.2	2.2	(2.2)	-
Notional purchase of own shares	-	-	-	-	(4.1)	(4.1)	-	(4.1)
Dividends (note 11)	-	-	-	-	(56.3)	(56.3)	(0.2)	(56.5)
At 31 March 2025 (unaudited)	6.8	420.2	(3.2)	0.5	519.9	944.2	4.1	948.3
Total comprehensive income	-	-	(22.1)	(0.5)	89.0	66.4	0.4	66.8
Share-based payments	-	-	-	-	1.9	1.9	-	1.9
Tax on items recognised directly in equity	-	-	-	-	1.6	1.6	-	1.6
Dividends (note 11)	-	-	-	-	(24.4)	(24.4)	-	(24.4)
At 30 September 2025 (audited)	6.8	420.2	(25.3)	-	588.0	989.7	4.5	994.2
Total comprehensive income	-	-	16.9	(0.5)	98.8	115.2	0.3	115.5
Share-based payments	-	-	-	-	5.1	5.1	-	5.1
Tax on items recognised directly in equity	-	-	-	-	1.4	1.4	-	1.4
Dividends (note 11)	-	-	-	-	(59.2)	(59.2)	(0.3)	(59.5)
At 31 March 2026 (unaudited)	6.8	420.2	(8.4)	(0.5)	634.1	1,052.2	4.5	1,056.7

Condensed Consolidated Statement of Financial Position

As at 31 March 2026

	Note	Unaudited 31 Mar 2026 £m	Unaudited 31 Mar 2025 £m	Audited 30 Sep 2025 £m
Non-current assets				
Goodwill	9	605.4	550.2	563.5
Acquisition intangible assets	9	499.2	489.1	479.1
Other intangible assets		3.6	2.6	3.0
Property, plant and equipment		64.5	59.4	66.7
Leases – right-of-use of assets		80.1	63.1	76.1
Other financial assets		-	-	1.5
Retirement benefit assets		1.7	1.6	1.7
Deferred tax assets		9.7	-	9.7
		1,264.2	1,166.0	1,201.3
Current assets				
Inventories		359.9	299.7	297.4
Trade and other receivables		275.9	225.4	229.0
Cash and cash equivalents	8	68.7	65.4	81.7
		704.5	590.5	608.1
Current liabilities				
Borrowings	8	(1.2)	-	(0.9)
Trade and other payables		(282.3)	(207.1)	(245.3)
Current tax liabilities		(33.3)	(23.7)	(27.7)
Other liabilities		(11.3)	(9.0)	(10.9)
Lease liabilities		(14.1)	(13.7)	(13.5)
		(342.2)	(253.5)	(298.3)
Net current assets		362.3	337.0	309.8
Total assets less current liabilities		1,626.5	1,503.0	1,511.1
Non-current liabilities				
Borrowings	8	(411.4)	(438.9)	(380.2)
Trade and other payables		(5.9)	(2.8)	(5.7)
Lease liabilities		(74.7)	(53.1)	(70.3)
Other liabilities		(27.2)	(14.4)	(15.8)
Deferred tax liabilities		(50.6)	(45.5)	(44.9)
		(569.8)	(554.7)	(516.9)
Net assets		1,056.7	948.3	994.2
Equity				
Share capital		6.8	6.8	6.8
Share premium		420.2	420.2	420.2
Translation reserve		(8.4)	(3.2)	(25.3)
Hedging reserve		(0.5)	0.5	-
Retained earnings		634.1	519.9	588.0
Total shareholders' equity		1,052.2	944.2	989.7
Minority interests		4.5	4.1	4.5
Total equity		1,056.7	948.3	994.2

Condensed Consolidated Cash Flow Statement

For the six months ended 31 March 2026

	Note	Unaudited 31 Mar 2026 £m	Unaudited 31 Mar 2025 £m	Audited 30 Sep 2025 £m
Cash flow from operating activities	7	164.4	138.1	370.5
Interest paid, net (including borrowing fees)		(13.3)	(12.4)	(26.3)
Tax paid, net		(40.1)	(31.0)	(76.6)
Net cash inflow operating activities		111.0	94.7	267.6
Cash flow from investing activities				
Acquisition of businesses (net of cash acquired)		(82.4)	(0.4)	(53.8)
Acquisition related deferred (payments)/receipts, net		(1.1)	(2.4)	(4.7)
Proceeds from sale of business (net of cash disposed)		-	38.2	40.3
Purchase of property, plant and equipment		(6.6)	(4.3)	(13.4)
Purchase of other intangible assets		(1.0)	(0.3)	(1.0)
Proceeds from sale of property, plant and equipment		6.3	0.5	1.3
Net cash (used in)/from investing activities		(84.8)	31.3	(31.3)
Cash flow from financing activities				
Dividends paid to shareholders	11	(59.2)	(56.3)	(80.7)
Dividends paid to minority interests		(0.3)	(0.2)	(0.2)
Acquisition of minority interest		-	(0.8)	(0.8)
Notional purchase of own shares on exercise of options		-	(4.1)	(4.1)
Proceeds from borrowings		196.2	69.0	141.9
Repayment of borrowings		(168.3)	(120.0)	(254.4)
Principal elements of lease payments		(7.8)	(7.8)	(14.6)
Net cash used in financing activities		(39.4)	(120.2)	(212.9)
Net (decrease)/increase in cash and cash equivalents	8	(13.2)	5.8	23.4
Cash and cash equivalents at beginning of period		81.7	60.2	60.2
Effect of exchange rates on cash and cash equivalents		0.2	(0.6)	(1.9)
Cash and cash equivalents at end of period	8	68.7	65.4	81.7

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Diploma PLC (the Company) is a public limited company registered and domiciled in England and Wales. The condensed set of consolidated financial statements (the financial statements) for the six months ended 31 March 2026 comprise the Company and its subsidiaries (the Group).

The condensed information presented for the financial year ended 30 September 2025 does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. Those statutory accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. Except where otherwise stated, the figures for the six months ended 31 March 2025 were extracted from the 2025 Half Year Report, which was unaudited.

The Group's audited consolidated financial statements for the year ended 30 September 2025 are available on the Company's website (www.diplomaplc.com) or upon request from the Company's registered office at Diploma PLC, 10-11 Charterhouse Square, London, EC1M 6EE.

1.1 Statement of compliance and going concern

The financial statements included in this Half Year Report for the six months ended 31 March 2026 have been prepared on a going concern basis and in accordance with UK-adopted International Accounting Standard 34, Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The Group has carried out a thorough assessment of its projected trading for the 18-month period through to the year ending 30 September 2027. This assessment incorporated a severe but plausible downside scenario which demonstrates that the Group has sufficient liquidity, resources and covenant headroom to continue in operation for the foreseeable future. The Group has considerable financial resources, together with a broad spread of customers and suppliers across different geographic areas and sectors, often secured with longer term agreements. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors confirm there are no material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 30 September 2025.

The Half Year financial statements were approved by the Board of Directors on 19 May 2026; they are unaudited but have been reviewed by PricewaterhouseCoopers LLP, the Company's auditors in accordance with International Standard on Review Engagements (UK) 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board.

1.2 Significant accounting policies

The accounting policies applied by the Group in this set of financial statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 30 September 2025.

As in previous Half Year Reports, taxation has been calculated by applying the Directors' best estimate of the annual rates of taxation to taxable profits for the period. In the audited consolidated financial statements for the full year, the taxation balances are based on draft tax computations prepared for each business within the Group.

1.3 Risk management

The Group's overall management of financial risks is carried out by a central team under policies and procedures which are reviewed by the Board. The financial risks to which the Group is exposed are those of credit, liquidity, currency, interest rate and capital management. An explanation of each of these risks and how the Group manages them is included in the Annual Report and Accounts for the year ended 30 September 2025. Further explanation of the Group's principal risks and uncertainties and Going Concern are set out in the narrative of this Half Year Report.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

1.3 Risk management (continued)

There is no material difference between the book value and fair value of the Group's financial assets and financial liabilities as at 31 March 2026. The basis for determining the fair value is as follows:

- *Derivatives*: Forward contracts are designated as level 2 assets (in the 'fair value hierarchy') and fair-valued at 31 March 2026 with the gains and losses taken to equity or income statement. The net fair value of the forward contracts as at 31 March 2026 is £0.9m liability (30 September 2025: £0.2m asset).
- *Trade and other receivables*: As the majority of the trade and other receivables have a remaining life of less than 12 months, the book value is deemed to be reflective of the fair value.
- *Lease and other liabilities*: The carrying amount represents the discounted value of the expected liability which is deemed to reflect the fair value.
- *Borrowings*: The fair value of the Group's US private placement notes is estimated to be £346.7m as at 31 March 2026 (30 September 2025: £340.2m). The fair value is estimated by discounting the future contracted cash flows using readily available market data.
- *Other financial assets*: Investments of the Group are designated as level 3 assets (in the 'fair value hierarchy') with the gains and losses taken to equity or income statement. The fair value of other financial assets as at 31 March 2026 is £nil (30 September 2025: £1.5m).

1.4 Estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The accounting estimates and judgements made by management in applying the Group's accounting policies that have the most significant effect on the amounts included within these consolidated financial statements, were the same as those that applied to the Group's audited consolidated financial statements for the year ended 30 September 2025 as set out on pages 152 and 153 of the 2025 Annual Report and Accounts.

