

Trading update

Halma, the global group of life-saving technology companies focused on growing a safer, cleaner, healthier future for everyone, every day, today releases its scheduled trading update.

Good progress to date; expect Adjusted profit in line with consensus

Halma has made good progress in the financial year to date. Based on current trading and forecasts, the Board expects Adjusted profit before tax for the year ending 31 March 2023 to be in line with consensus market expectations (see notes 1 and 2).

Good organic constant currency revenue momentum

Revenue growth in the year to date has been strong and includes good momentum on an organic constant currency basis, as well as a benefit from recent acquisitions (net of disposals), and currency translation (see note 3).

Our order book remains strong and our order intake is broadly in line with revenue and ahead of the same period last year.

Organic constant currency revenue growth in all regions and sectors

We have delivered organic constant currency revenue growth in all sectors and regions in the year to date.

All sectors are expected to deliver strong revenue growth on a reported basis for the full year. Sector revenue growth trends in the second half of the year on an organic constant currency basis have been broadly consistent with those seen in the first half.

Of the major regions, the USA and Mainland Europe have seen strong organic constant currency revenue growth in the year to date; their reported results will also benefit from recent acquisitions and currency translation effects. The United Kingdom also saw good growth, although its reported results will reflect the disposal of a Safety sector business in the prior period. Asia Pacific's organic constant currency revenue growth was modest, reflecting a decline in China. Organic constant currency revenue growth in the remaining smaller regions was strong in aggregate.

Record investment in M&A; promising acquisition pipeline

We have made six acquisitions in the year to date across our three sectors, investing a record maximum total consideration of £264m (see note 4). These acquisitions, which include three new standalone companies and three bolt-on acquisitions for existing Halma companies, increase our technological capabilities and expand our opportunities for future growth in line with our purpose of growing a safer, cleaner, healthier future for everyone, every day.

Our acquisition pipeline remains promising in all three sectors. We continue to actively manage our portfolio of global businesses to ensure that it remains aligned with our purpose and delivers strong growth and returns.

Strong financial position; continue to expect stronger full year cash conversion

Our strong balance sheet and continued cash generation underpin our ongoing investment in growth. As expected, cash generation in the second half of the year has been substantially higher than in the first half, and therefore we continue to expect stronger cash conversion at the full year than at the half year.

The Group's financial position remains strong. The cash generative nature of our businesses has enabled us to support record levels of investment in both organic growth and growth through acquisitions, while ensuring modest balance sheet leverage and retaining substantial capacity for investment in the future.

Board succession

As previously announced, Steve Gunning joined Halma as Chief Financial Officer on 16 January 2023 and Marc Ronchetti will take over from Andrew Williams as Group Chief Executive on 1 April 2023 (see note 5).

Water for Life

In line with our purpose of growing a safer, cleaner, healthier future for everyone, every day, we launched our Water for Life charitable campaign in late 2020. We have worked in partnership with WaterAid, the international water charity, with the aim of improving access to clean water for villagers in two districts in India. The campaign, which has now closed, has transformed the lives of over 10,000 people in India by ensuring that they have sustainable access to clean drinking water, thanks to projects supported by our people and funds raised across Halma totalling over £400,000.

Full Year Results

The results for the year ending 31 March 2023 will be released on 15 June 2023.

For further information, please contact:

Halma plc

Andrew Williams, Group Chief Executive +44 (0)1494 721111

Marc Ronchetti, Group Chief Executive Designate

Steve Gunning, Group Chief Financial Officer

Charles King, Head of Investor Relations +44 (0) 7776 685948

Clayton Hirst, Director of Corporate Affairs +44 (0) 7384 796 013

MHP

Simon Hockridge / Rachel Farrington +44 (0)20 3128 8789 / 8613
/ Ollie Hoare / 8276

A copy of this announcement, together with other information about Halma, is available at www.halma.com.

Notes:

1. Adjusted profit before tax is before amortisation and impairment of acquired intangible assets, acquisition items, restructuring costs and profit or loss on disposal of businesses.
2. The Board believes current market forecasts for Adjusted profit before tax for the year ending 31 March 2023 to be in the range of £353.1m to £369.6m, with a consensus of £359.9m.
3. Sterling has weakened in the financial year relative to many currencies, including the US Dollar and Euro and the currency translation impact on the Group's results for the financial year ending 31 March 2023 is expected to be positive. Based on the forecast mix of currency denominated revenue and profit for the 2023 financial year, a 1% movement in the US Dollar changes full year revenue by £9.2m and profit by £2.0m. Similarly, a 1% movement in the Euro changes full year revenue by £2.1m and profit by £0.4m.
4. Of the six acquisitions made in the year to date, those of Deep Trekker, IZI Medical Products and WEETECH Holding were reported in the Group's half year results announcement. Since that time, we have made three further acquisitions

announcements since that time, we have made three further acquisitions (considerations given are all on a cash- and debt-free basis):

- Thermocable, a UK-based developer and manufacturer of linear heat detectors, for a consideration of £22m, as a bolt-on for Apollo Fire Detectors;
 - ZoneGreen Limited, a UK-based provider of complete rail depot protection solutions, for £3m, as a bolt-on for our Sentric interlocks business;
 - Ocean Insight has acquired technology from Rigaku Analytical Devices that uses light to assess scrap aluminium quickly and efficiently for recycling purposes, for an undisclosed sum.
5. As announced on 16 June 2022, Marc Ronchetti will succeed Andrew Williams as Group Chief Executive from 1 April 2023. Andrew will step down from his role as Group Chief Executive with effect from 31 March 2023 and will remain as an Executive Director of the Company until he retires from the Group on 30 June 2023.
6. This Trading Update is based upon unaudited management accounts information. Forward-looking statements have been made by the Directors in good faith using information available up until the date that they approved this statement. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.
7. A copy of this announcement, together with other information about Halma, may be viewed on our website www.halma.com

About Halma

Halma is a global group of life-saving technology companies, focused on growing a safer, cleaner, healthier future for everyone, every day. Its purpose defines the three broad markets it operates in:

- Safety - Protecting people's safety and the environment as populations grow, and enhancing worker safety.
- Environment - Addressing the impacts of climate change, pollution and waste, protecting life-critical resources and supporting scientific research.
- Health - Meeting the increasing demand for better healthcare as chronic illness rises, driven by growing and ageing populations and lifestyle changes.

It employs over 7,000 people in more than 20 countries, with major operations in the UK, Mainland Europe, the USA and Asia Pacific. Halma is listed on the London Stock Exchange (LON: HLMA) and is a constituent of the FTSE 100 index.

For the past three years Halma has been named one of Britain's Most Admired Companies by Management Today.

For more information www.halma.com

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTSFWESIEDSEFD