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20 May 2025

HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2025

Strong H1 performance. FY upgrade.

	H1 25	H1 24	Change
Revenue	£728.5m	£638.3m	+14%
Organic revenue growth	9%	5%	
Adjusted operating profit	£156.9m	£125.4m	+25%
Adjusted operating margin	21.5%	19.6%	+190bps
Statutory operating profit	£139.4m	£88.0m	
Free cash flow	£83.8m	£66.3m	
Free cash flow conversion	78%	76%	
Adjusted earnings per share	80.2p	65.1p	+23%
Basic earnings per share	71.5p	43.1p	
Leverage	1.1x	0.9x	
Interim dividend per share	18.2p	17.3p	+5%
ROATCE¹	19.1%	18.0%	+110bps

All alternative performance measures are defined in note 13 to the Condensed Consolidated Financial Statements.

¹ Return on adjusted trading capital employed as defined in note 13.

- **Very strong organic revenue growth of 9%.**
- **Reported revenue growth of 14%:** 7% net acquisitions, -2% FX.
- **Adjusted operating margin up 190 basis points to 21.5%:** accretive acquisitions, operational leverage and cost discipline.
- **Adjusted earnings per share growth of 23%:** continuing long-term track record.
- **Discipline:** return on capital of 19.1%, up 110 basis points. Strong balance sheet and cash conversion.
- **Healthy acquisition pipeline:** executed with discipline.
- **Diversified portfolio and differentiated business model:** underpinning our confidence despite uncertain environment. Limited impact of tariffs reflecting local supply chains.
- **Positive momentum into second half** across all three Sectors.
- **Upgrading FY25 guidance:** organic revenue growth of 8% (from 6%) and operating margin of c.22% (from c.21%).

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

"Thank you to my brilliant colleagues for their passion and hard work, and for delivering a successful first half for Diploma.

"The results are very strong. They demonstrate our sustainable quality compounding with excellent earnings growth at fantastic returns on capital. We have a differentiated business model with a well-diversified portfolio of high-quality businesses, allowing us to deliver compounding growth in good times and bad.

"Despite the uncertain environment I feel confident in our ability to deliver on our upgraded guidance this year. And I'm really excited about our longer-term prospects too."

Sector performance

- **Controls +16%** organic growth: Strong execution supported by structural tailwinds. Double-digit growth in Windy City Wire and continued outperformance from Peerless, exceeding 20% return on capital in year one.
- **Seals 0%** organic growth: Resilient performance in challenging markets. Positive momentum in North America with improvement in International Seals still to come. Well positioned for future growth.
- **Life Sciences +6%** organic growth: Strong growth driven by share gains across medtech and in vitro diagnostic (IVD) markets.

Half year results

Diploma's half year results for the six months ended 31 March 2025 have been submitted in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available shortly for inspection at [National Storage Mechanism | FCA](https://www.ms-pdf.londonstockexchange.com/ms/2732J_1-2025-5-19.pdf). The results are also available at http://www.ms-pdf.londonstockexchange.com/ms/2732J_1-2025-5-19.pdf and the corporate website: www.diplomapl.com.

Dividends

Final dividend of 18.2p per share for the six months ended 31 March 2025, payable on 20 May 2025. (2024: 17.3p). 11p per share

Notes:

- 1. Diploma PLC uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. These include organic revenue growth, adjusted operating profit/adjusted operating margin, adjusted earnings per share, free cash flow/free cash flow conversion, leverage and ROATCE. Definitions of these metrics are set out in note 13 to the Condensed Consolidated Financial Statements in this Announcement.*
- 2. Certain statements contained in this Announcement constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of Diploma PLC, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties and other factors include, among others, exchange rates, general economic conditions and the business environment.*

A presentation of the results to analysts and investors will be held at 09:00 GMT via audio conference call and webcast. Register your attendance for the webcast at: https://brrmedia.news/DPLM_HY_25

Conference call dial in details:

- Dial in: UK-Wide: +44 (0) 33 0551 0200 / UK Toll Free: 0808 109 0700
- Password: Diploma HY25

A recording of the presentation will be available after the event on our website: <https://www.diplomaplc.com/investors/financial-presentations/>

For further information please contact:

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NOTE TO EDITORS:

Diploma PLC is a value-add distribution Group. Our businesses deliver practical and innovative solutions that keep key industries moving.

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 and their outcomes better. 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.3,300 colleagues across our three Sectors of Controls, Seals and Life Sciences. Our principal operating businesses are located in North America, the UK, Europe, and Australia.

Diploma aims to deliver sustainable quality compounding, and over the last fifteen years, the Group has grown adjusted earnings per share (EPS) at an average of c.16% 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 John Morrison, Company Secretary.

LEI: 21380080GI7VYG8FGR19

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