

**Halma plc**  
**FULL YEAR RESULTS 2026**  
**Record Adjusted profit for the 23<sup>rd</sup> consecutive year**

Halma, the global group of life-saving technology companies focused on growing a safer, cleaner, healthier future for everyone, every day, today announces results for the 12 months to 31 March 2026.

Marc Ronchetti, Group Chief Executive, commented:

“This has been another successful year for Halma. We grew revenue to over £2.5bn and Adjusted profit to over £500m, both for the first time, and delivered on all our financial key performance indicators. Growth was broad-based across all three sectors, further strengthened by premium growth in our photonics business, and we delivered strong margins, high returns, and good cash generation. This performance enabled us to reinvest at a record level of over £600m for future growth, continuing to make substantial investments organically, in talent and capabilities, and through acquisitions.

We delivered our 23<sup>rd</sup> consecutive year of Adjusted profit growth in an uncertain economic and geopolitical environment. This reflects the fundamental strengths of our Sustainable Growth Model, the long-term growth drivers that underpin our diverse portfolio, and the cumulative benefit of decades of disciplined choices around the markets we operate in, the companies we acquire, and the leaders we trust to run them. Our decentralised model empowers our leaders to respond with agility to opportunities in their markets, and our financial strength has enabled us to invest at record levels for future growth. Together, these strengths underpin our ability to deliver consistently through changing market conditions. I would like to thank everyone across the Group for their contributions this year. Their dedication to our purpose positions us well to continue delivering compounding growth and returns for decades to come.”

## Highlights

	Change	2026	2025
Revenue	+15%	£2,582.3m	£2,248.1m
Adjusted <sup>1</sup> Earnings before Interest and Taxation (EBIT)	+22%	£594.5m	£486.3m
<i>Adjusted<sup>1</sup> EBIT margin<sup>2</sup></i>	<i>+140bps</i>	<i>23.0%</i>	<i>21.6%</i>
Adjusted Earnings per Share <sup>3</sup>	+21%	114.05p	94.23p
<b>Excluding one-off<sup>4</sup> in 2026:</b>			
Revenue	+14%	£2,572.4m	£2,248.1m
Adjusted <sup>1</sup> EBIT	+20%	£585.2m	£486.3m
<i>Adjusted<sup>1</sup> EBIT margin<sup>2</sup></i>	<i>+110bps</i>	<i>22.7%</i>	<i>21.6%</i>
Statutory Profit before Interest and Taxation	+27%	£520.7m	£411.2m
Statutory Earnings per Share	+26%	98.57p	78.49p
Total Dividend per Share <sup>5</sup>	+7%	24.74p	23.12p
Adjusted cash conversion <sup>6</sup>	(19)pp	93%	112%
Adjusted Return on Total Invested Capital (ROTIC) <sup>7</sup>	+120bps	16.2%	15.0%

- **Record revenue:**
  - Over £2.5bn for the first time
  - +16% organic<sup>8,9</sup>; includes photonics premium<sup>10</sup> growth of c.8pp
- **Record Adjusted<sup>1</sup> EBIT:**
  - Over £500m for the first time
  - +19% organic<sup>8,9</sup> growth
  - Adjusted<sup>1</sup> EBIT margin<sup>2</sup> up 110bps<sup>9</sup>
- **Broad-based growth:**

- Revenue growth across all sectors and subsectors, including on an organic<sup>8</sup> basis
- Strong Adjusted<sup>1</sup> profit growth in all sectors, including on an organic<sup>8</sup> basis
- **Continued high returns:**
  - Adjusted ROTIC<sup>7</sup> increased 120bps to 16.2% (2025: 15.0%)
  - Towards upper end of target range of 12-17%
- **Good cash performance:**
  - Adjusted cash conversion<sup>6</sup> of 93% (2025: 112%), ahead of our 90% target
- **Record strategic investment:**
  - Over £600m invested to support future growth
  - R&D investment increased 13% to £123m; 4.7% of revenue (2025: 4.8%)
  - Capital expenditure investment up 24% to £56m, across facilities and infrastructure
  - Five acquisitions completed for a record £447m total consideration<sup>11</sup>
    - Two further acquisitions completed since year end for c.£75m consideration<sup>11</sup>
    - Actively managing the portfolio: one disposal completed in the year and two since year end
    - Healthy pipeline of potential acquisitions
- **Continued balance sheet strength:**
  - Net debt/Adjusted EBITDA<sup>12</sup> of 1.16 times (2025: 0.97 times)
  - Leverage well within operating range of up to two times
- **Total dividend +7%:**
  - 47<sup>th</sup> consecutive year of dividend growth of 5% or more
  - Reflects the Board's continued confidence in the Group's growth prospects

## Outlook for the 2027 financial year

We have made a positive start to the 2027 financial year, with a strong order book and order intake ahead of revenue and last year. While the economic and geopolitical environment remains uncertain and our companies continue to experience varied conditions in their end markets, we currently expect to deliver low double-digit percentage organic<sup>8</sup> constant currency revenue growth in this financial year, including premium<sup>10</sup> growth of approximately five percentage points from our photonics business. Adjusted<sup>1</sup> EBIT margin<sup>2</sup> is expected to be in line with the 2026 financial year (excluding the one-off from the Nuvonic transaction<sup>4</sup>).

Notes:

- 1 *Adjusted to remove the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations, and impairment of associates, totalling £73.8m (2025: £75.1m). See note 1 to the Results for details.*
- 2 *Adjusted<sup>1</sup> EBIT margin is defined as Adjusted<sup>1</sup> Earnings before Interest and Taxation from continuing operations expressed as a percentage of revenue from continuing operations.*
- 3 *Adjusted to remove the amortisation and impairment of acquired intangible assets, acquisition items, significant restructuring costs, profit or loss on disposal of operations, impairment of associates, and the associated taxation thereon. See note 2 to the Results for details.*
- 4 *On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain Nuvonic products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and Adjusted<sup>1</sup> profit of £9.3m were recognised in financial year 2026, which constitute a 50bps and 40bps increase in reported and organic<sup>8</sup> revenue growth respectively and a 190bps increase in both reported and organic<sup>8</sup> Adjusted<sup>1</sup> EBIT growth.*
- 5 *Total dividend paid and proposed per share, comprising an interim dividend of 9.63p per share and a proposed final dividend of 15.11p per share*
- 6 *Adjusted cash conversion is defined as Adjusted<sup>1</sup> operating cash flow as a percentage of Adjusted<sup>1</sup> operating profit. See note 3 to the Results for details.*
- 7 *Adjusted Return on Total Invested Capital (ROTIC) is defined as Adjusted<sup>1</sup> Profit after taxation as a percentage of average Total Invested Capital. See note 3 to the Results for details.*

- 8 *Organic measures exclude the effect of movements in foreign exchange rates on the translation of revenue and Adjusted<sup>1</sup> Profit into Sterling, as well as acquisitions in the year following completion and disposals. See note 3 to the Results for details.*
- 9 *Excludes the one-off from the Nuvonic transaction<sup>4</sup>.*
- 10 *The photonics premium is determined as the incremental contribution to Group organic<sup>8</sup> revenue growth from the photonics business in excess of the Group's long-term organic<sup>8</sup> revenue growth rate of 7%. It captures the portion of Group organic<sup>8</sup> revenue growth, expressed in percentage points, that would not have occurred had photonics grown at the Group's long-term organic<sup>8</sup> revenue growth rate.*
- 11 *Total consideration is on a cash- and debt-free basis.*
- 12 *Adjusted<sup>1</sup> Earnings before Interest and Taxation, Adjusted<sup>1</sup> Profit before Taxation, Adjusted<sup>2</sup> Earnings per Share, organic<sup>8</sup> growth rates, Adjusted ROTIC<sup>7</sup>, net debt and net debt/Adjusted<sup>1</sup> EBITDA are alternative performance measures used by management. See notes 1, 2 and 3 to the Results for details.*
- 13 *Throughout this Strategic Report, references to Adjusted profit, unless otherwise qualified, refer to Adjusted<sup>1</sup> Profit before interest and taxation (EBIT), as management's preferred measure of profitability. See note 3 to the Results for details.*

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A copy of this announcement, together with other information about Halma, may be viewed on its website: [www.halma.com](http://www.halma.com). The webcast of the results presentation will be available on the Halma website later today: [www.halma.com](http://www.halma.com)

#### NOTE TO EDITORS

- 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 market areas where it operates:
  - **Safety** Protecting the safety of people and assets as populations grow and the demand on infrastructure increases.
  - **Environment** Addressing the impacts of climate change, pollution and waste, protecting life-critical resources and supporting scientific research.
  - **Healthcare** Meeting the increasing demand for better healthcare as chronic illness rises, driven by growing and ageing populations and lifestyle changes.

Halma employs over 9,000 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.

Halma has been named one of Britain's Most Admired Companies for the past seven years.
- You can view or download copies of this announcement and our latest Annual Report from the website at [www.halma.com](http://www.halma.com).
- This announcement contains certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the announcement. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.

## Strategic Report

### Record Adjusted profit for the 23rd consecutive year

I am pleased to report another year of record revenue and Adjusted<sup>1</sup> profit, and Halma's 23rd consecutive year of Adjusted<sup>1</sup> profit growth. Delivering this performance against a backdrop of continued economic, geopolitical and market uncertainty demonstrates both the quality of our businesses and the strength of our Sustainable Growth Model.

These record results reflect the cumulative benefit of decades of disciplined choices, around the markets we operate in, the companies we acquire, and the leaders we trust to run them.

I would like to thank everyone across the Group for their contribution this year, and for the commitment they show every day. Together, we continue to make a significant difference to people's lives by pursuing our purpose of growing a safer, cleaner, healthier future for everyone, every day.

### Guided by a clear and shared purpose

Spending time with our people and visiting our companies is the most rewarding part of my role. While the diversity of our businesses is striking, they are united by our clear purpose, and their pride in creating solutions to their customers' problems.

This shared sense of purpose shapes our culture and the way we work together. It encourages entrepreneurial thinking and gives our leaders the confidence to grow their businesses responsibly over the long term, supported by a collaborative culture. Even though our companies operate in many different markets, this unifying purpose creates a strong sense of shared endeavour across the Group.

Our purpose is not just a motivator for our people – it is also a strategic driver at the heart of our Sustainable Growth Model. It directs us to markets with long term structural growth drivers: protecting people and vital infrastructure, safeguarding life critical natural resources, and improving healthcare outcomes. These challenges are fundamental, global, and will continue to grow over the long term, presenting significant opportunities for our companies.

### Delivering compounding growth through our model

Our Sustainable Growth Model is designed to deliver sustainable growth over both the short and longer term. It provides a clear framework that keeps us focused on acquiring high-quality companies in global niche markets aligned with our purpose, and ensures we attract exceptional leaders who can thrive in our decentralised model, and run each business as if it were their own.

This clarity matters. Our model creates a diverse portfolio of agile, high-performing businesses that have the ability to generate strong organic growth and high returns, even in varied market conditions. This performance, in turn, funds continued investment – in innovation, in talent, in capabilities, and in acquisitions – reinforcing a virtuous cycle of compounding growth.

Our model enables us to scale effectively while retaining the core elements of our DNA that underpin our success. As we grow, this balance becomes increasingly important: scale gives us access to talent, insight and capital, while our decentralised structure ensures we retain agility and accountability.

This allows our companies to benefit from being part of a larger organisation while maintaining the autonomy that underpins their success. Through Halma, our companies gain access to capabilities and resources that would be difficult to replicate on their own, including access to world class talent and leadership development programmes, specialist expertise such as acquisition teams, legal and compliance guidance, and emerging technology advisory, including AI, to help shape future-focused products and services.

Our leaders also frequently cite the network of peers across the Group as a valuable aspect of being part of Halma. This network brings together leaders with diverse backgrounds and experiences, operating in different markets but facing many of the same challenges. Access to this community, alongside Group expertise, capital and talent, enables our companies to go faster, make better decisions and prosper over the long term.

### Broad-based growth in varied market conditions and premium growth in photonics

We delivered a strong financial performance during the year, and I was particularly pleased to see broad-based growth across all three sectors, demonstrating the resilience of our portfolio in a mixed and evolving external environment. This performance was further strengthened by premium growth from our photonics business.

Revenue increased by 15% to £2,582m, with Adjusted<sup>1</sup> EBIT increasing by 22% to £594m. Adjusted earnings per share

increased by 21%, well ahead of our long-term target, reflecting continued disciplined execution and strong operational delivery, including continued scaling of our photonics business.

The Safety Sector delivered a good performance across all its subsectors, which follows two strong years of Adjusted profit growth. The Environmental & Analysis Sector had a particularly strong year, which was well spread across the portfolio including premium growth in photonics. The Healthcare Sector delivered a good performance, supported by a continued and steady recovery in healthcare markets.

The strength of our performance enabled us to continue generating healthy margins and returns, and strong Adjusted cash conversion, while maintaining disciplined capital efficiency. Our balance sheet remains robust, supporting ongoing investment in growth and our progressive dividend policy. The Board is recommending a final dividend of 15.11p, resulting in a total dividend for the year of 24.74p. This represents our 47th consecutive year of dividend growth of 5% or more.

### Premium growth in photonics

At our 2025 results presentation, we described the premium to Group growth that one of our companies is delivering, specifically Avo Photonics within our Environmental & Analysis Sector. In 2026, the premium<sup>2</sup> was eight percentage points of the Group's 17% organic revenue growth.

We acquired Avo Photonics in 2011, taking a long-term view that photonics would be a critical enabling technology across a wide range of end markets. We also recognised the company's exceptional ability to capture growth opportunities in new and faster-growing markets, underpinned by their deep technical expertise, their agility, and their strong leadership – characteristics that are typical of the high-quality businesses Halma seeks to acquire.

One such opportunity has resulted in a relationship of more than a decade with a large "hyperscaler" technology customer. While the relationship remains commercially confidential, it is characterised by close technical collaboration, applying our customer's intellectual property alongside our own expertise, in the co-design and manufacture of multiple generations of optical switches. In 2026, this customer accounted for 20% of Group revenue (2025: 15%). This is an exceptional success story and a testament to the local management team in delivering at scale and enabled by the support that comes from the Halma model.

A key benefit of our decentralised model is that it enables our companies to take the initiative and respond with agility to attractive growth opportunities, while remaining firmly aligned with our Group strategy of delivering sustainable, compounding growth and returns. Importantly, our decentralised operating model ensures that this premium growth delivered through local execution means that performance in one company, in this case Avo Photonics, does not distract our other portfolio companies and management teams, who remain fully focused on the delivery of their own growth strategies.

We recognise that our photonics business has provided a tailwind to our growth over the last few years, and as we focus on maximising both the wider portfolio and the photonics opportunity, we do so with a clear understanding that its growth profile differs from that of the wider Group in pace, scale and longevity.

### Reinvesting the photonics premium for Group growth

We are using this period of premium growth from our photonics business to further invest in the opportunities we see ahead, to ensure we keep growing sustainably for decades to come.

In the year, this has included continued investment throughout the Group in R&D, capital expenditure investment to expand capacity, further building out our teams and capabilities to support future growth, and in pursuing value-adding acquisitions.

This supports our strategy of continuing to grow at a double-digit rate, consistent with our long-term track record, balancing near-term performance with ongoing investment to achieve compounding growth and returns, to ensure sustainable value creation for decades to come.

### Continuous investment in organic growth

Investing in organic growth is our number one capital allocation priority. Our companies are already great businesses when they join the Group; our role is to support their continued growth over the longer term.

We invested £179m, in R&D and capital expenditure to support organic growth. R&D expenditure increased to £123m, representing 4.7% of revenue and we invested £56m in capital expenditure to build out capacity. These investments are indicative of the confidence our leaders have in the growth opportunities they see in their markets. You can find examples of how our companies have grown their businesses organically this year in the Annual Report and Accounts 2026.

## Investing in our talent and our network

Talent is important in any business, but in a decentralised group like ours, it is vital. Our decentralised structure only works if we can continue to attract and develop leaders who can grow each business as if it were their own.

To support this, we are both developing future leaders within the Group and bringing in new talent with fresh thinking from outside.

Together, this helps us build diverse, resilient and high-performing businesses over the long term.

During the year, 20 leaders were promoted onto company boards, and nearly 300 leaders participated in our development programmes. We also promoted three leaders from MD or Group leadership roles into Divisional Chief Executive roles. These investments ensure we continue to build a pipeline of leaders through the Group to reinforce our agility and resilience.

Alongside our commitment to nurturing current leaders, we recognise the significance of cultivating young talent who will contribute to the future leadership of our organisation. To that end, we have expanded our Catalyst programme by doubling its cohort, now assigning 20 graduates to positions throughout our companies, with each of them having a rotational placement focusing on AI within Halma's Technology team.

We have also increased investment in our network, bringing senior leaders together through senior leadership conferences and a series of functional and cross-sector forums. As the Group grows, this network is an increasingly important source of competitive advantage, enabling leaders to connect, share expertise and solve problems faster, while scaling proven ideas across the Group.

We have also further invested in our M&A capabilities through the addition of a small number of experienced individuals to our sector M&A teams and through the appointment of two new Divisional Chief Executive roles. These additions increase our capacity and resources to engage and build relationships with businesses that may be potential acquisition opportunities and support the execution of a larger number of transactions.

## Record investment in acquisitions

We made a record investment in acquisitions this year. We invested £447m in five companies across all three sectors. E2S and Safetec joined our Safety Sector and Browline was acquired by our Environmental & Analysis Sector. We made two bolt-on acquisitions for our ophthalmology companies in the Healthcare Sector. After the year end, we acquired a further two bolt-ons for our Environmental & Analysis and Healthcare sector companies.

This record level of M&A activity reflects the strength of our decentralised model, with our Divisional Chief Executives leading acquisitions end-to-end, supported by our M&A teams, and our company MDs and boards actively sourcing and delivering bolt-on opportunities in their markets.

Our disciplined approach of only selecting high-quality businesses that meet our strict acquisition criteria remains central to how we grow the Group, and it is encouraging to see the investments we have made in strengthening our M&A capabilities coming through.

An increasing number of our companies are now pursuing their own bolt-on acquisitions to accelerate their growth strategies. This is a sign of their growing maturity and capability and represents an increasingly important source of growth while retaining local accountability.

We continue to actively manage our portfolio to ensure that capital is allocated towards opportunities with the greatest potential to deliver sustainable growth and attractive returns over the longer term, and that the portfolio evolves in line with the markets and technologies shaping our future. This means that we selectively divest those businesses that no longer align with our long-term growth drivers or the markets we operate in and as a result, we made three disposals; one during the year and two following the year end.

## Executive Board changes

After eight successful years at Halma, Constance Barouel, Sector Chief Executive for Environmental & Analysis, will leave at the end of August to take up a new position as Chief Executive of Spectris Ltd. I would like to thank Constance for her significant contribution to Halma over the past eight years and congratulate her on this well deserved next step. Her appointment as CEO of another leading company is a great example of the calibre of leaders we develop.

Ensuring an orderly transition, she will be succeeded as Environmental & Analysis Sector Chief Executive by Steve Brown, currently Healthcare Sector Chief Executive, from 1 September 2026. Steve brings a strong leadership track

record and deep experience of Halma's Sustainable Growth model and culture. He has a proven ability to build close partnerships with our companies across all three sectors, including as a Divisional Chief Executive in the Environmental & Analysis Sector.

As part of this succession, Bill Stoval, currently Healthcare Divisional Chief Executive, will be promoted to Healthcare Sector Chief Executive, and become a member of our Executive Board. Bill's promotion reflects his outstanding leadership within our Healthcare Sector over the last seven years. He has delivered sustainable growth through close collaboration with our companies' leadership teams and through value-accretive acquisitions.

As Halma continues to scale, we are further evolving the Executive Board in a way that supports growth while preserving our strong culture, financial discipline and consistent governance, and protecting the agility of our decentralised model.

This includes aligning group-wide hubs and functions with the most appropriate Executive Board sponsor, ensuring they are well led, closely connected to company priorities and realities, and supported by a strong group-wide perspective.

In that context, we have decided to accelerate the transition to this model and we have decided to remove the Group General Counsel role from the Executive Board. I am grateful for the contribution Charlene Lim has made, including strengthening our legal capacity to support our companies.

Alongside this change, after seven years with Halma, Catherine Michel, Chief Technology Officer, will leave at the end of June. Over the past seven years, Catherine has established a technology function that has supported group-wide transformation, including digitalisation and AI adoption across our companies. We will look to appoint a new Chief Technology Officer to the Executive Board and in the meantime we are well placed with strong leadership across our technology disciplines.

Aldous Wong, President of Asia Pacific, retired from the Group at the end of the year. I would like to thank Aldous for his contribution in supporting our companies to grow in Asia Pacific. In line with our approach, Steve Brown will provide Executive leadership for the APAC Hub in addition to his current responsibilities.

### Sustainability as a growth driver

Sustainability is embedded within our Sustainable Growth Model. By operating in markets aligned with long term sustainability challenges, our companies are already "doing more good" by helping customers address issues such as climate resilience, resource efficiency and improved healthcare outcomes.

Alongside pursuing these opportunities, we continue to focus on "doing less harm" – supporting our people and reducing our environmental impact. This year we have set more ambitious Scope 1 & 2 interim targets on our journey towards our 2040 Scope 1 & 2 Net Zero goal, and we continue to help our companies to achieve them through the delivery of their own sustainability action plans. We remain committed to our climate ambitions, including our targets for renewable electricity, emissions reduction and Net Zero.

### Outlook

We have made a positive start to the 2027 financial year, with a strong order book and order intake ahead of revenue and last year. While the economic and geopolitical environment remains uncertain and our companies continue to experience varied conditions in their end markets, we currently expect to deliver low double-digit percentage organic<sup>1</sup> constant currency revenue growth in this financial year, including premium<sup>2</sup> growth of approximately five percentage points from our photonics business. Adjusted<sup>1</sup> EBIT margin is expected to be in line with the 2026 financial year (excluding the one-off from the Nuvonic transaction<sup>3</sup>).

### Summary

This was another successful year for Halma. We delivered record revenue and Adjusted profit, invested at record levels for future growth, and continued to strengthen our networks and capabilities across the Group. While we remain mindful of the broader macroeconomic and geopolitical uncertainties, including developments in the Middle East, the strength of our Sustainable Growth Model means we remain well positioned to make further strong progress in the year ahead and in the long term.

### Marc Ronchetti

Group Chief Executive

1 See alternative performance measures in note 3 to the Results.

2 The photonics premium is determined as the incremental contribution to Group organic<sup>1</sup> revenue growth from the photonics business in excess of the Group's long-term organic<sup>1</sup> revenue growth rate of 7%.

3 See footnote 4 in the Chief Financial Officer's review below.

## Chief Financial Officer's Review

### Strong financial performance

This has been another year of strong financial performance, with record Adjusted<sup>1</sup> profit for the 23rd consecutive year. Growth was broadly spread across all three sectors, underpinned by ongoing investment in R&D, talent and our broader infrastructure and capabilities. This performance was further strengthened by premium growth in our photonics business within the Environmental & Analysis Sector. Returns increased during the year, reflecting the quality of our portfolio and the strength of our market positions.

The consistency of these results demonstrates the compounding power of our Sustainable Growth Model. Over the past decade, revenue and Adjusted<sup>1</sup> EBIT have compounded at an annual rate of 12% and 13% respectively, Adjusted<sup>1</sup> cash conversion has averaged 93%, and leverage has remained within a range of 0.63 to 1.38 times (net debt/Adjusted EBITDA<sup>2</sup>). The combination of our growth and strong cash generation underpins our self-funding model, providing the financial strength to continue investing for growth, with over £600m invested this year.

That investment takes two forms. Organically, we continue to reinvest in the capabilities that allow our businesses to scale and sustain long-term value creation. Through acquisitions, we made a record investment in five high-quality businesses during the year. Our ongoing commitment to invest is central to our model and positions us well to continue compounding growth and delivering attractive returns over the long term.

### Record revenue and Adjusted<sup>1</sup> profit

Revenue grew strongly at 14.9% to £2,582.3m for the year ended 31 March 2026 (2025: £2,248.1m). Organic<sup>2</sup> revenue growth of 16.6% was broadly spread across all three sectors, and additionally benefited from the premium<sup>3</sup> growth in our photonics business, which accounted for approximately eight percentage points of the organic<sup>2</sup> revenue growth. This included price increases averaging between 1% and 2%. Excluding one-off<sup>4</sup> revenue from the Nuvonic transaction in the Environmental & Analysis Sector, revenue increased by 14.4% to £2,572.4m, and on an organic<sup>2</sup> basis grew by 16.2%. There was a modest contribution from acquisitions of 2.5% (1.0% net of disposals), reflecting the number of deals recently completed.

There was a negative currency translation impact of 2.7%, mainly from the depreciation of the US Dollar against Sterling.

Adjusted<sup>1</sup> EBIT grew 22.2% to £594.5m (2025: £486.3m). Adjusted<sup>1</sup> EBIT growth comprised a 20.9% increase in organic<sup>2</sup> Adjusted<sup>1</sup> EBIT, a 3.9% contribution from acquisitions (4.1% net of disposals), and a negative effect from currency of 2.8% due to the depreciation of the US Dollar. This led to 140 basis points of improvement in the Adjusted<sup>1</sup> EBIT margin to 23.0% (2025: 21.6%). Excluding one-off<sup>4</sup> profit realised from the Nuvonic transaction in the Environmental & Analysis Sector, Adjusted<sup>1</sup> EBIT increased by 20.3% to £585.2m, Adjusted<sup>1</sup> EBIT on an organic<sup>2</sup> basis grew by 19.0%, and Adjusted<sup>1</sup> EBIT margin increased by 110 basis points to 22.7% (2025: 21.6%).

Statutory profit before interest and taxation of £520.7m (2025: £411.2m) was 26.6% higher. Statutory profit before interest and taxation is calculated after charging the amortisation and impairment of acquired intangible assets of £63.2m (2025: £56.9m), a net £6.2m loss on disposal of operations and of an associate (2025: £2.0m gain), and other acquisition items of a net £4.4m (2025: £20.2m).

Further detail on these items is given in note 1 of the Results.

### Revenue and Adjusted<sup>1</sup> profit growth in all sectors

All sectors grew revenue on a reported and organic<sup>2</sup> basis. The Safety Sector continued to see good momentum in revenue growth with Adjusted<sup>1</sup> profit reaching a historic high driven by continued strong revenue growth, sector-wide cost discipline initiatives, favourable portfolio and product mix, and multi-year portfolio management, including the benefits from accretive acquisitions and disposals. The Environmental & Analysis Sector delivered very strong revenue growth, driven by growth across all subsectors.

This performance included continued premium<sup>3</sup> growth of approximately eight percentage points of the Group's organic<sup>2</sup> revenue growth in photonics within Optical Solutions, implying a growth rate of 52% (2025: 37%). Trends in this market remain dynamic. There will always be technology choices in fast growing markets, with the pace of development and rates of growth shaped by various supply-side constraints across the data centre market. With a combination of strong customer demand and our continued scaling, we currently expect further premium<sup>3</sup> growth of approximately five percentage points of Group organic<sup>2</sup> revenue growth in photonics in financial year 2027, implying a growth rate of approximately 30%. This would build on the strong growth already achieved in successful rapid scaling of the business, with revenue having more than doubled over the prior two years.

Adjusted<sup>1</sup> profit grew strongly driven by growth in all subsectors, continued cost discipline and healthy contributions from acquisitions.

The Healthcare Sector delivered a favourable performance in comparison to the prior year, reflecting good execution against a background of steady recovery in healthcare markets and improving customer confidence. Adjusted<sup>1</sup> profit also grew strongly, reflecting benefits from stronger revenue growth, improvements to pricing and product mix, and good control of overheads.

Further information on each sector's performance is given in the individual sector reviews below.

### Revenue and Adjusted<sup>1</sup> profit change by sector

	2026		2025		Change £m	% growth	% organic growth <sup>2</sup>
	£m	% of total	£m	% of total			
Safety	947.5	37	902.0	40	45.5	5.0	6.5
Environmental & Analysis	1,037.7	40	776.6	35	261.1	33.6	35.7
Healthcare	598.4	23	570.4	25	28.0	4.9	6.3
Inter-segment sales	(1.3)		(0.9)		(0.4)		
<b>Revenue</b>	<b>2,582.3</b>	<b>100</b>	<b>2,248.1</b>	<b>100</b>	<b>334.2</b>	<b>14.9</b>	<b>16.6</b>

Safety	253.6	39	217.9	41	35.7	16.4	13.1
Environmental & Analysis	250.6	39	185.5	35	65.1	35.1	35.7
Healthcare	143.1	22	130.6	24	12.5	9.5	9.6
<b>Sector profit<sup>5</sup></b>	<b>647.3</b>	<b>100</b>	<b>534.0</b>	<b>100</b>	<b>113.3</b>	<b>21.2</b>	<b>20.1</b>
Central administration costs	(52.8)		(47.7)		(5.1)	(10.7)	
<b>Adjusted<sup>1</sup> earnings before interest and taxation (EBIT)</b>	<b>594.5</b>		<b>486.3</b>		<b>108.2</b>	<b>22.2</b>	<b>20.9</b>
<b>Statutory profit before interest and taxation</b>	<b>520.7</b>		<b>411.2</b>		<b>109.5</b>	<b>26.6</b>	
Net finance expense	(30.0)		(26.9)		(3.1)	(11.5)	
<b>Adjusted<sup>1</sup> profit before taxation</b>	<b>564.5</b>		<b>459.4</b>		<b>105.1</b>	<b>22.9</b>	<b>23.1</b>
<b>Statutory profit before taxation</b>	<b>490.7</b>		<b>384.3</b>		<b>106.4</b>	<b>27.7</b>	
<b>Adjusted<sup>1</sup> EBIT margin</b>	<b>23.0%</b>		<b>21.6%</b>				
<b>Excluding one-off<sup>4</sup> in 2026:</b>							
<b>Revenue</b>	<b>2,572.4</b>		<b>2,248.1</b>		<b>324.3</b>	<b>14.4</b>	<b>16.2</b>
<b>Adjusted<sup>1</sup> EBIT</b>	<b>585.2</b>		<b>486.3</b>		<b>98.9</b>	<b>20.3</b>	<b>19.0</b>
<b>Adjusted<sup>1</sup> EBIT margin</b>	<b>22.7%</b>		<b>21.6%</b>				

1 In addition to those figures reported under IFRS, Halma uses alternative performance measures as key performance indicators, as management believe these measures enable them to better assess the underlying trading performance of the business by removing non-trading items that are not closely related to the Group's trading or operating cash flows. Adjusted<sup>1</sup> profit excludes the amortisation and impairment of acquired intangible assets; acquisition items; and profit or loss on disposal of operations. All of these are included in the statutory figures. Notes 1 and 3 of the Results give further details with the calculation and reconciliation of adjusted figures.

2 See alternative performance measures in note 3 of the Results.

3 The photonics premium is determined as the incremental contribution to Group organic<sup>2</sup> revenue growth from the photonics business in excess of the Group's long-term organic<sup>2</sup> revenue growth rate of 7%.

4 On 15 May 2025, Nuvo, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvo also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic<sup>2</sup> revenue growth respectively and a 190bps increase in both reported and organic<sup>2</sup> Adjusted<sup>1</sup> EBIT growth.

5 Sector profit before allocation of adjustments. See note 1 of the Results.

### Substantial investment to drive future growth

The cash generative nature of our companies means that we can make substantial investments to support our future growth, while maintaining a strong financial position.

All sectors continue to innovate and invest in their product portfolios, reflecting our companies' confidence in the long-term growth prospects of their respective markets. R&D expenditure of £122.6m (2025: £108.4m), which as a percentage of revenue remained above our KPI target of 4% at 4.7% (2025: 4.8%), increased at a slightly slower rate than revenue, principally as result of the exceptional revenue growth in our photonics business and where R&D is a part of the revenues we earn.

We continue to invest organically across the Group to future-proof our growth, including investments in our facilities and infrastructure, with capital expenditure investment of £56.2m (2025: £45.6m).

We acquired five businesses in the year for a record consideration of £447m on a cash- and debt-free basis. These were three standalone businesses and two bolt-ons for existing companies, spread across the three sectors. This adds to the seven acquisitions completed in 2025, which have performed well in their first year of trading under Halma's ownership. We also made one small disposal in the Safety Sector.

Since the year end, we have made two further bolt-on acquisitions and two disposals. Details of the acquisitions and disposals are given in the sector reviews below and in notes 8 and 9 of the Results.

### Capital allocation and funding priorities

Halma aims to deliver returns on investment well in excess of our cost of capital. Through our growth strategy, we continue to invest in opportunities to drive future earnings growth and strong returns over the long term. This disciplined approach enables us to achieve our aim on a sustainable basis. Our capital allocation priorities remain as follows:

1. **Investment for organic growth:** Organic growth is our first priority and is driven by investment in our existing businesses, including through development of our existing products, bringing new products to market, international expansion, the development of our people and investing in our facilities and infrastructure.
2. **Value-enhancing acquisitions:** We supplement organic growth with acquisitions in current and adjacent market niches, aligned with our purpose. This brings new technology, intellectual property and talent into the Group and expands our market reach, keeping Halma well positioned in growing markets over the long term.
3. **Regular and increasing returns to shareholders:** We have maintained a progressive dividend policy for over 45 years and this is our preferred route for delivering regular cash returns to shareholders without impacting on our investment to scale our business.

### Increased returns, cash generation and strong financial position

Strong returns on investment is an important component of the Halma model, providing the foundation for ongoing investment in organic growth, supporting value-enhancing acquisitions and enabling the support of a progressive dividend policy for shareholders.

This is demonstrated through our strong Adjusted<sup>1</sup> cash conversion at 93% (2025: 112%), which was ahead of our KPI target of 90%. Further details are given in our KPIs in our Annual Report and Accounts 2026. This reflected the continued strength of our growth and margins, combined with good working capital and cash management.

We maintained a high level of Adjusted<sup>1</sup> Return on Total Invested Capital (ROTIC)<sup>2</sup>, which increased to 16.2% from 15.0% in the prior year. The increase principally reflects strong constant currency profit growth. Our Adjusted<sup>1</sup> ROTIC<sup>2</sup> remains within our target range of 12-17%. It is also substantially above Halma's Weighted Average Cost of Capital (WACC), which is estimated to be 10.2% (2025: 9.8%).

This year's acquisition spend is a record investment and reflects the continued strength of our M&A pipeline and the ability of our companies to pursue bolt-on acquisitions. Even after this significant deployment of capital, our financial position remains strong, with gearing (net debt / Adjusted<sup>1</sup> EBITDA<sup>2</sup>) standing at 1.16 times at the year end (2025: 0.97 times), well within our typical operating range of up to two times, preserving substantial financial flexibility for future investment. Net debt (on an IFRS 16 basis which includes lease commitments) increased by £233.3m to £769.1m (2025: £535.8m).

We have substantial available liquidity with committed facilities in excess of £1.2bn. Our balance sheet strength and available liquidity give us the flexibility and firepower to support our healthy pipeline of potential acquisitions.

### Adjusted<sup>1</sup> cash conversion and net debt

	2026	2025
Adjusted <sup>1</sup> cash conversion <sup>2</sup>	<b>93%</b>	112%
Closing net debt <sup>2</sup>	<b>£(769.1)m</b>	£(535.8)m
Net debt <sup>2</sup> / Adjusted <sup>1</sup> EBITDA <sup>2</sup>	<b>1.16x</b>	0.97x

## Summary

We have delivered another year of strong financial performance, delivering across our key financial targets. Double-digit revenue and Adjusted<sup>1</sup> profit growth were driven by broad-based results across the Group, supported by consistently strong cash generation. At the same time, we have continued to maintain discipline in our investment decisions to support future growth, while further increasing our margins and returns. This balanced performance combined with over £600m of investment underpins our ability to deliver sustained compounding growth and strong returns over the long term.

Reflecting on my first year as Chief Financial Officer, I am proud to be leading the Halma finance team as they support our businesses in delivering sustainable, high-quality growth and attractive returns. Our purpose and culture are clearly embedded across the Group, and, together with the strength of our talent, they continue to guide how we create value growing a safer, cleaner and healthier future for everyone, every day.

Looking ahead, we remain mindful of the broader macroeconomic and geopolitical uncertainties, including developments in the Middle East. While our direct exposure to the region is limited, we recognise that such events can affect global markets through factors such as supply chain disruption, inflationary pressures and exchange rate volatility. Although we are not immune to these challenges, the nature of our Sustainable Growth Model provides us resilience. Our model enables our companies to respond with agility in the most appropriate manner for their businesses, while benefiting from the strength and connectivity of the Group to collectively manage and address uncertainties.

Finally, I would like to thank all my colleagues across the Group for their continued hard work, commitment and focus, which have contributed to another record year for Halma.

## Carole Cran

Chief Financial Officer

## Financial Review

### Revenue growth in all regions

Our revenue performance reflected strength and breadth of demand for the Group's products and services, with growth in all regions on a reported basis. These reported growth rates in each region were affected to differing extents by acquisitions (net of disposals) and, outside the UK, negative effects from foreign currency translation, mainly given the depreciation of the US Dollar against Sterling. On an organic<sup>1</sup> basis, revenue growth was also broadly spread. Organic<sup>1</sup> revenue growth in the US, our largest sales region, was very strong, and the other major regions of the UK, Mainland Europe and Asia Pacific delivered good organic<sup>1</sup> growth. Other regions delivered good organic<sup>1</sup> revenue growth in aggregate.

### Very strong organic<sup>1</sup> revenue growth in the US

Revenue in the US increased by 19.1%, and the US remains our largest revenue destination, accounting for 48% of Group revenue, an increase of two percentage points compared to the prior year. Reported revenue included a 1.2% contribution from acquisitions, and negative effects of 2.5% from disposals and 5.7% from foreign exchange translation. Organic<sup>1</sup> revenue increased 26.2%, reflecting very strong growth in the Environmental & Analysis Sector. This was led by premium growth in photonics within the Optical Solutions subsector, while there was also strong growth in the rest of the sector. There was good momentum in the Healthcare Sector across all subsectors, while modest growth in the Safety Sector reflected good growth in Public Safety and Worker Safety, partly offset by a weaker performance in Fire Safety.

### Strong revenue growth in Mainland Europe

Mainland Europe reported revenue was 16.0% higher and 8.6% higher on an organic<sup>1</sup> basis. Reported revenue included a 5.8% contribution from acquisitions (net of disposals), with recent acquisitions including Brownline and Lamidey Noury, and a positive effect of 1.6% from foreign exchange translation.

On an organic<sup>1</sup> basis, growth was led by the Environmental & Analysis Sector, notably in Environmental Monitoring & Measurement, as well as Water Analysis & Treatment. The Safety Sector delivered good growth, which was principally driven by a strong performance in Public Safety, while other subsectors also delivered growth. Healthcare delivered modest growth overall, with a small decline in Discovery, Prevention & Diagnostics more than offset by growth elsewhere in the sector.

### Good revenue growth in the UK

UK revenue was 9.1% higher, or up 7.6% on an organic<sup>1</sup> basis. Reported revenue included a 1.5% contribution from acquisitions (net of disposals).

All three sectors grew revenue on an organic<sup>1</sup> basis. There was strong growth in the Healthcare Sector, driven by Healthcare Enablement. There was good growth in the Environmental & Analysis Sector, led by Water Analysis & Treatment, and in the Safety Sector, mainly driven by Fire Safety.

### Strong organic<sup>1</sup> revenue growth in Asia Pacific

Asia Pacific revenue increased 9.6%, and by 11.5% on an organic<sup>1</sup> basis, including one-off<sup>2</sup> revenue of £9.9m from the Nuvonic transaction (see the Environmental & Analysis Sector review below for details). Reported revenue included a 0.7% contribution from acquisitions (net of the impact of disposals), and a negative effect of 2.6% from foreign exchange translation.

## Geographic revenue

	2026		2025		Change £m	% Change	% Change organic <sup>1</sup>
	£m	% of total	£m	% of total			
United States	1,237.1	48	1,038.6	46	198.5	19.1	26.2
Mainland Europe	500.2	19	431.2	19	69.0	16.0	8.6
United Kingdom	344.7	13	315.8	14	28.9	9.1	7.6
Asia Pacific	333.1	13	304.0	14	29.1	9.6	11.5
Africa, Near and Middle East	86.2	4	80.3	4	5.9	7.3	(0.1)
Other countries	81.0	3	78.2	3	2.8	3.6	10.0
	2,582.3	100	2,248.1	100	334.2	14.9	16.6

Excluding the one-off<sup>2</sup> from the Nuvonic transaction, revenue increased by 6.3%, and by 8.2% on an organic<sup>1</sup> basis, driven by strong growth in the Safety and Environmental & Analysis sectors, partly offset by a modest decline in the Healthcare Sector.

In other regions, which represent 7% of Group revenue, revenue was 5.5% higher on a reported basis, and 4.7% higher on an organic<sup>1</sup> basis, reflecting strong growth in the Healthcare Sector, a modest increase in Safety Sector revenue, and a decline in the Environmental & Analysis Sector.

### First and second half performance

Revenue grew by 15.2% in the first half of the year and by 14.6% in the second half, with second half revenue 8.7% higher than revenue in the first (9.5% excluding the one-off<sup>2</sup> revenue from the Nuvonic transaction). There was a first half / second half split of 48% / 52%, in line with our typical pattern.

Organic<sup>1</sup> revenue increased by 16.6% (or 16.2% excluding the one-off<sup>2</sup> revenue from the Nuvonic transaction), comprising a 17.6% increase in the first half (16.7% excluding the one-off<sup>2</sup> revenue from the Nuvonic transaction) and growth of 15.8% in the second half.

There was a negative effect of 3.2% from currency translation in the first half, and 2.4% in the second half, giving a negative effect of 2.7% for the year as a whole. Acquisitions (net of disposals) had a positive effect of 1.0%, comprising a 0.8% positive effect in the first half and 1.2% in the second half.

Adjusted<sup>1</sup> EBIT increased by 26.7% in the first half, and by 22.8% excluding the one-off<sup>2</sup> profit from the Nuvonic transaction. The increase in the second half was 18.5%. This reflected continued growth in all three sectors, but a stronger comparative in the second half for the Environmental & Analysis Sector. On an organic<sup>1</sup> basis, Adjusted<sup>1</sup> EBIT increased by 26.5% in the first half (22.7% excluding the one-off<sup>2</sup> profit), and by 16.1% in the second half, resulting in growth of 20.9% for the year (19.0% excluding the one-off<sup>2</sup> profit). Excluding the one-off<sup>2</sup> profit from the Nuvonic transaction, there was a first half / second half Adjusted<sup>1</sup> EBIT split of 47% / 53%, compared to our typical 45% / 55% pattern, reflecting the very strong Adjusted<sup>1</sup> EBIT margin in the first half of the year.

Central costs increased from £47.7m in 2025 to £52.8m, with the increase reflecting investment in the year to support our continued growth. In 2027, we expect central costs to be approximately £60m, the increase reflecting our growth.

### Currency effects on reported revenue and Adjusted<sup>1</sup> profit

Halma reports its results in Sterling. Our other key trading currencies are the US Dollar and Euro. Approximately 52% of Group revenue is denominated in US Dollars, 22% in Sterling and 14% in Euros.

The Group has both translational and transactional currency exposures. Translational exposures are not hedged, except for net investment hedges. Transactional exposures, after matching currency of revenue with currency of costs wherever practical, are hedged for a proportion (up to 75%) of the remaining forecast net transaction flows.

The US Dollar weakened against Sterling on average during the year. This gave rise to a negative currency translation impact of 2.7% on revenue and 2.8% on Adjusted<sup>1</sup> EBIT for the full year. Based on the current mix of currency denominated revenue and Adjusted<sup>1</sup> EBIT, a 1% movement in the US Dollar relative to Sterling changes revenue by approximately £13.6m and Adjusted<sup>1</sup> EBIT by approximately £3.7m. Similarly, a 1% movement in the Euro changes revenue by approximately £3.2m and Adjusted<sup>1</sup> EBIT by approximately £1.1m.

### Currency effects

	Weighted average rates used in the income statement			Exchange rates used to translate the balance sheet	
	First half	2026 Full year	2025 Full year	2026 Year end	2025 Year end
US Dollar	1.342	1.340	1.276	1.318	1.289
Euro	1.165	1.156	1.188	1.145	1.194

## Operating cash flow summary

	2026 £m	2025 £m
<b>Operating profit</b>	<b>525.8</b>	<b>409.5</b>
Acquisition items	4.4	20.2
Amortisation and impairment of acquisition-related acquired intangible assets	63.2	56.9
<b>Adjusted operating profit</b>	<b>593.4</b>	<b>486.6</b>
Depreciation, impairment and amortisation (excluding acquired intangible assets)	67.0	66.5
Working capital movements	(66.3)	29.6
Capital expenditure net of disposal proceeds	(55.0)	(44.7)
Defined benefit pension plans administration costs less contributions from sponsoring companies	0.4	0.4
Other adjustments	10.7	7.3
<b>Adjusted operating cash flow</b>	<b>550.2</b>	<b>545.7</b>
<b>Adjusted cash conversion %</b>	<b>93%</b>	<b>112%</b>

## Non-operating cash flow and reconciliation to net debt

	2026 £m	2025 £m
<b>Adjusted operating cash flow</b>	<b>550.2</b>	<b>545.7</b>
Tax paid	(112.5)	(103.3)
Acquisition of businesses including cash/debt acquired and fees	(469.1)	(167.9)
Purchase of equity investments	(13.1)	–
Disposal of businesses	6.9	5.9
Net finance costs and arrangement fees (excluding lease interest)	(26.8)	(20.8)
Net lease liabilities additions	(23.7)	(56.5)
Dividends paid	(89.7)	(83.8)
Own shares purchased	(33.5)	(7.9)
Adjustment for cash outflow on share awards not settled by own shares	(5.5)	(3.5)
Effects of foreign exchange	(16.5)	9.5
<b>Movement in net debt</b>	<b>(233.3)</b>	<b>117.4</b>
<b>Opening net debt</b>	<b>(535.8)</b>	<b>(653.2)</b>
<b>Closing net debt</b>	<b>(769.1)</b>	<b>(535.8)</b>

## Net debt to Adjusted EBITDA

	2026 £m	2025 £m
<b>Adjusted EBIT</b>	<b>594.5</b>	<b>486.3</b>
Depreciation and amortisation (excluding acquired intangible assets)	67.0	66.5
<b>Adjusted EBITDA</b>	<b>661.5</b>	<b>552.8</b>
<b>Net debt to Adjusted EBITDA (times)</b>	<b>1.16</b>	<b>0.97</b>

## Average debt and interest rates

	2026	2025
Average gross debt (£m)	868.9	831.2
Weighted average interest rate on gross debt	3.77%	3.65%
Average cash balances (£m)	237.7	198.9
Weighted average interest rate on cash	2.45%	1.67%
Average net debt (£m)	631.2	632.3
Weighted average interest rate on net debt	4.27%	4.27%

### Strong cash generation

Cash generated from operations in the year was £593.1m (2025: £595.7m). Adjusted<sup>1</sup> operating cash flow was £550.2m (2025: £545.7m) which represented an Adjusted<sup>1</sup> cash conversion of 93% (2025: 112%) of Adjusted<sup>1</sup> operating profit. This was ahead of our Adjusted<sup>1</sup> cash conversion KPI target of 90%. Adjusted<sup>1</sup> operating cash flow is defined in note 3 of the Results. There was a working capital outflow of £66.3m, comprising changes in inventory, receivables and creditors (2025: inflow of £29.6m). As a percentage of revenue, working capital was 18% (2025: 17%), reflecting good underlying working capital management.

This year's cash flow is shown above. The largest outflows in the year were in relation to acquisitions, dividends and taxation paid. Acquisition of businesses including cash and debt acquired and fees were £469.1m (2025: £167.9m), reflecting a record year for M&A investment. Dividends totalling £89.7m (2025: £83.8m) were paid to shareholders in the year. Taxation paid increased to £112.5m (2025: £103.3m).

### Substantial funding capacity and liquidity

We have a strong balance sheet and substantial available liquidity. At the year end, our committed facilities totalled £1,231m, based on exchange rates at 31 March 2026. Our long-term funding is principally comprised of US Private Placements and a Revolving Credit Facility.

The financial covenants on these facilities are for leverage (net debt / Adjusted<sup>1</sup> EBITDA<sup>1</sup>) to not be more than three and a half times and for adjusted interest cover to be not less than four times. The Group continues to operate well within its banking covenants with significant headroom under each financial ratio.

At 31 March 2026, net debt was £769.1m, including £107.8m of IFRS 16 lease liabilities (net debt at 31 March 2025 was £535.8m), resulting in gearing (net debt/Adjusted<sup>1</sup> EBITDA<sup>1</sup>) at the year end of 1.16 times (2025: 0.97 times).

The net financing cost in the income statement of £30.0m was higher than the prior year (2025: £26.9m), reflecting higher leverage, principally as a result of investment in acquisitions in the year. We would expect the net financing cost for the 2027 financial year to be approximately £30m, if no further acquisitions were to be made.

### Higher Group tax rate

The Group has major operating subsidiaries in a number of countries and the Group's effective tax rate is a blend of these tax rates applied to locally generated profits.

The Group's effective tax rate on Adjusted<sup>1</sup> profit before taxation was higher than the prior year at 23.7% (2025: 22.6%). This increase mainly reflected changes in the forecast mix of Group profits towards higher tax jurisdictions and increased international tax complexity and risk.

Based on the latest forecast mix of adjusted profits for the year to 31 March 2027, we currently anticipate the Group's effective tax rate to be in the range of approximately 23.5% to 24.0% of Adjusted<sup>1</sup> profit before taxation.

### Continued investment for organic growth

As well as our investment in R&D and acquisitions, which are discussed in the Chief Financial Officer's Review above, we invested £56.2m (2025: £45.6m), principally in plant, equipment and vehicles. The increase reflects investment in manufacturing facilities and infrastructure to support our future growth. We anticipate capital expenditure to be in the range of approximately £55m to £60m in the coming year.

As appropriate, we capitalise product development and amortise the cost over an appropriate period, which we determine as three years. All R&D projects that are capitalised are subject to rigorous review and approval processes. This year we capitalised £14.8m (2025: £13.8m), recognised an impairment reversal of £0.8m (2025: impairment of £3.1m) and amortised £10.9m (2025: £10.4m). The asset carrying value after a £0.2m (2025: £0.7m) loss relating to foreign exchange was £54.8m (2025: £51.4m).

Lease right-of-use asset additions and remeasurements were £24.5m (2025: £52.5m). This included additions of £11.5m as a result of acquisitions made in the year, and the commencement of new leases and extensions or renewals of existing leases.

## Regular and increasing returns for shareholders

We aim to increase dividends per share each year, while maintaining a prudent level of Adjusted<sup>1</sup> dividend cover, and declare approximately 35-40% of the anticipated total dividend as an interim dividend. The Board's determination of the proposed final dividend increase this year took into account the Group's financial performance, economic and geopolitical uncertainty, the investment opportunities available to the Group to support its medium-term growth, and its continued balance sheet strength Adjusted<sup>1</sup> earnings per share increased by 21.0% to 114.05p (2025: 94.23p), ahead of our 10% KPI target. Statutory basic earnings per share increased by 25.6% to 98.57p (2025: 78.49p).

The Board is recommending a 7.0% increase in the final dividend to 15.11p per share (2025: 14.12p per share), which together with the 9.63p per share interim dividend gives a total dividend per share of 24.74p (2025: 23.12p), up 7.0% in total, in line with our medium-term organic revenue growth rate.

Adjusted<sup>1</sup> dividend cover (the ratio of Adjusted<sup>1</sup> profit after tax to dividends paid and proposed) is 4.73 times (2025: 4.07 times).

The final dividend for the financial year ended 31 March 2026 is subject to approval by shareholders at the Annual General Meeting on 23 July 2026 and, if approved, will be paid on 14 August 2026 to shareholders on the register at 10 July 2026.

<sup>1</sup> See alternative performance measures in note 3 of the Results.

<sup>2</sup> On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic<sup>1</sup> revenue growth respectively and a 190bps increase in both reported and organic<sup>1</sup> Adjusted<sup>1</sup> EBIT growth.

## Safety Sector review

### What the sector does

Our Safety Sector companies protect people and assets. Our technologies are used in public, commercial spaces, industrial and manufacturing environments, and contribute to creating a more sustainable and safer future.

Our companies develop and provide innovative solutions that keep people safe and critical assets secure in highly hazardous situations. We operate in high value niches across four subsectors:

**Fire Safety** – solutions that detect, control, mitigate and suppress the effects of fires, protecting people and assets.

**Public Safety** – technologies that safeguard the public by protecting people against risks in daily life.

**Worker Safety** – solutions that protect people in hazardous work environments.

**Infrastructure & Asset Safety** – technologies that ensure the safe management and operation of critical infrastructure.

The Safety Sector's products and solutions are used by customers operating in various end markets including construction, energy, utilities, transportation, manufacturing and logistics. They are used in a broad range of applications, from commercial buildings like retail outlets and healthcare facilities, to industrial and process manufacturing environments, and in aerospace, rail and road transportation.

### The sector's long-term growth drivers

The sector's long-term growth is supported by complex safety regulations, as well as a commitment from its customers to reduce safety risks. It is further reinforced by long-term global trends, including climate change, technological advancement and urbanisation.

The increasingly urgent need to address climate change continues to drive growth opportunities for the sector. For example, our companies benefit from increasing regulations, such as those aimed at safety solutions tailored for renewable energy infrastructure to help keep workers and assets safe.

Our companies are also supporting the transition towards renewable and cleaner energy sources and uses, offering safety solutions through electrical testing of electric vehicles (EVs) and mass transit systems, and technologies that improve the efficiency and safety of industrial processes.

Technological advancements and the increasing deployment of automated solutions and intelligent products in industrial environments are providing exciting market opportunities for our companies. Our connected products and solutions are well placed to ensure high standards of worker safety in increasingly automated or hybrid working environments where people and machines interact in close proximity.

We also see long-term opportunities from the continued urbanisation of populations. Significant global infrastructure investment is increasing the need for greater public safety and efficiencies in urban settings, which results in growth in areas such as emergency communications systems.

### Sector performance

During the year, the Safety Sector maintained good growth momentum, following two consecutive years of double-digit Adjusted<sup>1</sup> profit growth. Performance was broad based, with revenue growth across all subsectors and the majority of geographies, alongside increased profitability.

Revenue for the year increased by 5.0% to £947.5m (2025: £902.0m), with organic<sup>1</sup> growth of 6.5%. Growth was driven by strong execution across many of our larger companies, supported by our disciplined, multi-year portfolio management through acquisitions and disposals.

We saw revenue growth across all four subsectors on a reported and an organic<sup>1</sup> basis, led by strong growth in the Public Safety subsector. The Fire Safety and Worker Safety subsectors delivered good organic<sup>1</sup> revenue growth, while Infrastructure & Asset Safety's performance was modest. Public Safety benefited from strong demand and continued new product development in sensor technologies. Our largest subsector, Fire Safety, delivered good organic<sup>1</sup> revenue growth, driven by new product development and good demand across the companies, partially offset by customer project delays, notably in the US. On a reported basis, Fire Safety delivered modest revenue

growth, reflecting the effect of the disposal of AAI during the first half of the year.

Growth in Worker Safety was driven by increased demand for interlock applications in energy markets, alongside a recovery in industrial end markets. We also saw a mixed performance in Infrastructure & Asset Safety, reflecting delays to some larger customer projects.

All regions delivered organic<sup>1</sup> revenue growth, with Asia Pacific achieving double-digit growth. Mainland Europe also performed well, reflecting broad-based growth across the subsectors as described above. In the UK, organic<sup>1</sup> revenue growth was mixed, with positive performance in the Public Safety and Fire Safety subsectors, offset by a weaker performance in the Infrastructure & Asset Safety subsector. In the US, organic<sup>1</sup> growth was weaker due to customer project delays within the Fire Safety subsector. On a reported basis, revenue in the US declined, given the effect of the AAI disposal.

Adjusted<sup>1</sup> profit increased by 16.4% to £253.6m (2025: £217.9m) on a reported basis and increased by 13.1% on an organic basis. Adjusted<sup>1</sup> profit margin increased to 26.8% (2025: 24.2%) driven by continued strong revenue growth, favourable portfolio and product mix, good cost control and accretive acquisitions and disposals from continued portfolio management.

The sector continued to invest in opportunities to support future growth. R&D expenditure increased to £56.5m, representing 6.0% of revenue (2025: £50.4m; 5.6% of revenue), reflecting our continued focus on innovation and new product development. We also invested across our existing businesses to build capacity and scalability, including expanding facilities, adding machinery, increasing automation, and strengthening our talent base.

Two standalone acquisitions were completed during the year within the Fire Safety subsector. E2S, a UK-based manufacturer of high-performance notification, initiation and detection devices in highly hazardous environments, was acquired in December 2025 for a consideration of £226m<sup>2</sup>, representing our largest acquisition to date. Safetec, an Italian-based provider of integrated fire safety systems for industrial markets, was acquired in January 2026 for a consideration of €74m (£64m)<sup>2</sup>. Together, these acquisitions broaden our fire and gas safety portfolio, and strengthen our position in highly regulated, high-growth industrial markets.

Acquisitions had a positive effect of 2.7% on revenue and 3.6% on Adjusted<sup>1</sup> profit. The disposal of AAI in the year had a negative effect of 3.3% on revenue and a positive effect of 0.5% on Adjusted<sup>1</sup> profit. Currency exchange movements had a negative effect of 0.9% on revenue and 0.8% on Adjusted<sup>1</sup> profit.