2. ANALYSIS OF OPERATING EXPENSES

	Unaudited			Unaudited			Audited
	Six months to 31 Mar 2026			Six months to 31 Mar 2025			Year to 30 Sep 2025
	Adjusted ¹	Adjust-ments ¹	Total	Adjusted ¹	Adjust-ments ¹	Total	Total
	£m	£m	£m	£m	£m	£m	£m
Cost of inventories sold	438.6	4.0	442.6	387.2	2.6	389.8	818.4
Employee costs	132.9	1.2	134.1	118.7	2.1	120.8	241.9
Depreciation of property, plant and equipment	8.2	-	8.2	7.4	-	7.4	14.2
Depreciation of right-of-use assets	7.9	-	7.9	7.2	-	7.2	15.5
Amortisation	0.4	32.4	32.8	0.4	31.2	31.6	62.5
Net impairment movements on trade receivables	2.2	-	2.2	1.8	-	1.8	1.2
Other operating expenses/(income)	52.0	6.2	58.2	48.9	(18.4)	30.5	87.1
Operating expenses	642.2	43.8	686.0	571.6	17.5	589.1	1,240.8

¹ The adjustments to operating expenses are made in relation to acquisition related and other charges, as defined in note 13.3, totalling £43.8m (2025: £17.5m) and comprises £4.0m relating to the unwind of fair value adjustments to inventory acquired through acquisitions recognised in cost of inventories sold (2025: £2.6m), £32.4m (2025: £31.2m) of amortisation of acquisition intangible assets and £7.4m (2025: £3.0m) of acquisition expenses, of which £1.2m (2025: £2.1m) relates to deferred remuneration costs related to acquisitions completed in previous years, with £nil net gain on disposal of businesses (2025: £19.3m).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

3. BUSINESS SECTOR ANALYSIS

The Chief Operating Decision Maker (CODM) for the purposes of IFRS 8 is the Chief Executive Officer. The financial performance of the Sectors is reported to the CODM monthly and this information is used to allocate resources on an appropriate basis.

Sector information is presented in this Half Year Report in respect of the Group's business Sectors. The business Sector reporting format reflects the Group's management and internal reporting structure. The geographic area reporting represents results by origin. The Group's financial results have not, historically, been subject to significant seasonal trends. In the year ended 30 September 2025, the Group earned 47.8% of its annual revenues and 45.8% of its annual adjusted operating profits in the first six months of the year. This phasing between the first and second half was partly impacted by the timing of acquisitions which favoured the second half of the year.

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.

£m	Revenue			Adjusted operating profit			Operating profit		
	6 mths	6 mths	12 mths	6 mths	6 mths	12 mths	6mths	6 mths	12 mths
	31 Mar	31 Mar	30 Sep	31 Mar	31 Mar	30 Sep	31 Mar	31 Mar	30 Sep
	2026	2025	2025	2026	2025	2025	2026	2025	2025
By Sector									
Controls	495.3	391.3	836.4	165.7	114.4	250.6	141.3	96.3	211.2
Seals	224.9	226.7	456.0	42.5	42.4	88.1	28.6	47.2	79.0
Life Sciences	130.9	110.5	232.1	25.9	21.9	45.3	20.4	17.7	34.8
Corporate	-	-	-	(25.2)	(21.8)	(41.3)	(25.2)	(21.8)	(41.3)
	851.1	728.5	1,524.5	208.9	156.9	342.7	165.1	139.4	283.7
By Geographic Area									
United Kingdom ¹	163.5	136.5	279.8	1.9	2.3	8.6			
Rest of Europe	142.6	119.5	247.5	28.2	22.9	48.3			
USA	445.2	378.6	802.6	159.2	113.1	248.5			
Rest of World	99.8	93.9	194.6	19.6	18.6	37.3			
	851.1	728.5	1,524.5	208.9	156.9	342.7			

¹ United Kingdom includes the UK-related corporate segment.

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For the six months ended 31 March 2026

3. BUSINESS SECTOR ANALYSIS (continued)

£m	Total assets			Total liabilities			Net assets		
	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025
By Sector									
Controls	992.5	862.1	850.9	(185.1)	(109.8)	(166.6)	807.4	752.3	684.3
Seals	606.5	579.5	573.6	(107.8)	(100.4)	(100.5)	498.7	479.1	473.1
Life Sciences	285.5	242.5	283.9	(53.8)	(49.8)	(55.5)	231.7	192.7	228.4
Corporate	84.2	72.4	101.0	(565.3)	(548.2)	(492.6)	(481.1)	(475.8)	(391.6)
	1,968.7	1,756.5	1,809.4	(912.0)	(808.2)	(815.2)	1,056.7	948.3	994.2

Sector assets exclude cash and cash equivalents, retirement benefit assets, deferred tax assets, acquisition related assets and corporate assets that cannot be allocated on a reasonable basis to a business Sector. Sector liabilities exclude bank borrowings, deferred tax liabilities, acquisition liabilities and corporate liabilities that cannot be allocated on a reasonable basis to a business Sector. These items that cannot be allocated on a reasonable basis to a business Sector are shown collectively as corporate assets/(liabilities).

