



News Release

20 May 2025

SMITHS GROUP PLC - Q3 FY2025 TRADING UPDATE

Pioneers of progress - engineering a better future

Another strong quarter, extending our growth track record Improved FY2025 revenue guidance

Smiths Group plc ('Smiths' or 'the Group') today announces its trading statement for the third quarter, and nine months, to 3 May 2025.

Third quarter organic revenue growth¹ accelerated to +10.6%, leading to organic revenue growth for the nine-month period of +9.6%. Reflecting this strong performance and momentum in the order book, the Group now expects to be towards the top end of its 6-8% organic revenue growth guidance range and continues to expect margin expansion of 40-60 basis points for FY2025.

Third quarter performance reflected further growth across all businesses, with particularly strong organic revenue growth in Smiths Detection and Smiths Interconnect, a continuation of the trends seen in the first half. Momentum improved from the second quarter at both John Crane and Flex-Tek.

- John Crane posted marginal organic revenue growth in the quarter against a high single-digit growth comparator, moderated by a longer than expected impact from the January cyber incident. We expect this to result in second half growth broadly in line with the first half. John Crane continues to see healthy demand in its end markets with a strong order book, especially in OE, underpinning the progress and overall momentum of the business into the fourth quarter.
- Flex-Tek growth accelerated from the first half, posting high single-digit organic revenue growth in the quarter. This performance reflected ongoing strength in aerospace and strong growth in its construction business which continued to outperform the US housing market. Integration of the three acquisitions of Modular Metal Fabricators, Inc., Wattco, Inc. and Duc-Pac Corporation is progressing well.
- Smiths Detection delivered strong double-digit organic revenue growth in the quarter. This resulted from continued strong growth in aviation in both OE and aftermarket, driven by the ongoing high levels of installation activity of its next generation detection technology.
- Smiths Interconnect delivered low double-digit organic revenue growth, with ongoing strength in its semi-test business following key programme wins from customers, as semiconductor markets improved and reflecting the premium quality of the products. It also delivered good growth in its aerospace and defence end markets.

Tariffs update

The Group generates c.45% of its sales in the USA, with the significant majority produced within the USA. Smiths therefore expects the impact of tariffs to be limited given its local-for-local model, and through the deployment of mitigation actions which include accessing available exemptions; pricing actions and surcharges; and being flexible with alternative supply sources. FY2025 guidance incorporates the direct impact of the current tariffs in place. The Group is closely monitoring the potential indirect macroeconomic impact of tariffs on demand, inflation and supply chains, and has not seen any material changes in customer behaviour to date.

Strategic actions

Smiths continues to execute its strategy to focus on its world-class John Crane and Flex-Tek businesses and deliver on the value creation potential of FutureSmiths.

The Group is progressing the separation processes of Smiths Interconnect and Smiths Detection and remains on track for an announcement of a sale of Smiths Interconnect by the end of calendar year 2025, followed by the separation of Smiths Detection by way of a UK demerger or sale.

Each of the businesses continues to make good progress on their specific initiatives under the Acceleration Plan programme to enhance performance and drive margin improvement. Activities to reduce corporate costs in line with the FutureSmiths business profile have also been initiated.

Share buyback programme

To date, the Group has completed £260 million² of its £500 million share buyback and remains on track to complete the programme by the end of the calendar year.

Roland Carter, Chief Executive Officer, commented:

"Our strong performance has continued through the third quarter and all our businesses contributed to the double-digit organic revenue growth. With underlying robust demand as evidenced by our order book, we now expect to be towards the top end of the 6-8% organic revenue growth guidance range for the full-year and continue to expect margin expansion of 40-60 basis points. This consistency of delivery has now underpinned successive earnings upgrades this year and multiple years of organic revenue growth for Smiths.

"We are executing on the strategic actions we announced in January with pace and purpose to unlock our inherent value and become a premium rated company, focusing on our world-class, high-performance John Crane and Flex-Tek businesses. The sale process for Smiths Interconnect is firmly underway and preparatory work for the Smiths Detection separation process is also moving forwards.

"I would like to thank all my colleagues across Smiths for your ongoing commitment and focus, helping drive our continued strong performance."

FY2025 results

Smiths will publish its results for the year ending 31 July 2025 on 23 September 2025.

¹ Organic revenue growth excludes the effects of foreign exchange and M&A.

² Of the £500m share buyback: £41m returned in FY2024, £44m returned in HY2025 and a further £175m in H2 to date.

Investor enquiries

Steph Heathers, Smiths Group
+44 (0)7584 113633
stephanie.heathers@smiths.com

Siobhán Andrews, Smiths Group
+44 (0)7920 230093
siobhan.andrews@smiths.com

Ana Pita da Veiga, Smiths Group
+44 (0)7386 689442
ana.pitadaveiga@smiths.com

Media enquiries

Tom Steiner, Smiths Group
+44 (0)7787 415891
tom.steiner@smiths.com

Alex Le May, FTI Consulting
+44 (0)7702 443312
smiths@fticonsulting.com

Legal Entity Identifier (LEI): 213800MJL6IPZS3ASA11

About Smiths Group

For over 170 years, Smiths has been pioneering progress by engineering a better future. We serve millions of people every year, to help create a safer, more efficient and productive, and better-connected world across four global markets: energy, safety & security, aerospace & defence, and general industrial. Listed on the London Stock Exchange, Smiths employs c.15,000 colleagues in over 50 countries. For more information visit www.smiths.com.

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