<sup>1</sup> See alternative performance measures in note 3 of the Results. For sector profit before allocation of adjustments, see note 1 of the Results.

<sup>2</sup> The consideration is on a cash- and debt-free basis.

## Environmental & Analysis review

### What the sector does

Our Environmental & Analysis Sector companies provide high-technology solutions that monitor the environment, ensure the quality and availability of life-critical natural resources such as air, water and food, and enable customers to analyse, test and transmit critical data through advanced optical and photonic technologies. Their solutions support a wide range of applications from environmental monitoring and materials analysis to digital, data and communications infrastructure. These technologies are often technically differentiated by deep application knowledge, often assisted by digital expertise, specialised across different types of sensing from acoustic to optical or photonic expertise, and supported by high levels of customer responsiveness.

They serve a wide variety of end markets and customers. The sector benefits from a well-diversified customer base and broad exposure to multiple end markets including: water and waste water management and treatment, including for water utilities; gas analysis and detection; food, beverage, medical and bio-medical; digital, data and communications; aquaculture; research and science; inspection and maintenance of infrastructure in water, for example, dams and offshore wind turbines; and a variety of industrial markets.

### The sector's long-term growth drivers

The sector's long-term growth is driven by rising demand for life-critical resources, increasing challenges in the management of waste and pollution, and a growing need for data transfer and connectivity, also driving electrification and increasing grid and distributed power. Growth in these areas is underpinned by worldwide population growth, urbanisation and rising standards of living. In addition, the increasingly urgent need to address climate change is creating new opportunities in many of the sector's markets.

In turn, these trends are resulting in new policy initiatives and environmental regulations to manage these impacts, including plans to increase adaptation and resilience. They are also driving new regulatory initiatives to preserve life-critical resources and prevent environmental degradation.

The sector's growth is further underpinned by our ability to design, develop and manufacture innovative, high-technology detection, analysis and connectivity solutions which help our customers address these challenges. We see growing long-term opportunities for our companies to help their customers, for example, prevent emissions, detect leaks and analyse air and water quality, and to support new technologies to address issues such as renewable energy and storage, sustainable food systems and mobility in cities.

### Sector performance

The Environmental & Analysis Sector delivered very strong revenue growth. Revenue of £1,037.7m (2025: £776.6m) was 33.6% higher than in the prior year, and up 35.7% on an organic<sup>1</sup> basis. Excluding the one-off<sup>3</sup> from the Nuvonic transaction realised in the year, revenue increased by 32.3%, or 34.4% on an organic<sup>1</sup> basis.

The sector delivered very strong growth, driven by double-digit percentage growth in all subsectors, with a very strong performance in the Optical Solutions subsector. This was primarily driven by premium<sup>4</sup> growth in photonics.

There was strong organic<sup>1</sup> growth in both Environmental Monitoring & Measurement and Water Analysis & Treatment. The latter also benefited from a transaction for the sale of trademark licence and related manufacturing and distribution rights for certain Nuvonic products in China and other agreed southeastern Asian markets which resulted in one-off<sup>3</sup> revenue of £9.9m and profit of £9.3m. Organic<sup>1</sup> revenue growth in Environmental Monitoring & Measurement was driven by demand for gas detection solutions in the US, gas management solutions in Asia Pacific and broad-based growth in Mainland Europe, including in submersible technology for underwater inspection. Water Analysis & Treatment's performance benefited from growth in water infrastructure in the US and UK.

### Photonics premium growth

A growing need for data transfer and connectivity is supporting premium<sup>4</sup> growth within our photonics business. Increasing data volumes and the need for faster, more efficient data transmission are driving demand from a long-standing "hyperscaler" technology customer to support the development of its data centre capabilities.

While the relationship remains commercially confidential, it is characterised by close technical collaboration for over a decade in applying our customer's intellectual property alongside our own capabilities in the co-design and manufacture of multiple generations of optical switches. In 2026, this customer accounted for approximately half of the sector's revenue, or 20% of Group revenue (2025: 15%), representing a growth rate of 52% (2025: 37%).

### Further information on sector performance

By region, the US accounts for over 65% of the sector's revenue and reported the highest growth at 42.4%. This was driven by the premium<sup>4</sup> growth in photonics, and was also supported by strong growth in Environmental Monitoring & Measurement. There was strong organic<sup>1</sup> growth in Mainland Europe, led by Environmental Monitoring & Measurement, with reported revenue also benefiting from the acquisition of Brownline in the period. Organic<sup>1</sup> growth in the UK was good, led by water infrastructure within Water Analysis & Treatment, partly offset by weaker trends in Environmental Monitoring & Measurement. A strong organic<sup>1</sup> revenue performance in Asia (excluding the one-off<sup>3</sup> revenue from the Nuvonic transaction) was primarily driven by the growth in Environmental Monitoring & Measurement noted above.

Adjusted<sup>1</sup> profit grew by 35.1% to £250.6m (2025: £185.5m), and by 35.7% on an organic<sup>1</sup> basis. Adjusted<sup>1</sup> profit margin increased by 20 basis points to 24.1% (2025: 23.9%), reflecting the one-off<sup>3</sup> profit from the Nuvonic transaction. Excluding this one-off<sup>3</sup>, Adjusted<sup>1</sup> profit increased by 30.1% to £241.3m, and by 30.7% on an organic<sup>1</sup> basis, while the Adjusted<sup>1</sup> profit<sup>1</sup> margin decreased by 40bps to 23.5%.

R&D expenditure increased to £34.9m (2025: £28.4m). This represented 3.4% of revenue, lower than the 3.7% in 2025. The reduction in R&D as a percentage of sales reflects the premium<sup>4</sup> revenue growth in photonics, where development is part of the revenues we earn. R&D investment in other sector companies remained at a healthy level.

The sector made one acquisition in the year, of Brownline, a Netherlands-based provider of advanced gyroscopic locating systems used by Horizontal Directional Drilling contractors in trenchless underground drilling, for €146m (£127m)<sup>2</sup> as a standalone company. Following the period end, the sector made one further acquisition, of DCR Inspection Systems Ltd, a UK rental and service partner of drainage equipment, as a bolt-on for Minicam, for approximately £8m, and one disposal, of Labsphere, for approximately US\$39m (£29m), net of disposal costs.

Acquisitions (net of disposal) contributed 2.7% to revenue growth in the year, and 4.3% to Adjusted<sup>1</sup> profit. Currency exchange movements had a negative effect of 4.8% on revenue and 4.9% on Adjusted<sup>1</sup> profit.

<sup>1</sup> See alternative performance measures in note 3 of the Results. For sector profit before allocation of adjustments, see note 1 of the Results.

<sup>2</sup> The consideration is on a cash- and debt-free basis.

<sup>3</sup> On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic<sup>1</sup> revenue growth respectively and a 190bps increase in both reported and organic<sup>1</sup> Adjusted<sup>1</sup> EBIT growth.

<sup>4</sup> The photonics premium is determined as the incremental contribution to Group organic<sup>1</sup> revenue growth from the photonics business in excess of the Group's long-term organic<sup>1</sup> revenue growth rate of 7%.

## Healthcare review

### What the sector does

Our Healthcare Sector companies' advanced technologies and digital solutions help providers improve the care they deliver and enhance the quality of patients' lives. Their products and technologies are components, devices and systems critical to delivering the required standards of care for patients.

They operate in high-value niches, which include: eye health, supporting both diagnostics and surgical treatment; vital signs monitoring, including blood pressure, cardiac and respiration; minimally invasive surgical instruments to assist with interventional radiology and oncology; and retraction systems and electrosurgical devices for surgical procedures.

The sector has a strategic footprint in women's health with artificial intelligence (AI) based clinical decision support tools for childbirth and sample collection devices for cervical cancer screening.

Sector companies also supply sensor technologies to track healthcare facility assets, increase efficiency, and support patient and staff safety, and critical fluidic components for diagnostic and analytical instruments.

The sector supplies products and services for a diverse range of healthcare segments and settings, including ophthalmology, dentistry, orthopaedics, perinatal care and women's health, surgical intervention, diagnostics and analytics. Its customers range from individual healthcare professionals to large healthcare systems and medical device Original Equipment Manufacturers (OEMs).

In these Results, Healthcare Sector companies have been recategorised under three subsectors, to better align them with patients' journeys from prevention and diagnosis, to therapeutic treatment, with a third subsector focused on supporting healthcare providers to deliver better care.

### The sector's long-term growth drivers

The sector's long-term growth is supported by demographic trends, technological innovation leading to improvements in diagnosis and standards of care, health equity, and the need for increased efficiency given growing demands on healthcare systems.

Most countries in the world are experiencing growth in both the size of population and the proportion of older people. By 2030, the World Health Organization estimates that one in six people in the world will be aged 60 years or older. By 2050, the number of people in that age group is forecast to double to 2.1 billion and the number of people aged 80 years or older is expected to triple to over 400 million. This is expected to lead to an increased prevalence of chronic conditions, driving demand for diagnostics and treatment. These factors are key growth drivers for our Therapeutic Solutions businesses, given their presence in the respiratory therapy, interventional radiology, oncology and surgery markets.

Technological innovations are also driving growth, by increasing the capabilities of healthcare professionals to prevent, diagnose and treat conditions. The companies in our Discovery, Prevention & Diagnostics subsector contribute to improving standards of care and increasing efficiency by enabling better, earlier, faster and more cost effective diagnosis and treatment of patients. This in turn leverages the skills and availability of increasingly scarce healthcare staff. In addition, rising patient demand and workforce shortages have created substantial backlogs of patients, which are likely to persist for many years, driving an increasing need for efficiency. These factors are strong growth drivers for our Healthcare Enablement businesses.

Our businesses contribute to reducing healthcare inequity, in particular to helping close the women's health gap. Women spend 25% more of their lives in debilitating health than men due to lower effectiveness of, and investment in, treatments for women, poorer care delivery and lack of data<sup>1</sup>. Our company PeriGen provides AI-powered algorithms to prevent complications during childbirth, whilst Rovers provides sample collection devices for cervical cancer screening.

### Sector performance

The Healthcare Sector's performance reflected good execution by our companies against a background of continued broad-based recovery in healthcare end markets, which is supported by improving customer confidence. Revenue increased by 4.9% to £598.4m (2025: £570.4m). On an organic<sup>2</sup> basis, revenue was 6.3% higher in the year. This comprised 7.4% growth in the first half and, against a stronger comparative, 5.3% growth in the second half.

There were good levels of organic<sup>2</sup> revenue growth across all three subsectors. In Discovery, Prevention & Diagnostics,

this principally reflected strong momentum in vital signs monitoring and positive trends in ophthalmology diagnostics, together comprising the majority of companies in the subsector. This was partly offset by a slower recovery in Asia Pacific than in other markets.

There was broad-based organic<sup>2</sup> revenue growth in the Therapeutic Solutions subsector, which included strong momentum, notably in the US, in some respiratory device and surgical companies. Ophthalmology therapeutics in Europe, which had been weaker in the first half, saw an improved performance in the second half. Growth on a reported basis was also supported by a good contribution from the acquisition in the prior year of Lamidey Noury.

Good organic<sup>2</sup> revenue growth in Healthcare Enablement was driven by demand for communications and software systems to improve the efficiency of healthcare delivery in both the UK and North America.

Performance by geography included good organic<sup>2</sup> growth across all three subsectors in the sector's largest region, the US, and strength in the UK which was driven by Healthcare Enablement. There was modest growth in Mainland Europe on an organic<sup>2</sup> basis, with progress in Therapeutic Solutions and Healthcare Enablement partly offset by a modest decline in Discovery, Prevention & Diagnostics. Continued weakness in Asia Pacific was more than offset by very strong growth in other regions.

Adjusted<sup>2</sup> profit of £143.1m was 9.5% higher than in the prior year (2025: £130.6m), and 9.6% higher on an organic<sup>2</sup> basis. Adjusted<sup>2</sup> profit margin increased by 100 basis points to 23.9% (2025: 22.9%). This reflected the stronger revenue growth in the period, continued discipline on pricing and mix, and good control of overhead costs. R&D expenditure was £31.2m, representing 5.2% of revenue (2025: £29.7m; 5.2% of revenue), reflecting continued good levels of investment in new product development.

The sector made two acquisitions during the year. Altomed, a UK-based manufacturer and distributor of specialised ophthalmic instruments and consumables, was acquired in February 2026 for £29m, as a bolt-on for the Therapeutic Solutions company MST. In April 2025, we acquired Nu Perspectives, a cryogenic therapy device engineering company, as a bolt-on for ophthalmology diagnostics company Keeler, for £1m (both considerations given are on a cash- and debt-free basis). Since the year end, the sector has made one further acquisition, of Surgistar, a designer and manufacturer of ophthalmic surgical instruments and devices, for US\$90m (approximately £67m), as a bolt-on for MST, and, as part of the active management of its portfolio, has made one small disposal, of Cardios in Brazil, for R\$82m (approximately £12m), net of disposal costs.

Acquisitions (net of disposals) had a positive effect of 1.4% on revenue and 2.3% on Adjusted<sup>2</sup> profit. Currency exchange movements had a negative effect of 2.8% on revenue and 2.4% on Adjusted<sup>2</sup> profit.

1 Closing the Women's Health Gap, World Economic Forum insight report, January 2024.

2 See alternative performance measures in note 3 of the Results. For sector profit before allocation of adjustments, see note 1 of the Results.