£m	Capital expenditure			Depreciation		
	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025
By Sector						
Controls	1.2	0.7	2.3	2.3	2.6	4.9
Seals	2.9	1.4	4.8	2.9	2.5	4.5
Life Sciences	3.0	2.4	7.2	3.2	2.5	5.3
Corporate	0.5	0.1	0.1	0.2	0.2	0.3
	7.6	4.6	14.4	8.6	7.8	15.0

A further £7.9m (2025: £7.2m) of depreciation was incurred on right-of-use assets (note 2). Depreciation also includes amortisation of other intangible assets, largely software.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

4. FINANCIAL EXPENSE, NET

	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Interest expense/(income) and similar charges			
- bank facility and commitment fees	1.1	1.0	2.3
- interest income on short-term deposits	(0.3)	(0.3)	(0.7)
- interest expense on borrowings	9.8	11.5	21.8
- notional interest income on the defined benefit pension scheme	-	-	(0.1)
- amortisation of capitalised borrowing fees	0.1	0.1	0.1
- interest on lease liabilities	2.3	1.8	3.9
Net interest expense and similar charges	13.0	14.1	27.3
- acquisition related finance charges, net	12.7	3.0	8.1
Financial expense, net	25.7	17.1	35.4

Acquisition related finance charges includes unwind of discount on and remeasurement of acquisition liabilities of £11.3m charge (2025: £1.7m charge) and the amortisation and write-off of capitalised borrowing fees on acquisition related borrowings of £0.4m charge (2025: £0.5m charge) and fair value remeasurements of put options for future minority interest purchases of £1.0m charge (2025: £0.8m charge).

5. TAXATION

	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
UK tax	7.2	5.4	18.1
Overseas tax	31.6	20.8	44.7
Total tax on profit for the period	38.8	26.2	62.8

Taxation on profits before tax has been calculated by applying the Directors' best estimate of the annual rates of taxation to taxable profits for the period. The Group's adjusted effective rate of tax on adjusted profit before tax is 25.0% (2025: 24.5%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

6. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per ordinary 5p share are calculated on the basis of the weighted average number of ordinary shares in issue during the period of 134,242,804 (2025: 134,072,312) and the profit for the period attributable to shareholders of £100.3m (2025: £95.8m). Basic earnings per share is 74.7p (2025: 71.5p). Diluted earnings per share is 74.4p (2025: 71.2p) and is based on the average number of ordinary shares (which includes any potentially dilutive shares) of 134,777,848 (2025: 134,637,589).

Adjusted earnings per share

Adjusted earnings per share, defined in note 13.4, is calculated as follows:

	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025
	pence per share	pence per share	pence per share	£m	£m	£m
Profit before tax				139.4	122.3	248.3
Tax expense				(38.8)	(26.2)	(62.8)
Minority interests				(0.3)	(0.3)	(0.6)
Earnings for the period attributable to shareholders of the Company	74.7	71.5	137.9	100.3	95.8	184.9
Acquisition related and other charges and acquisition related finance charges, net of tax	34.5	8.7	38.1	46.3	11.7	51.1
Adjusted earnings (note 13.4)	109.2	80.2	176.0	146.6	107.5	236.0

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

	31 Mar 2026	31 Mar 2025	30 Sep 2025
	£m	£m	£m
Operating profit	165.1	139.4	283.7
Acquisition related and other charges (note 2)	43.8	17.5	59.0
Adjusted operating profit	208.9	156.9	342.7
Depreciation/amortisation of tangible, other intangible assets and leases – right-of-use assets (note 2)	16.5	15.0	30.5
Share-based payments expense	5.1	4.3	6.2
Defined benefit pension scheme payment in excess of interest	(0.1)	-	(0.1)
Profit on disposal of assets	(2.1)	-	(0.1)
Acquisition and disposal expenses paid	(8.3)	(4.9)	(10.6)
Other non-cash movements	3.3	4.5	6.5
Non-cash items and other	14.4	18.9	32.4
Operating cash flow before changes in working capital	223.3	175.8	375.1
Increase in inventories	(44.1)	(17.4)	(17.4)
Increase in trade and other receivables	(35.5)	(15.0)	(14.7)
Increase/(decrease) in trade and other payables	20.7	(5.3)	27.5
Increase in working capital	(58.9)	(37.7)	(4.6)
Cash flow from operating activities	164.4	138.1	370.5

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For the six months ended 31 March 2026

8. NET DEBT

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

	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Net (decrease)/increase in cash and cash equivalents	(13.2)	5.8	23.4
(Increase)/decrease in borrowings	(27.4)	51.2	113.3
	(40.6)	57.0	136.7
Effect of exchange rates and other non-cash movements	(3.9)	(10.9)	(16.5)
(Increase)/decrease in net debt	(44.5)	46.1	120.2
Net debt at beginning of period	(299.4)	(419.6)	(419.6)
Net debt at end of period	(343.9)	(373.5)	(299.4)
Comprising:			
Cash and cash equivalents	68.7	65.4	81.7
Bank borrowings:			
- Overdraft facilities	(1.2)	-	(0.9)
- Revolving credit facility	(84.0)	(118.2)	(55.4)
- Private placement notes	(332.2)	(325.4)	(329.6)
- Capitalised borrowing fees	4.8	4.7	4.8
	(412.6)	(438.9)	(381.1)
Net debt at end of period	(343.9)	(373.5)	(299.4)
Analysed as:			
Repayable within one year	(1.2)	-	(0.9)
Repayable after one year	(411.4)	(438.9)	(380.2)

The Group has a syndicated multi-currency revolving credit facility agreement (RCF) with an aggregate principal amount of £555.0m and is due to expire in July 2030. During the period, the Group entered into an additional £100.0m bilateral multi-currency RCF. This RCF has a maturity date of December 2028 with two one year extension options. At 31 March 2026, the Group had utilised £84.0m (2025: £118.2m) of the £655.0m available, leaving £571.0m undrawn.

The Group has US private placement (PP) notes issued for an aggregate principal amount of £218.4m (€250.0m), that matures in March 2031 (€75.0m), March 2034 (€100.0m) and March 2036 (€75.0m), and for an aggregate principal amount of £113.8m (\$150.0m), that matures in August 2032 (\$100.0m) and August 2035 (\$50.0m).

Capitalised borrowing fees are comprised of £3.7m (2025: £3.5m) in relation to both the RCFs and £1.1m (2025: £1.2m) in relation to the PP notes.

Both RCFs are subject to interest at variable rates while the PP notes are at fixed rate. At 31 March 2026, fixed rate debt was 80% of total debt (2025: 73%).

Total debt is £432.7m (2025: £440.3m) comprising net debt of £343.9m (2025: £373.5m) which excludes lease liabilities of £88.8m (2025: £66.8m). Debt covenants are tested against net debt, as defined in Note 13.6.

Notes to the Condensed Consolidated Financial Statements

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9. GOODWILL AND ACQUISITION INTANGIBLE ASSETS

	Goodwill	Acquisition intangible assets
	£m	£m
At 1 October 2024	541.1	507.8
Acquisitions	0.9	1.1
Amortisation charge	-	(31.2)
Exchange adjustments	8.2	11.4
At 31 March 2025	550.2	489.1
Acquisitions	20.3	26.2
Amortisation charge	-	(30.5)
Disposals	(0.5)	(0.6)
Exchange adjustments	(6.5)	(5.1)
At 30 September 2025	563.5	479.1
Acquisitions	34.0	46.4
Amortisation charge	-	(32.4)
Exchange adjustments	7.9	6.1
At 31 March 2026	605.4	499.2

Goodwill represents the amount paid for future sales growth from both new customers and new products, operating cost synergies and employee know-how. The acquisition intangible assets primarily relate to customer relationships, supplier relationships, trade names and brands, technology and order backlog. These assets will be amortised over three to sixteen years.

10. ACQUISITION OF SUBSIDIARIES

Acquisition of WDS Components Limited

On 10 November 2025, the Group completed the acquisition of 100% of the shares in WDS Components Limited (WDS), a UK-based supplier of industrial components under the Controls Sector. The total investment, net of cash acquired is £21.8m.

The provisional fair value of WDS's net assets acquired excluding acquisition intangibles, related deferred tax and cash is £4.6m following fair value adjustments of £0.3m. The principal fair value adjustments relate to a net increase in inventory (£0.5m), increase in provisions held against trade receivables (£0.1m) and recognition of previously unrecognised liabilities (£0.1m).

Acquisition expenses of £0.7m have been recognised in respect of this transaction in the financial year.

From the date of acquisition to 31 March 2026, WDS contributed £3.7m to revenue and £1.0m to adjusted operating profit. Had it been acquired at the beginning of the financial year, it would have contributed on a pro forma basis £4.4m to revenue and £1.2m to adjusted operating profit. However, these amounts should not be viewed as indicative of the results that would have occurred if the WDS acquisition had been completed at the beginning of the year.

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For the six months ended 31 March 2026

10. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of Swift Aerospace Services Limited, Swift Aerospace France SAS and Swift Aerospace Malaysia SDN BHD

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

The provisional fair value of Swift's net assets acquired excluding acquisition intangibles, related deferred tax and cash is £8.3m following fair value adjustments of £1.0m. The principal fair value adjustments relate to a net decrease in inventory (£0.4m), increase in provisions held against trade receivables (£0.3m) and recognition of previously unrecognised liabilities (£0.3m).

