RNS Number : 3807D
Diploma PLC
17 November 2026
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PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2026
17 November 2026
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VERY STRONG EARNINGS GROWTH OF 45% AT 25% RETURNS

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Â	FY26	FY25	Change
Revenue	Â£1,840.3m	Â£1,524.5m	+21%
Organic revenue growth	**15%**	11%	Â
Adjusted operating profit	Â£487.1m	Â£342.7m	**+42%**
Adjusted operating margin	**26.5%**	22.5%	+400bps
Statutory operating profit	Â£390.0m	Â£283.7m	Â
Free cash flow	Â£323.3m	Â£247.2m	Â
Free cash flow conversion	**94%**	105%	Â
Adjusted earnings per share	**255.6p**	176.0p	**+45%**
Basic earnings per share	192.2p	137.9p	Â
Leverage	**0.7x**	0.8x	Â
Full year dividend per share	65.4p	62.3p	+5%
ROATCE	**25.3%**	20.9%	Â

See notes below regarding alternative performance measures

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- **Organic revenue growth of 15%:** Attractive end market exposures, further core geographic penetration, and product extension supporting structurally stronger growth.
- **High-quality and diverse portfolio**: continued outstanding performance from Peerless with strong, broad-based organic growth of around 10% across the rest of the portfolio.
- **Acquisitions accelerating total revenue growth to 21%**: 16 new businesses since the start of FY26 for c.Â£368m at an average EBIT multiple of c.7x, adding Â£50m of annualised operating profit, including:
  - CDM, a c.$80m revenue US interconnect business into defence; and
  - Elite, a high-margin c.$25m revenue US aftermarket pump parts business into the water market.
- **Operating margin of 26.5%:** differentiated value-add model and strong execution.
- **Financial firepower:** strong cash generation, significant balance sheet headroom, healthy and diverse acquisition pipeline.
- **A great year of Sustainable Quality Compounding:** ambitious earnings growth of 45% with disciplined returns of 25%.
- **Positive momentum into FY27.**

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FY27 guidance (at constant currency):

We expect another strong performance in FY27, ahead of our financial model.

- **Total revenue growth of 12%.**
  - **Organic revenue growth of 6%.**
  - **Expect double-digit Q1 growth, moderating as we lap very strong comparators from Q2.**
  - **Acquisitions announced to date add 6% to reported revenue growth:** this will increase with any future acquisitions.
- **Operating margin of 25.5%.**

  Strong margin performance expected, while also reflecting investment to support future growth and the impact of acquisitions.

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Commenting, Johnny Thomson, Diplomaâ€™s Chief Executive said:

â€œThis has been another great year for Diploma. Thank you to all my colleagues for their commitment to deliver for our customers every day.

The strength of our performance this year demonstrates our continuous focus on ambitious earnings growth â€“ up 45% â€“ delivered with disciplined returns â€“ at 25% â€“ adding to our long-term track record.

Our strong organic growth of 15% has been complemented by acquisitions, growing and strengthening our portfolio. Since the start of FY26, we have welcomed 16 new businesses to Diploma, adding Â£50m of annualised operating profit while maintaining our disciplined approach to returns.

The new year has started with great momentum. We have a diversified portfolio, attractive end market exposures, a strong acquisition pipeline and brilliant teams. Weâ€™re confident in delivering another year of sustainable quality compounding.â€

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Sector performance

- **Controls (61% of Group revenue) +25%** organic growth: excellent execution in attractive end markets including aerospace, defence, datacentres, and energy. Double-digit growth in Windy City, Peerless, Clarendon and IS Group in FY26, with good momentum into FY27.
- **Seals (26% of Group revenue) +4%** organic growth: sequential improvement in H2â€™26. High-single-digit organic growth in North American Seals. Strong execution and exciting developments in nuclear power generation and water management. International Seals was challenging but performance continues to improve.
- **Life Sciences (13% of Group revenue) +1%** organic growth: challenging H2 performance reflecting tough healthcare markets and short-term product lifecycle effects. Expect first half of FY27 to remain challenging. Long-term prospects are attractive.

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Acquisitions

16 new businesses acquired since the start of FY26, adding Â£50m of annualised operating profit.

- **FY26:** 14 deals for c.Â£281m adding Â£37m of annualised operating profit.
  - **Q1-Q3:** 11 deals adding Â£34m of annualised operating profit.
  - **Q4:** 3 deals adding Â£3m of annualised operating profit.
- **FY27 to date:** 2 deals for c.Â£87m adding Â£13m of annualised operating profit.
- The five deals since Q3 trading update add Â£16m of annualised operating profit.
  - **Gytech** (Life Sciences) â€“ specialist women's health and reproductive technologies across Australia and New Zealand.
  - **Sealco International** (Seals) â€“ highly engineered sealing solutions for demanding industrial applications.
  - **MGC Aerospace** (Controls) â€“ aerospace fasteners into helicopters and fixed-wing aircraft, serving OEMs, MROs and operators worldwide.
  - **SpecTech** (Controls) â€“ specialist defence fasteners in the US.
  - **Elite Manufacturing Systems** (Seals) â€“ aftermarket pump parts into water and energy markets.

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Preliminary results

Diplomaâ€™s preliminary results for the year ended 30 September 2026 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*. The results are also available at http://www.rns-pdf.londonstockexchange.com/rns/3807D_1-2026-11-16.pdf and the corporate website: www.diplomaplc.com.

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Dividends

For the financial year ended 30 September 2026 (FY26), the Board has recommended a final dividend of 46.3p per share (FY25: 44.1p) making the proposed full year dividend 65.4p (FY25: 62.3p), up 5%, in line

with the Boardâ€™s dividend policy.Â
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The final dividend for FY26 is subject to approval by shareholders at the Annual General Meeting on 13 January 2027 and, if approved, will be paid on 29 January 2027 to shareholders on the register at 15 January 2027. Shares will trade ex-dividend from 14 January 2027.
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Notes:
Unless otherwise stated, references to metrics other than UK-adopted IAS measures throughout this document refer to adjusted measures (as set out in note 15 to the Condensed Consolidated Financial Statements in this Announcement).
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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 15 to the Condensed Consolidated Financial Statements in this Announcement.
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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.
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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_FY26

Conference call dial in details:

- Dial in: +44 (0) 33 0551 0200 / 0808 109 0700
- Password: Diploma FY

A recording of the presentation will be available after the event on our website *https://www.diplomaplc.com/investors*
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For further information please contact: Â
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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 over 4,000 colleagues across the Group. Our businesses primarily operate across the US, Canada, the UK, Europe and Australia.
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Diploma delivers sustainable quality compounding. Over the last five years, the Group has grown adjusted earnings per share (EPS) at an average of c.25% 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*
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The person responsible for releasing this Announcement is Anna Lawrence, Group General Counsel & Company Secretary.
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LEI: 2138008OGI7VYG8FGR19
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