## Risk management and principal risks

<b>01. Talent and Diversity</b>		
<p><b>Risk Owner:</b> Chief Talent, Culture and Communications Executive</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> High</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Open</p>	<p><b>Risk and impact</b> Not having the right talent and diversity at all levels of the organisation to deliver our strategy whilst embodying Halma’s cultural genes, resulting in reduced financial performance or reputational damage.</p> <p><b>Risk evolution</b> Inherent risk remains very high, reflecting the fundamental importance of attracting and retaining the right talent to our business model. Mitigating measures are in place and continue to reduce residual risk, which remains within the appetite level and is closely monitored across the Group.</p>	<p><b>How do we manage the risk?</b> Halma’s Cultural DNA and ethical principles are embedded through strong tone from the top, leadership frameworks, performance reviews and clear escalation protocols for breaches. Culture is monitored through employee engagement surveys, workplace concerns and whistleblowing insights, with oversight and challenge from DCEs, sector boards and the Executive Board. Red flags are actively reviewed, and corrective actions are taken where required.</p> <p>A structured Group-wide talent management framework supports delivery of Halma’s strategy and operating model. This covers talent planning, attraction and selection, development, performance management, reward, retention and succession planning for MDs, sector, Group and Executive leadership. Leadership capability is assessed against defined competency and potential models aligned to Halma’s Cultural DNA and technical requirements, supported by continuous monitoring and evidence-based insights.</p> <p>Robust recruitment and development processes are in place, including the Catalyst graduate programme.</p> <p>Talent needs and succession pipelines are reviewed annually at sector and Group level and by the Nomination Committee for Executive Board members. Senior management reward structures are aligned with companies, sectors, and Group strategic priorities, including DEI targets.</p>
<b>02. Innovation</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> High</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Open</p>	<p><b>Risk and impact</b> Inability to provide new high-quality solutions or to innovate our business models to meet customer needs whilst capturing digital and sustainability growth opportunities, resulting in a loss of market share and poor financial performance.</p> <p><b>Risk evolution</b> Risk remains consistent with the prior year at both inherent and residual levels. Opportunities to innovate are continuously monitored, assessed and acted upon by our companies as part of their strategies. Following the streamlining of our risk appetite categories, the risk appetite for this risk was formally reclassified from “seeking” to “open” to better reflect the existing management approach.</p>	<p><b>How do we manage the risk?</b> Companies operate with autonomy, staying close to customers to identify needs and pursue innovation. Product development and innovation sit with companies, supported by sector guidance.</p> <p>Companies’ boards define and review business strategies with DCE and sector oversight. Strategies are regularly challenged to maintain niche-focused growth and resilience through balance between new product development and continuous innovation.</p> <p>Ongoing R&amp;D investment is tracked via Board-level KPIs. Sectors review R&amp;D budgets and project pipelines through structured processes, including capitalised development costs (CDCs) stage gate reviews. IP is protected where it adds value.</p> <p>Sector-led M&amp;As support innovation and R&amp;D. Lessons from past performance guide decisions, with a focus on niche clarity and risk mitigation through portfolio diversity.</p> <p>Focus on attracting and retaining talent to drive innovation, IP protection, and niche leadership, including strategic marketing expertise.</p>

<b>03. Economic and Geopolitical Uncertainty</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Medium</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Cautious</p>	<p><b>Risk and impact</b> Failure to anticipate or adapt to macroeconomic and geopolitical changes, resulting in a decline in financial performance and/or an impact on the carrying value of goodwill and other assets.</p> <p><b>Risk evolution</b> During the year, the macroeconomic environment remained challenging, marked by ongoing geopolitical complexities and rapid change in trade policies. Halma has very limited direct exposure to regions with high geopolitical risk. Its companies, operations and supply chains are geographically diversified, supporting resilience to macroeconomic changes through the Group's agile model and balanced portfolio.</p>	<p><b>How do we manage the risk?</b> The diverse portfolio of companies across the sectors, in multiple countries and in relatively non-cyclical global niche markets with long-term growth drivers, helps to minimise the impact of any single event.</p> <p>Monitoring mechanisms are established at Group, sector and company levels, including:</p> <ul style="list-style-type: none"> <li>• Regular monitoring and assessment of emerging trends and potential risks and opportunities relating to economic or geopolitical uncertainties.</li> <li>• Monitoring of end market exposure and changes in key end markets due to macroeconomic factors.</li> <li>• Review of financial KPIs for early warning signs, with half-yearly assessments of goodwill and asset valuations.</li> </ul> <p>In line with Halma's model, the risk is managed at the local company level through decentralised decision-making and autonomy to rapidly adjust to changing circumstances. Accordingly, strategies are evolved to ensure they remain relevant and responsive to changing market conditions, enabling agility in adapting to both challenges and opportunities.</p> <p>The Group provides continuous support to company boards and Divisional Chief Executives (DCEs) to navigate geopolitical changes. At a sector level, macroeconomic and geopolitical considerations are embedded in portfolio decisions.</p>
<b>04. Cyber and IT Interruption</b>		
<p><b>Risk Owner:</b> Chief Technology Officer</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Medium</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> Inability to operate IT systems or connected devices due to internal or third-party failure, or cyber-attack, resulting in business interruption, loss of information, and/or financial and reputational damage.</p> <p><b>Risk evolution</b> The inherent risk level remains very high due to the continuously evolving landscape of external cyber threats. However, it is mitigated to a medium level, in line with the prior year, through the continuous delivery of enhancements in the control framework and the Group cybersecurity posture.</p>	<p><b>How do we manage the risk?</b> A Group-wide Cyber &amp; Data Governance policy framework is in place and evolved accordingly with the evolving external landscape.</p> <p>The framework is regularly reviewed, and includes cyber risk policies, procedures and guidance. Companies are required to comply with the Group policies and complete regular online IT awareness training. Deviations are identified, reported and investigated with appropriate corrective actions taken where necessary. Central and local IT teams maintain and share up-to-date technical knowledge to support ongoing resilience.</p> <p>Companies confirm the effectiveness of their most critical IT controls annually and these controls are periodically and independently tested by the Internal Audit &amp; Assurance team.</p> <p>Centrally managed critical cybersecurity services and Halma's cyber posture are kept updated as needed to match the evolving cyber threat landscape and manage the information security and data integrity risk across the organisation.</p> <p>The Chief Technology Officer provides regular updates to the Board and Audit Committee on key risks and developments in the Group's IT and cyber risk approach. Halma's Technology team provides several critical services that are mandated, centrally procured and managed to mitigate cyber risk across the Group. These include endpoint and identity protection, firewalls, attack surface management, email scanning, penetration testing, vulnerability management, and a 24x7 security operation centre to monitor and respond to cyber incidents. Group-wide Incident Management and Crisis Plans are in place, with access to global external cyber expertise should an attack occur.</p>

<b>05. Acquisitions and Portfolio Management</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Medium</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Open</p>	<p><b>Risk and impact</b> Failing to achieve our strategic growth and returns targets for acquisitions, or to reassess and align the portfolio with evolving strategic priorities, resulting in erosion of shareholder value.</p> <p><b>Risk evolution</b> No significant changes in risk factors have been identified at both inherent and residual risk levels during the year. Halma's inorganic strategy continues to be focused on the long-term time horizon and targets not-for-sale businesses. We continue to invest in our internal processes and capabilities, which result in increased effectiveness in managing the acquisition process.</p>	<p><b>How do we manage the risk?</b> Acquisitions are a core pillar of Halma's growth strategy; hence the Group has a clear strategy that allows us to take advantage of new growth opportunities through the acquisition of companies in our existing or adjacent markets. We pursue acquisitions of niche innovators with long-term growth potential and strong alignment with Halma's values and purpose. Our portfolio management approach ensures continued strategic fit and diversification across our businesses.</p> <p>DCEs are accountable for the full acquisition lifecycle and supported by sector M&amp;A directors. Their deep market expertise, combined with internal and external insights, builds a high-quality acquisition funnel. Talent is incentivised across both organic and inorganic growth, reinforcing our agile and values-led culture.</p> <p>Our risk-based M&amp;A process includes thorough due diligence, standardised tools, and structured integration plans focused on innovation and value creation. We embed continuous improvement through a lesson learned framework, including post-acquisition reviews and regular cross-sector sharing. The Executive Board is engaged on thematic insights and strategic outcomes.</p>
<b>06. Production Interruption</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> High</p> <p><b>Residual risk level:</b> Medium</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> Inability to produce, causing financial loss and reputational damage. This risk includes disruptions to our own production operations and supply chains due to both climate-related (eg natural catastrophe) and non-climate-related causes (eg power outage, logistic failures).</p> <p><b>Risk evolution</b> Notwithstanding ongoing external uncertainties, Halma's diversified portfolio across geographies and markets continues to mitigate exposure to single-event production disruptions and supports operational resilience; accordingly, the residual production interruption risk remains at a medium level, unchanged from the prior year.</p>	<p><b>How do we manage the risk?</b> Halma's diversified portfolio, combined with its companies operating across varied geographies and markets, reduces exposure to single-event impacts and supports resilience against production interruptions, whether driven by climate-related risks or other disruptive events, such as supply chain disruptions. The agility of our companies, together with the capabilities of our talent, enables proactive management of production and supply chain risks, allowing them to respond swiftly and effectively to evolving challenges.</p> <p>Companies are required to maintain and periodically test business continuity and disaster recovery plans, tailored to their specific risk profiles. Where needed, manufacturing capabilities across the Group can be leveraged to support affected businesses. The Group also maintains crisis communication protocols and property and business interruption insurance to help mitigate potential impacts. Climate-related risks and opportunities are reviewed through established governance processes, and we continue to support our companies in strengthening supply chain resilience.</p>

<b>07. Organic Growth</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Low</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Open</p>	<p><b>Risk and impact</b> Failing to deliver desired organic growth, resulting in missed expected strategic growth targets and erosion of shareholder value.</p> <p><b>Risk evolution</b> While there may be some variability in the achievement of organic growth targets across individual companies, the Group's diversified portfolio and proactive portfolio management continue to mitigate this risk, maintaining it at a low residual level.</p>	<p><b>How do we manage the risk?</b> Halma has a clear Group strategy to drive growth through the organic expansion of its companies, supported by the sector boards and in line with the Halma DNA.</p> <p>Companies focus on building agile business models and fostering a culture of innovation to capture new growth opportunities in their markets. Their strategies are reviewed and challenged by sector boards to ensure alignment with market opportunities, long-term growth drivers, Group priorities and organic growth targets.</p> <p>Sector management ensures that the Group strategy is fulfilled through ongoing review and chairing of companies. Regional hubs, such as those in China and India, support local growth initiatives.</p> <p>At Group level, the annual strategic plan, budget and monthly forecast provide visibility into the delivery of the organic growth strategy, enabling financial discipline, performance monitoring and portfolio management.</p> <p>Talent management remains a key enabler of successful execution. Remuneration of companies' board directors and above is aligned with adjusted profit growth to reinforce this objective.</p>
<b>08. Non-compliance with Laws and Regulations</b>		
<p><b>Risk Owner:</b> Group General Counsel</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Low</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> Failing to comply with relevant laws and regulations, resulting in fines, reputational damage and possible criminal liability for Halma senior management.</p> <p>Relevant laws include, but are not limited to, Anti-Bribery &amp; Corruption, Sanctions and Export Controls, Data Protection, Competition, Environmental and Health &amp; Safety.</p> <p><b>Risk evolution</b> No significant changes in risk factors have been identified at both inherent and residual risk levels during the year. We continuously challenge, review and enhance our legal compliance framework and the processes across the Group, which ensure these are effective whilst we continue to closely monitor the developments of any emerging regulations.</p>	<p><b>How do we manage the risk?</b> A comprehensive legal compliance framework is in place and regularly reviewed.</p> <p>It includes the Halma Code of Conduct, Group policies, guidance and mandatory training, outlining our compliance and regulatory expectations and providing resources and support to facilitate compliance.</p> <p>All employees are required to confirm they have read and understood the Code of Conduct. A whistleblowing hotline is available to employees and third parties, with all reports independently investigated.</p> <p>The Group Legal &amp; Compliance team advises on legal and regulatory developments relevant to Halma as a listed company. Together with external legal advisers, they support sectors and companies in managing legal compliance risks, including during due diligence.</p> <p>Companies certify the effectiveness of key legal compliance controls annually and these controls are periodically and independently tested by the Internal Audit &amp; Assurance team.</p> <p>Each company's board is responsible for complying with relevant laws and managing legal risks, including emerging legislation. Regular updates on compliance insights and process effectiveness are provided to the Executive Board, Audit Committee and Board.</p> <p>Legal claims and litigation risks are regularly reviewed and any significant matter reported to the Executive Board and Board. Appropriate Group insurance coverage is maintained, and a crisis management plan is in place to manage reputational risk.</p>

<b>09. Business Model and its Communication</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> High</p> <p><b>Residual risk level:</b> Low</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Cautious</p>	<p><b>Risk and impact</b> Failing to adapt or clearly articulate Halma’s Sustainable Growth Model as companies grow through exploring and implementing additional or new business models, resulting in missed growth opportunities and erosion of shareholder value.</p> <p><b>Risk evolution</b> Although Halma’s Sustainable Growth Model is constantly challenged and fine-tuned to ensure that it enables the companies to grow, these evolutions are consistent and preserve the fundamental pillars of our model. The inherent and residual risk levels remain in line with the prior year.</p>	<p><b>How do we manage the risk?</b> The Halma Sustainable Growth Model is at the core of the Group strategy and a key success factor underpinning the Group’s ability to deliver returns for its stakeholders.</p> <p>Our scalable organisational model is supported by a decentralised structure that empowers our companies to deliver our purpose with clearly defined roles and responsibilities.</p> <p>Companies’ directors have legal and operational responsibilities as they are statutory directors of their companies. This reinforces local accountability within Halma’s decentralised model.</p> <p>The DCEs, as chairs of the companies, monitor, challenge and support the companies to deliver their strategies, in line with Halma’s Sustainable Growth Model.</p> <p>The sector and Executive Boards regularly review the model to identify opportunities that may require new or evolved organisational approaches. These reviews are informed by past experience and driven by a commitment to continuous innovation and scalable growth in a changing global environment.</p> <p>The Board also conducts periodic strategic reviews to assess the model’s strengths and weaknesses and determine whether adjustments are needed.</p> <p>A clear communication strategy ensures the business model is well understood both internally and externally.</p> <p>This is also informed by regular assessment by the Executive Board supported by high-quality advisers. Regular updates are shared across Group, sector and company boards throughout the year, and the model is embedded in recruitment and onboarding processes. This consistent communication supports the successful execution of Halma’s sustainable growth strategy.</p>
<b>10. Product Failure or Non-compliance</b>		
<p><b>Risk Owner:</b> Group Chief Executive</p> <p><b>Inherent risk level:</b> High</p> <p><b>Residual risk level:</b> Low</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> A failure in one of our products, including due to non-compliance with product regulations, may result in severe injuries, death, financial loss or reputational damage, which might be amplified in cases of large contracts.</p> <p><b>Risk evolution</b> No significant changes in risk factors have been identified at both inherent and residual risk levels during the year. Key quality and compliance requirements continue to be closely monitored by our companies. Product quality controls and oversight controls significantly reduce the likelihood of a high-impact product-related issue.</p>	<p><b>How do we manage the risk?</b> Our companies design, manufacture and assemble a diverse range of products across multiple geographies and end markets. As experts in their fields, they are responsible for ensuring compliance with all applicable product safety and quality standards, certifications and accreditations.</p> <p>To meet high-quality expectations, Halma companies implement tailored control frameworks that may include:</p> <ul style="list-style-type: none"> <li>• Rigorous product development and testing procedures.</li> <li>• Clear requirements for suppliers to ensure safety and quality.</li> <li>• Incoming product quality checks.</li> <li>• Monitoring of defects and warranty returns.</li> <li>• Product traceability systems.</li> <li>• ISO 9001 certification, where applicable.</li> <li>• Quality and compliance assessments during acquisition due diligence.</li> <li>• Ensuring employees are appropriately trained in quality-related skills.</li> </ul> <p>Sector boards have oversight over product compliance, issue reporting and escalation processes.</p> <p>Furthermore, potential liabilities are limited as much as possible through terms and conditions of sale and liability insurance cover.</p>