Acquisition expenses of £0.6m have been recognised in respect of this transaction in the financial year.

From the date of acquisition to 31 March 2026, Swift contributed £7.4m to revenue and £1.5m to adjusted operating profit. Had it been acquired at the beginning of the financial year, it would have contributed on a pro forma basis £13.3m to revenue and £2.3m to adjusted operating profit. However, these amounts should not be viewed as indicative of the results that would have occurred if the Swift acquisition had been completed at the beginning of the year.

Other acquisitions

The Group completed four other acquisitions in the period. This comprised 100% of the share capital of Spring Industrial Limited (Spring) (07 November 2025) (Controls), Hydraulic Seals Australia Pty Ltd and Hydraulic Holdings Pty Ltd (HSA) (12 December 2025) (Seals), Tack Interconnect Limited and Selwyn Electronics Limited (Selwyn) (16 March 2026) (Controls), and C&C Packings Inc. (C&C Packings) (19 March 2026) (Seals). The combined total investment for these acquisitions was £43.7m, net of cash acquired of £3.9m. Deferred consideration with a fair value of £2.1m is payable.

Acquisition expenses of £1.4m 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 £3.1m.

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For the six months ended 31 March 2026

10. ACQUISITION OF SUBSIDIARIES (continued)

Fair value of net assets acquired

The fair values of net assets acquired during the period, including the allocation of the surplus over the fair value of the net assets acquired are provisional, subject to reviews up to the end of the measurement period of each acquisition.

	WDS		Swift		Other		Total Acquisitions	
	Book value £m	Fair value £m	Book £m	Fair value £m	Book £m	Fair value £m	Book value £m	Fair value £m
Acquisition intangible assets ¹	-	13.7	-	7.0	-	25.7	-	46.4
Deferred tax	-	(3.7)	-	(2.1)	-	(6.0)	-	(11.8)
Property, plant and equipment	0.5	0.5	0.2	0.2	0.5	0.5	1.2	1.2
Inventories	3.4	3.9	9.2	8.8	3.8	4.3	16.4	17.0
Trade and other receivables	1.9	1.8	4.8	4.5	3.4	3.3	10.1	9.6
Trade and other payables	(1.5)	(1.6)	(4.9)	(5.2)	(4.5)	(5.0)	(10.9)	(11.8)
Net assets acquired	4.3	14.6	9.3	13.2	3.2	22.8	16.8	50.6
Goodwill		7.2		5.9		20.9	-	34.0
Minority interests		-		-		-	-	-
Cash paid		22.5		19.8		45.5		87.8
Cash acquired		(0.7)		(0.7)		(3.9)		(5.3)
		21.8		19.1		41.6		82.5
Deferred consideration		-		-		2.1		2.1
Total Investment		21.8		19.1		43.7		84.6

¹On the acquisitions completed in the current period, acquired intangibles relate primarily to customer relationships.

Acquisitions revenue and adjusted operating profit

From the date of acquisition to 31 March 2026, each acquired business contributed the following to Group revenue and adjusted operating profit:

	Acquisition date	Revenue £m	Adj. ¹ £m	Pro forma revenue £m	Adjusted operating profit £m	Adj. ¹ £m	Pro forma adjusted operating profit £m
Spring	07-Nov-25	3.6	0.7	4.3	1.2	0.2	1.4
WDS	10-Nov-25	3.7	0.7	4.4	1.0	0.2	1.2
Swift	09-Dec-25	7.4	5.9	13.3	1.5	0.8	2.3
HSA	12-Dec-25	2.4	1.8	4.2	0.7	0.5	1.2
Selwyn	16-Mar-26	0.1	1.1	1.2	0.1	0.1	0.2
C&C Packings	19-Mar-26	0.1	2.3	2.4	0.1	0.7	0.8
		17.3	12.5	29.8	4.6	2.5	7.1

¹Pro forma revenue and adjusted operating profit have been extrapolated (as prescribed under UK-adopted IAS) from the results reported since acquisition to indicate what these businesses would have contributed if they had been acquired at the beginning of the period on 1 October 2025.

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11. DIVIDENDS

	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025
	pence per share	pence per share	pence per share	£m	£m	£m
Final dividend of the prior year, paid in January	44.1	42.0	42.0	59.2	56.3	56.3
Interim dividend, paid in June	19.1	18.2	18.2	25.7	24.4	24.4
	63.2	60.2	60.2	84.9	80.7	80.7

Subsequent to the period end, the Directors have declared an interim dividend of 19.1p per share (2025: 18.2p) which will be paid on 12 June 2026 to shareholders on the register on 29 May 2026. Shares will trade ex-dividend from 28 May 2026. The total value of the dividend will be £25.7m (2025: £24.4m). No liability has been recognised on the balance sheet at 31 March 2026 in respect of the interim dividend (2025: same).

