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2 May 2024

ACQUISITION OF UK SEALS BUSINESS

Diploma PLC ("Diploma" or the "Group"), the international value-add distribution group, is pleased to announce the acquisition of PAR Group ("PAR") for ca. £38m.

PAR is a UK-based, family-owned supplier of specialist seals and gaskets into a broad range of end markets. Its value-add customer proposition has driven a track record of excellent growth at strong margins. It will form part of our UK Aftermarket business in the Seals Sector, adding scale to R&G's Seal & Gaskets division. With annual revenue of ca. £13m, PAR will be immediately margin and EPS accretive to the Group. The investment represents a ca. 7x FY24 EBIT multiple, with returns in the first year of acquisition well in excess of our cost of capital.

Since the acquisition of R&G in April 2022, eight high-quality, complementary businesses have been added, contributing to strong organic growth of ca. 10% CAGR and supporting excellent margin progress.

In addition, following the announcement of the acquisition of Peerless Aerospace LLC on 27 March, the transaction completed on 1 May 2024 and it is now operating as part of the Group.

Johnny Thomson, Diploma's Chief Executive said:

"I'm delighted to welcome our new PAR colleagues to Diploma, bringing another highly complementary, quality business into the Group. PAR has an excellent customer-proposition with clear value-add. It's a fantastic addition to R&G: building capability; further diversifying the customer base; and expanding end markets."

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NOTE TO EDITORS:

Diploma PLC is a decentralised, value-add distribution Group. Our businesses deliver practical and innovative solutions that keep key industries moving - from energy and infrastructure to healthcare.

We are a distribution group with a difference. Our businesses have the technical expertise, specialist knowledge, and long-term relationships required to deliver value-add products and services that make our customers' lives easier. These value-add solutions drive customer loyalty, market share growth and strong margins.

Our decentralised model means our specialist businesses are agile and empowered to deliver the right solutions for their customers, in their own way. As part of Diploma, our businesses can also leverage the additional resources, opportunities and expertise of a large, international and diversified Group to benefit their customers, colleagues, suppliers and communities.

We employ c.3,500 colleagues across our three Sectors of Controls, Seals and Life Sciences. Our principal operating businesses are located in the UK, Northern Europe, North America and Australia.

Over the last fifteen years, the Group has grown adjusted earnings per share (EPS) at an average of ca. 15% p.a. through a combination of organic growth and acquisitions. Diploma is a member of the FTSE 100.

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

Diploma hosted an Investor Seminar in June 2023. A recording is available on our website:

<https://www.diplomapl.com/investors/results-reports-presentations/investor-seminar-2023/>

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