<b>11. Liquidity</b>		
<p><b>Risk Owner:</b> Chief Financial Officer</p> <p><b>Inherent risk level:</b> Very high</p> <p><b>Residual risk level:</b> Very low</p> <p><b>Residual risk change:</b> – Decreased</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> Inadequacy of the Group’s cash/funding resources to support its activities or there is a breach of funding terms.</p> <p><b>Risk evolution</b> The residual risk was reassessed from low to very low, based on the current level of liquidity and leverage, our ability to access additional liquidity if necessary, and the strength of Halma’s cash-generation model.</p>	<p><b>How do we manage the risk?</b> A clear liquidity management strategy is a core pillar of the Halma financial model. The strong cash flow generated by the Group provides financial flexibility, together with a Revolving Credit Facility.</p> <p>Treasury policy and procedures provide comprehensive guidance to the Group and companies on banking and transactions, including required approvals for drawdowns and all new or renewed sources of funding.</p> <p>Cash needs and the Group’s cash position are monitored regularly through monthly forecast reviews, a semi-annual review of the three-year liquidity forecast and forecast covenant compliance.</p> <p>The currency mix of debt is reviewed annually, and on acquiring or disposing of a business.</p>
<b>12. Financial and Reporting Controls</b>		
<p><b>Risk Owner:</b> Chief Financial Officer</p> <p><b>Inherent risk level:</b> High</p> <p><b>Residual risk level:</b> Very low</p> <p><b>Residual risk change:</b> = No change</p> <p><b>Risk appetite:</b> Averse</p>	<p><b>Risk and impact</b> Failure in financial and reporting controls either on its own or via a fraud which takes advantage of a weakness, resulting in financial loss and/or misstated reported results.</p> <p><b>Risk evolution</b> The inherent and residual risk levels remain consistent with the prior year.</p>	<p><b>How do we manage the risk?</b> Group policies, procedures and guidance set out the Group’s requirements for both financial and reporting controls. Ongoing training to finance personnel, including the finance teams of newly acquired companies, on Halma’s policies and its financial and reporting control framework is provided.</p> <p>Each company confirms the effectiveness of its most critical financial and reporting controls annually and these controls are periodically and independently tested by the Internal Audit &amp; Assurance team.</p> <p>Sector and Group finance teams carry out regular reviews of financial reporting and related outputs. Peer reviews of reported results provide an independent challenge and support greater consistency and rigour in reporting across the Group.</p> <p>A strong process to assess and review the Group’s judgements and estimates ensures that half-year and full-year results align with relevant accounting standards.</p> <p>A robust accounting consolidation process is in place at the Group level to ensure the consolidation is free from material errors or omissions.</p> <p>External disclosures are prepared based on internal information validated by the respective owner and supported by appropriate internal documentation. Material external disclosures go through a structured review process involving relevant subject matter experts, business owners and external auditors (if required), and are approved prior to release.</p>

## Going concern statement

The Group's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the Group as at 31 March 2026, its cash flows, liquidity position and borrowing facilities are set out in the Strategic Report.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered all of the above factors, including potential scenarios and its principal risks set out above. Under the potential scenarios considered, which includes a severe but plausible downside scenario, the Group remains within its debt facilities and the attached financial covenants for the foreseeable future and the Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

The Group's financial position remains robust with committed facilities at the balance sheet date totalling approximately £1,231m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2026 amounts to £428m. The financial covenants across the facilities are for leverage (net debt/adjusted EBITDA) of not more than three and a half times and for adjusted interest cover of not less than four times.

The base case scenario has been prepared using forecasts from each of our companies as well as expectations of cash outflows on acquisitions. In addition, a severe but plausible downside scenario has been modelled showing a decline in trading for the period ending 30 June 2027, as well as other potential adverse impacts such as a one-off legal event and deterioration in working capital position. The reduction in trading could be caused by another pandemic or other geopolitical crises, or continued macroeconomic volatility such as the recent US tariffs, leading to further inflation and interest rate increases. In mitigating the impacts of the downside scenario there are actions that can be taken which are entirely discretionary to the business such as further reducing acquisition spend and decreasing the dividend growth rates. In addition, the Group has demonstrated strong resilience and flexibility to manage its overheads and adapt the supply chain during recent global economic uncertainty.

Neither the base case nor the severe but plausible downside scenarios result in a breach of the Group's available debt facilities or the attached covenants and, accordingly, the Directors believe there is no material uncertainty in the use of the going concern assumption and, therefore, deem it appropriate to continue to adopt the going concern basis of accounting for at least the next 12-month period.

## Viability statement

During the year, the Board carried out a robust assessment of the principal risks affecting the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties, including an analysis of the potential impact and mitigating actions, are set above.

The Board has assessed the viability of the Group over a three-year period, taking into account the Group's current position and the potential impact of the principal risks and uncertainties. While the Board has no reason to believe that the Group will not be viable over a longer period, it has determined that three years is an appropriate period. In drawing its conclusion, the Board has aligned the period of viability assessment with the Group's strategic planning process (a three-year period).

The Board believes that this approach provides greater certainty over forecasting and, therefore, increases reliability in the modelling and stress testing of the Company's viability. In addition, a three-year horizon is typically the period over which we review our external bank facilities, and is also the performance-based period over which awards granted under Halma's share-based incentive plan are measured.

In making their assessment, the Board carried out a comprehensive exercise of financial modelling and stress-tested the model with four downside scenarios based on the principal risks identified in the Group's annual risk assessment process.

The scenarios modelled used the same assumptions as for the going concern review for the years ending 31 March 2027 and 31 March 2028 with further assumptions applied for the year ending 31 March 2029. The

base case reflects the latest forecasts and strategic plans of the Group. The Group's RCF will be subject to renewal within this period and has been assumed to renew on broadly the same terms as currently in place.

Four downside scenarios were considered when assessing the Group's viability over the three-year period:

**Scenario 1:** Macroeconomic downturn caused by global geopolitical events resulting in a 5% reduction in revenue and 10% increase in overheads for the first 12 months of the viability period and reduced growth in the subsequent years.

**Link to principal risks:**

Risk 1: Talent and Diversity;  
Risk 2: Innovation;  
Risk 3: Economic and Geopolitical Uncertainty;  
Risk 5: Acquisitions and Portfolio Management;  
Risk 7: Organic Growth;  
Risk 9: Business Model and its Communication; and  
Risk 11: Liquidity.

**Scenario 2:** Supply chain or production issue preventing a key operating company from producing for 12 months resulting in a negative margin impact of £21m.

**Link to principal risks:**

Risk 6: Production Interruption.

**Scenario 3:** Product failure, non-compliance or cyber event leading to a one-off £30m charge in the year ending 31 March 2027.

**Link to principal risks:**

Risk 4: Cyber and IT Interruption;  
Risk 8: Non-compliance with Laws and Regulations;  
Risk 10: Product Failure or Non-compliance; and  
Risk 11: Liquidity.

**Scenario 4:** This scenario combines the impact of scenarios 1 and 3 as well as worsening working capital and increased cash requirements to reflect increased liquidity requirements to meet challenging conditions.

**Link to principal risks:**

Risk 1: Talent and Diversity;  
Risk 2: Innovation;  
Risk 3: Economic and Geopolitical Uncertainty;  
Risk 4: Cyber and IT Interruption;  
Risk 5: Acquisitions and Portfolio Management;  
Risk 7: Organic Growth;  
Risk 8: Non-compliance with Laws and Regulations;  
Risk 9: Business Model and its Communication;  
Risk 10: Product Failure or Non-compliance; and  
Risk 11: Liquidity.

**In reviewing the Company's viability, the Board has identified the following factors which it believes supports its assessment:**

1. The Group operates in diverse and relatively non-cyclical markets.
2. There is considerable financial capacity under current facilities and the ability to raise further funds if required and renew current facilities on broadly the same terms.
3. The decentralised nature of our Group ensures that risk is spread across our businesses and sectors, with limited exposure to any particular industry, market, geography, customer or supplier.
4. There is a strong culture of local responsibility and accountability with a robust governance and control framework.
5. An ethical approach to business is set from the top and flows throughout our business.

Under all scenarios considered, the Group remains within its debt facilities and the attached covenants and, accordingly, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 March 2029.

#### **Responsibility Statement of the Directors on the Annual Report and Accounts 2026**

The responsibility statement below has been prepared in connection with the Company's full Annual Report and Accounts for the year to 31 March 2026. Certain parts thereof are not included within these Results.

Each of the Directors, whose names and functions are listed in the Annual Report and Accounts 2026 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report and the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

This responsibility statement was approved by the Board of Directors on 11 June 2026.

**Marc Ronchetti**  
Group Chief Executive

**Carole Cran**  
Chief Financial Officer

## Results for the year to 31 March 2026

### Consolidated Income Statement

	Notes	Year ended 31 March 2026			Year ended 31 March 2025		
		Adjusted* £m	Adjustments* (note 1) £m	Total £m	Adjusted* £m	Adjustments* (note 1) £m	Total £m
<b>Continuing operations</b>							
<b>Revenue</b>	1	<b>2,582.3</b>	–	<b>2,582.3</b>	2,248.1	–	2,248.1
<b>Operating profit</b>		<b>593.4</b>	<b>(67.6)</b>	<b>525.8</b>	486.6	(77.1)	409.5
Share of profit/(loss) of associate		1.1	–	1.1	(0.3)	(1.0)	(1.3)
(Loss)/profit on disposal of operations	9	–	<b>(6.2)</b>	<b>(6.2)</b>	–	3.0	3.0
<b>Profit before interest and taxation</b>		<b>594.5</b>	<b>(73.8)</b>	<b>520.7</b>	486.3	(75.1)	411.2
Finance income	4	6.0	–	6.0	6.4	–	6.4
Finance expense	5	<b>(36.0)</b>	–	<b>(36.0)</b>	(33.3)	–	(33.3)
<b>Profit before taxation</b>		<b>564.5</b>	<b>(73.8)</b>	<b>490.7</b>	459.4	(75.1)	384.3
Taxation	6	<b>(133.8)</b>	<b>15.4</b>	<b>(118.4)</b>	(103.6)	15.7	(87.9)
<b>Profit for the year</b>	1	<b>430.7</b>	<b>(58.4)</b>	<b>372.3</b>	355.8	(59.4)	296.4
<b>Attributable to:</b>							
Owners of the parent				<b>372.3</b>			296.4
Non-controlling interests				–			–
<b>Earnings per share</b>							
<b>From continuing operations</b>							
Basic	2	<b>114.05p</b>		<b>98.57p</b>	94.23p		78.49p
Diluted				<b>98.17p</b>			78.14p
<b>Dividends in respect of the year</b>							
Paid and proposed (£m)	7			<b>93.4</b>			87.3
Paid and proposed per share				<b>24.74p</b>			23.12p

\* Adjustments include, where applicable, the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates; and the associated taxation thereon. Note 3 provides more information on alternative performance measures.

## Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Profit for the year</b>		<b>372.3</b>	296.4
<b>Items that will not be reclassified subsequently to the Consolidated Income Statement:</b>			
Actuarial losses on defined benefit pension plans		–	(30.0)
Tax relating to components of other comprehensive income that will not be reclassified	6	–	7.4
Unrealised losses in the fair value of equity investments at fair value through other comprehensive income		<b>(6.7)</b>	(6.0)
<b>Items that may be reclassified subsequently to the Consolidated Income Statement:</b>			
Effective portion of gains in fair value of cash flow hedges		<b>(0.9)</b>	1.7
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	6	<b>0.2</b>	(0.1)
Exchange gain/(loss) on translation of foreign operations and net investment hedge		<b>3.6</b>	(36.7)
Exchange gain on translation of foreign operations recycled to income statement on disposal	9	<b>(3.8)</b>	(1.1)
Other comprehensive expense for the year		<b>(7.6)</b>	(64.8)
<b>Total comprehensive income for the year</b>		<b>364.7</b>	231.6
<b>Attributable to:</b>			
Owners of the parent		<b>364.7</b>	231.6
Non-controlling interests		–	–

The exchange gains of £3.6m (2025: losses of £36.7m) includes losses of £19.1m (2025: gains of £11.3m) which relate to net investment hedges.

## Consolidated Balance Sheet

	Notes	31 March 2026 £m	31 March 2025 £m
<b>Non-current assets</b>			
Goodwill		1,509.0	1,263.3
Other intangible assets		745.1	576.0
Property, plant and equipment		310.3	283.2
Interest in associates and other investments		21.4	12.5
Retirement benefit asset		3.0	4.0
Deferred tax assets		4.3	4.4
		<b>2,593.1</b>	<b>2,143.4</b>
<b>Current assets</b>			
Inventories		322.2	300.3
Trade and other receivables		601.0	485.9
Tax receivable		30.1	14.7
Cash and bank balances		143.4	313.2
Derivative financial instruments		0.9	1.1
Assets held for sale	12	22.0	–
		<b>1,119.6</b>	<b>1,115.2</b>
<b>Total assets</b>		<b>3,712.7</b>	<b>3,258.6</b>
<b>Current liabilities</b>			
Trade and other payables		396.9	343.3
Borrowings		48.9	35.6
Lease liabilities		25.2	23.1
Provisions		30.0	44.5
Tax liabilities		16.1	10.5
Derivative financial instruments		1.2	0.8
Liabilities held for sale	12	4.1	–
		<b>522.4</b>	<b>457.8</b>
<b>Net current assets</b>		<b>597.2</b>	<b>657.4</b>
<b>Non-current liabilities</b>			
Borrowings		756.7	703.8
Lease liabilities		82.6	86.5
Retirement benefit obligations		1.1	2.0
Trade and other payables		24.6	24.5
Provisions		13.3	11.2
Deferred tax liabilities		144.0	73.4
		<b>1,022.3</b>	<b>901.4</b>
<b>Total liabilities</b>		<b>1,544.7</b>	<b>1,359.2</b>
<b>Net assets</b>		<b>2,168.0</b>	<b>1,899.4</b>
<b>Equity</b>			
Share capital		38.0	38.0
Share premium account		23.6	23.6
Own shares		(55.9)	(46.9)
Capital redemption reserve		0.2	0.2
Hedging reserve		(0.4)	0.3
Translation reserve		88.3	88.5
Other reserves		(3.4)	3.3
Retained earnings		2,077.6	1,792.4
<b>Equity attributable to owners of the parent</b>		<b>2,168.0</b>	<b>1,899.4</b>
Non-controlling interests		–	–
<b>Total equity</b>		<b>2,168.0</b>	<b>1,899.4</b>

The financial statements of Halma plc, company number 00040932, were approved by the Board of Directors on 11 June 2026.