12. EXCHANGE RATES

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

	Average			Closing		
	31 Mar 2026	31 Mar 2025	30 Sep 2025	31 Mar 2026	31 Mar 2025	30 Sep 2025
US dollar (US\$)	1.34	1.27	1.31	1.32	1.29	1.35
Canadian dollar (C\$)	1.84	1.81	1.83	1.84	1.86	1.87
Euro (€)	1.14	1.20	1.18	1.14	1.19	1.15
Australian dollar (A\$)	1.97	2.00	2.04	1.93	2.07	2.03

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13. 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 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.

13.1 Alternative performance measures

Measure	Closest UK-adopted IAS measure	Definition and reconciliation	Purpose
Organic growth (note 13.2)	Reported revenue increase	Organic growth strips out the effects of the movement in exchange rates and of acquisitions and disposals.	Allows users of the accounts to gain understanding of how the Group has performed on a like-for-like basis, excluding the effects of exchange rates and of acquisitions and disposals.
Adjusted operating profit (note 13.3)	Operating profit	Statutory operating profit excluding separately disclosed items can be found on the face of the Condensed Consolidated Income Statement in the Adjusted column.	Adjusted operating profit is a key performance measure for the Executive Directors' annual bonus structure and management remuneration. It also provides all stakeholders with additional useful information to assess the year-on-year trading performance of the Group.
Adjusted operating margin (note 13.3)	Operating profit divided by revenue	Adjusted operating profit/(loss) divided by revenue.	Adjusted operating margin is a measure used to assess and compare profitability. It also allows for ongoing trends and performance of the Group to be measured by the Directors, management and interested stakeholders.
Adjusted earnings per share (note 13.4)	Basic earnings per share	Adjusted earnings (being adjusted profit after tax attributable to equity shareholders) for the period attributable to shareholders of the Group divided by the weighted average number of shares in issue, excluding those held in the Employee benefit trust which are treated as cancelled. A reconciliation of statutory profit to adjusted profit for the purpose of this calculation is provided within the notes to the financial statements.	Adjusted earnings per share is widely used by external stakeholders, particularly in the investment community.

Notes to the Condensed Consolidated Financial Statements

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13.1 Alternative performance measures (continued)

Free cash flow (note 13.5)	Net cash generated from operating activities	The cash flow equivalent of adjusted profit after tax.	Free cash flow allows us and external parties to evaluate the cash generated by the Group's operations and is also a key performance measure for the Executive Directors' annual bonus structure and management remuneration.
Net debt (note 13.6)	Borrowings less cash	Cash and cash equivalents (cash overnight deposits, other short-term deposits) offset by borrowings which compose of private placement notes and bank loans, excluding lease liabilities.	Net debt is the measure by which the Group and interested stakeholders assesses its level of overall indebtedness.
Earnings Before Interest and Tax plus Depreciation and Amortisation (EBITDA) (note 13.6)	Operating profit	EBITDA is calculated by taking adjusted operating profit and adding back depreciation and amortisation, removing the impact of IFRS 16 (leases), removing the adjusted operating profit or loss attributable to minority interest and annualised for acquisitions and disposals made during the period.	EBITDA is used as a key measure to understand profit and cash generation before the impact of investments (such as capital expenditure and working capital). It is also used to derive the Group's gearing ratio.
Leverage (note 13.6)	No direct equivalent	The ratio of net debt to EBITDA over the last 12 months (with net debt translated at the average exchange rates that are consistent with EBITDA).	The leverage ratio is considered a key measure of balance sheet strength and financial stability by which the Group and interested stakeholders assess its financial position.
Return on adjusted trading capital employed (ROATCE) (note 13.7)	Operating profit divided by net assets	Pro forma adjusted operating profit (being the annualised adjusted operating profit including that of acquisitions and disposals) divided by Adjusted trading capital employed. Adjusted trading capital employed is reported as being trading capital employed plus goodwill and acquisition related charges previously written off (net of deferred tax on acquisition intangible assets) and retranslated at the average exchange rates that are consistent with the pro forma adjusted operating profit.	ROATCE gives an indication of the Group's success in creating value for shareholders and is an element of a performance measure for the Executive Directors' remuneration.

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13.2 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 revenue compared to the prior period and the calculation of organic growth is shown below:

	£m	%
H1 25 Reported revenue (basis for Acquisitions and Disposals / Exchange Rates impacts)	728.5	
Acquisitions and Disposals ¹	24.2	3
Basis for organic growth impact	752.7	
Organic growth ²	116.3	15
Exchange rates ³	(17.9)	(2)
H1 26 Reported revenue	851.1	

¹ The impact of acquisitions is the revenue of the acquiree prior to the acquisition by Diploma for the comparable period at prior period exchange rates. The impact of disposals is the removal of the revenue of the disposed entity in the comparable post disposal period at prior period exchange rates.

² Organic growth measures the change in revenue compared to the prior period, at prior period 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 period exchange rates.

³ Exchange rate movements are assessed by retranslating current period reported values to prior period exchange rates.

13.3 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 or goodwill, 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 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 period-on-period 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 shown below:

	Note	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Revenue		851.1	728.5	1,524.5
Operating profit as reported under UK-adopted IAS		165.1	139.4	283.7
Add: Acquisition related and other charges	2	43.8	17.5	59.0
Adjusted operating profit	3	208.9	156.9	342.7
Adjusted operating margin		24.5%	21.5%	22.5%

Notes to the Condensed Consolidated Financial Statements

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13.4 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/(loss) attributable to minority interests, divided by the weighted average number of ordinary shares in issue during the period of 134,242,804 (2025: 134,072,312), as set out in note 6. The Directors believe that adjusted EPS provides an important measure of the earnings capacity of the Group.

13.5 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	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Net (decrease)/increase in cash and cash equivalents	8	(13.2)	5.8	23.4
Add: Dividends paid to shareholders and minority interests		59.5	56.5	80.9
Acquisition of minority interests		-	0.8	0.8
Acquisition/(disposal) of businesses (including net expenses), net		90.7	(32.9)	24.1
Acquisition related deferred payments/receipts, net		1.1	2.4	4.7
Net (proceeds from)/repayment of borrowings (including borrowing fees)	8	(27.4)	51.2	113.3
Free cash flow		110.7	83.8	247.2
Adjusted earnings¹	6	146.6	107.5	236.0
Free cash flow conversion		76%	78%	105%

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

13.6 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 period, 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	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Cash and cash equivalents	8	68.7	65.4	81.7
Borrowings	8	(412.6)	(438.9)	(381.1)
Re-translation at average exchange rates		0.6	0.3	0.9
Net debt at average exchange rates		(343.3)	(373.2)	(298.5)
Adjusted operating profit	13.3	208.9	156.9	342.7
Depreciation and amortisation of tangible and other intangible assets	2	8.6	7.8	15.0
IFRS 16 impact		(1.7)	(1.4)	(2.1)
Minority interest share of adjusted operating profit		(0.5)	(0.4)	(0.8)
Pro forma adjustments ¹		204.3	167.8	5.8
EBITDA		419.6	330.7	360.6
Leverage		0.8x	1.1x	0.8x

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

13.7 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 the disciplined allocation of capital of the Group.

	Note	31 Mar 2026 £m	31 Mar 2025 £m	30 Sep 2025 £m
Net assets as reported under UK-adopted IAS		1,056.7	948.3	994.2
Add/(deduct):				
- Deferred tax liabilities, net		40.9	45.5	35.2
- Retirement benefit assets, net		(1.7)	(1.6)	(1.7)
- Net acquisition related liabilities/assets		38.5	23.4	24.7
- Net debt	8	343.9	373.5	299.4
Trading capital employed		1,478.3	1,389.1	1,351.8
- Historic goodwill and acquisition related charges, net of deferred tax and currency movements		311.4	277.3	309.6
Adjusted trading capital employed		1,789.7	1,666.4	1,661.4
Adjusted operating profit	13.3	208.9	156.9	342.7
Pro forma adjustments ¹		197.3	160.6	5.2
Pro forma adjusted operating profit		406.2	317.5	347.9
ROATCE		22.7%	19.1%	20.9%

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

14. RELATED PARTY TRANSACTIONS

There have been no changes to the related party arrangements or transactions as reported in the 2025 Annual Report and Accounts.

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not disclosed. Other transactions which qualify to be treated as related party transactions are: those relating to the remuneration of key management personnel, which are not disclosed in this Half Year Report, but will be disclosed in the Group's next Annual Report and Accounts.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 March 2026

15. POST BALANCE SHEET EVENTS

Acquisitions after the Balance Sheet Date

The Group acquired the trade and assets of SINUS Electronic GmbH (01 April 2026) (Controls), 100% of the share capital of Modul Nordic AS (16 April 2026) (Life Sciences), 90% of the share capital of Abbey Seals International Limited (27 April 2026) (Seals) and 100% of the share capital of The Lodge Group Limited, Weald Electronics Limited and FC Lane Electronics Limited (together FC Lane) (5 May 2026) (Controls) for a total provisional investment of c.£45m, net of cash acquired. An assessment is currently being performed to determine the fair value of the acquired net assets and goodwill arising on these acquisitions.

On 28 April 2026, the Group entered into a binding agreement to acquire 100% of CDM Inc., Custom Cable Solutions, Inc. and Maryland Integrated Systems, Inc. (together CDM), a distributor of interconnect products and manufacturer of engineered cable assembly solutions under the Controls Sector, for total provisional investment of c.\$170m (c.£125m) on a cash-free and debt-free basis. The transaction is subject to regulatory approvals.