**Marc Ronchetti**  
Director

**Carole Cran**  
Director

## Consolidated Statement of Changes in Equity

	Share capital £m	Share premium account £m	Own shares £m	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Non-controlling interest £m	Total £m
<b>At 1 April 2025</b>	<b>38.0</b>	<b>23.6</b>	<b>(46.9)</b>	<b>0.2</b>	<b>0.3</b>	<b>88.5</b>	<b>3.3</b>	<b>1,792.4</b>	<b>-</b>	<b>1,899.4</b>
Profit for the year	-	-	-	-	-	-	-	372.3	-	372.3
Other comprehensive expense	-	-	-	-	(0.7)	(0.2)	(6.7)	-	-	(7.6)
Total comprehensive income and expense	-	-	-	-	(0.7)	(0.2)	(6.7)	372.3	-	364.7
Dividends paid	-	-	-	-	-	-	-	(89.7)	-	(89.7)
Share-based payment charge	-	-	-	-	-	-	-	26.5	-	26.5
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	3.3	-	3.3
Excess tax deductions related to share-based payments on vested awards	-	-	-	-	-	-	-	2.8	-	2.8
Purchase of own shares	-	-	(31.5)	-	-	-	-	(2.0)	-	(33.5)
Performance share plan awards vested	-	-	22.5	-	-	-	-	(28.0)	-	(5.5)
<b>At 31 March 2026</b>	<b>38.0</b>	<b>23.6</b>	<b>(55.9)</b>	<b>0.2</b>	<b>(0.4)</b>	<b>88.3</b>	<b>(3.4)</b>	<b>2,077.6</b>	<b>-</b>	<b>2,168.0</b>

	Share capital £m	Share premium account £m	Own shares £m	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Non-controlling interest £m	Total £m
At 1 April 2024	38.0	23.6	(58.0)	0.2	(1.3)	126.3	3.2	1,604.5	-	1,736.5
Profit for the year	-	-	-	-	-	-	-	296.4	-	296.4
Other comprehensive income and expense	-	-	-	-	1.6	(37.8)	(6.0)	(22.6)	-	(64.8)
Total comprehensive income and expense	-	-	-	-	1.6	(37.8)	(6.0)	273.8	-	231.6
Dividends paid	-	-	-	-	-	-	-	(83.8)	-	(83.8)
Share-based payment charge	-	-	-	-	-	-	-	24.8	-	24.8
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	0.8	-	0.8
Excess tax deductions related to share-based payments on vested awards	-	-	-	-	-	-	-	0.9	-	0.9
Purchase of own shares	-	-	(6.3)	-	-	-	-	(1.6)	-	(7.9)
Performance share plan awards vested	-	-	17.4	-	-	-	-	(20.9)	-	(3.5)
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	6.1	(6.1)	-	-
At 31 March 2025	38.0	23.6	(46.9)	0.2	0.3	88.5	3.3	1,792.4	-	1,899.4

Own shares are ordinary shares in Halma plc purchased by the Company and held to fulfil the Company's obligations under the Group's share plans.

The market value of own shares was £74.8m (2025: £50.2m).

The Capital redemption reserve was created on repurchase and cancellation of the Company's own shares. The Hedging reserve is used to record the portion of the cumulative net change in fair value of cash flow hedging instruments net of tax that are deemed to be an effective hedge.

The Translation reserve is used to record the difference arising from the retranslation of the financial statements of foreign operations, offset by net investment hedges with a carrying value of £28.4m (2025: £9.3m). The Other reserves represent the cumulative fair value adjustments on equity instruments held at fair value through other comprehensive income.

## Consolidated Cash Flow Statement

	Notes	31 March 2026 £m	31 March 2025 £m
<b>Net cash inflow from operating activities</b>	10	<b>480.6</b>	492.4
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment – owned assets		<b>(54.9)</b>	(43.8)
Purchase of computer software		<b>(1.0)</b>	(1.1)
Purchase of other intangibles		<b>(0.3)</b>	(0.7)
Proceeds from sale of property, plant and equipment and capitalised development costs		<b>1.2</b>	0.9
Development costs capitalised		<b>(14.8)</b>	(13.8)
Interest received		<b>5.8</b>	4.9
Acquisition of businesses, net of cash acquired	8	<b>(428.7)</b>	(116.2)
Disposal of business, net of cash disposed	9	<b>6.9</b>	5.9
Purchase of equity investments and associates		<b>(13.1)</b>	–
Net cash used in investing activities		<b>(498.9)</b>	(163.9)
<b>Cash flows from financing activities</b>			
Dividends paid		<b>(89.7)</b>	(83.8)
Purchase of shares for settlement of employee share arrangements		<b>(33.5)</b>	(7.9)
Interest paid		<b>(32.6)</b>	(28.9)
Loan arrangement fees		–	(1.4)
Proceeds from bank borrowings	10	<b>345.6</b>	38.9
Repayment of bank borrowings	10	<b>(264.4)</b>	(337.0)
Repayment of acquired debt on acquisition	10	<b>(19.0)</b>	(46.6)
(Repayment)/drawdown of loan notes	10	<b>(35.1)</b>	335.8
Repayment of lease liabilities, net of interest		<b>(25.0)</b>	(24.2)
Net cash used in financing activities		<b>(153.7)</b>	(155.1)
(Decrease)/increase in cash and cash equivalents	10	<b>(172.0)</b>	173.4
Cash and cash equivalents brought forward		<b>312.7</b>	142.4
Exchange adjustments		<b>2.7</b>	(3.1)
<b>Cash and cash equivalents carried forward</b>	10	<b>143.4</b>	312.7

	Notes	31 March 2026 £m	31 March 2025 £m
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash and cash equivalents		<b>(172.0)</b>	173.4
Net cash (inflow)/outflow from bank borrowings and loan notes	10	<b>(27.1)</b>	8.9
Net debt acquired	10	<b>(19.0)</b>	(46.7)
Lease liabilities additions and accretion of interest		<b>(16.8)</b>	(54.1)
Lease liabilities acquired net of disposal		<b>(11.2)</b>	(2.4)
Lease liabilities and interest repaid		<b>29.3</b>	28.8
Exchange adjustments		<b>(16.5)</b>	9.5
<b>(Increase)/decrease in net debt</b>		<b>(233.3)</b>	117.4
Net debt brought forward		<b>(535.8)</b>	(653.2)
<b>Net debt carried forward</b>		<b>(769.1)</b>	(535.8)

## Accounting policies

### Basis of presentation

The consolidated financial statements of Halma plc are prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. Whilst the financial information included in this preliminary announcement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. As such, these financial statements do not constitute the Group's statutory accounts and the Group expects to publish full financial statements that comply with IFRS in June 2026. The financial information for the year ended 31 March 2025 is derived from the statutory accounts from that year. The report of the auditors on the statutory accounts for the year ended 31 March 2026 was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

The principal Group accounting policies are explained below and have been applied consistently throughout the years ended 31 March 2026 and 31 March 2025, other than those noted below.

The Group accounts have been prepared under the historical cost convention, except as described below under the headings 'Derivative financial instruments and hedge accounting', 'Financial assets at fair value through other comprehensive income (FVOCI)', 'Pensions' and 'Business combinations and goodwill'.

### New Standards and Interpretations applied for the first time in the year ended 31 March 2026

There are no new standards and interpretations adopted for the first time in 2026.

### New Standards and Interpretations not yet applied

At the date of authorisation of these financial statements, the following Standards and Interpretations that are potentially relevant to the Group, and which have not been applied in these financial statements, were in issue but not yet effective:

- Amendment to IFRS 7 and IFRS 9 – Classification and measurement of financial instruments
- IFRS 18 'Presentation and disclosures in financial statements'
- IFRS 19 'Subsidiaries without Public Accountability'

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for IFRS 18 which has an effective date of 1 January 2027.

The Group is currently finalising its impact assessment of the adoption of IFRS 18 on the Group's Consolidated Financial Statements. The IASB issued IFRS 18 in April 2024 and it will replace IAS 1 Presentation of Financial Statements. IFRS 18 will be effective for reporting periods starting on or after 1 January 2027, for Halma this will be the period ending 31 March 2028. Retrospective application is required so the comparative period ending 31 March 2027 will also be restated.

The standard introduces a new structure to the Consolidated Income Statement, including new defined subtotals, introduces new principles for aggregation and disaggregation of information in the primary statements and the notes to the accounts, and mandates enhanced disclosure of management defined performance measures. In addition, it also includes consequential amendments to IAS 7 'Statement of Cash Flows' that may affect the presentation, classification and disaggregation of operating, investing and financing cash flows.

Although IFRS 18 is not expected to have a material impact on the recognition or measurement of any item contained in the financial statements, it will have a presentational impact on the Group's financial statements and related disclosures. The impact to the Group is expected to be the reclassification of income and expenses into the operating, investing and financing categories within the Consolidated Statement of Income.

### Use of Alternative performance measures (APMs)

In the reporting of the financial information, the Group uses certain measures that are not required under IFRS, the Generally Accepted Accounting Principles (GAAP) under which the Group reports. The Directors believe that Organic growth, Adjusted EBIT/EBITDA, Adjusted profit, Adjusted operating cash flow, Adjusted cash conversion, Adjusted Return on Total Invested Capital (Adjusted ROTIC), Adjusted Return on Capital Employed (Adjusted ROCE), earnings per share measures and net debt provide additional and more consistent measures of underlying performance to shareholders by removing items that are not closely related to the Group's trading or operating cash flows. These and other alternative performance measures are used by the Directors for internal performance analysis and incentive compensation arrangements for employees. The terms ROTIC, ROCE, Organic growth and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

The principal items which are included in adjusting items are set out below in the Group's accounting policy and in note 1. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding adjusting items.

Definitions of the Group's alternative performance measures along with reconciliation to their IFRS equivalent measure are included in note 3.

### Key accounting policies

Below we set out our key accounting policies, with a list of all other accounting policies thereafter.

### Going concern

The Group's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the Group as at 31 March 2026, its cash flows, liquidity position and borrowing facilities are set out in the Strategic Report.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered all of the above factors, including potential scenarios and its principal risks set out above. Under the potential scenarios considered, which includes a severe but plausible downside scenario, the Group remains within its debt facilities and the attached financial covenants for the foreseeable future and the Directors therefore believe, at the time of approving the financial statements, that the Company is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

The Group's financial position remains robust with committed facilities at the balance sheet date totalling approximately £1,231m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2026 amounts to £428m. The financial covenants across the facilities are for leverage (net debt/adjusted EBITDA) of not more than three and a half times and for adjusted interest cover of not less than four times.

The base case scenario has been prepared using forecasts from each of our companies as well as expectations of cash outflows on acquisitions. In addition, a severe but plausible downside scenario has been modelled showing a decline in trading for the period ending 30 June 2027, as well as other potential adverse impacts such as a one-off legal event and deterioration in working capital position. The reduction in trading could be caused by another pandemic or other geopolitical crises, or continued macroeconomic volatility such as the recent US tariffs, leading to further inflation and interest rate increases. In mitigating the impacts of the downside scenario there are actions that can be taken which are entirely discretionary to the business such as further reducing acquisition spend and decreasing the dividend growth rates. In addition, the Group has demonstrated strong resilience and flexibility to manage its overheads and adapt the supply chain during recent global economic uncertainty.

Neither the base case nor the severe but plausible downside scenarios result in a breach of the Group's available debt facilities or the attached covenants and, accordingly, the Directors believe there is no material uncertainty in the use of the going concern assumption and, therefore, deem it appropriate to continue to adopt the going concern basis of accounting for at least the next 12-month period.

### **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill is recognised as an intangible asset in the Consolidated Balance Sheet. Goodwill includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree measured at the proportionate share of the value of net identifiable assets acquired; plus
- The fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Where the calculation of goodwill results in a negative value, the resulting gain on a bargain purchase is recognised directly in the Consolidated Income Statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. For acquisitions between 4 April 2004 (the date from which the financial statements were reported under IFRS) and 2 April 2010, goodwill represents the difference between the cost of the acquisition, including acquisition costs and the fair value of the net identifiable assets acquired.

Any contingent consideration payable may be accounted for as either:

- Consideration transferred, which is recognised at fair value at the acquisition date. If the contingent purchase consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent purchase consideration are recognised in the Consolidated Income Statement; or
- Remuneration, which is expensed in the Consolidated Income Statement over the associated period of service. An indicator of such treatment includes when payments to employees of the acquired company are contingent on a post-acquisition event, but may be automatically forfeited on termination of employment.

Goodwill has an indefinite expected useful life and is not amortised, but is tested annually for impairment.

On closure or disposal of an acquired business, goodwill would be taken into account in determining the profit or loss on closure or disposal.

Payments for contingent consideration are classified as investing activities within the Consolidated Cash Flow Statement, except for amounts paid in excess of that estimated in the acquisition balance sheets. These are recognised in the net cash inflow from operating activities in the year together with movements in contingent consideration provisions charged/credited to the Consolidated Income Statement which is included as a reconciling item between operating profit and cash inflow from operating activities.

### **Intangible assets**

#### **(a) Acquired intangible assets**

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably. Acquired intangible assets, comprising trademarks, technology and know-how and customer relationships, are amortised through the Consolidated Income Statement on a straight-line basis over their estimated economic lives of between three and 25 years. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### **(b) Product development costs**

Research expenditure is charged to the Consolidated Income Statement in the financial year in which it is incurred.

Development expenditure is expensed in the financial year in which it is incurred, unless it relates to the development of a new or substantially improved product, after the technical feasibility and economic viability of the product has been proven and the decision to complete the development has been taken, and can be measured reliably. Such expenditure, meeting the recognition criteria of IAS 38 'Intangible Assets', is capitalised as an intangible asset in the Consolidated Balance Sheet at cost and is amortised through the Consolidated Income Statement on a straight-line basis over its estimated economic life of three years.

## **Pensions**

The Group makes contributions to various pension plans.

For defined benefit plans, the asset or liability recorded in the Consolidated Balance Sheet is the difference between the fair value of the plan's assets and the present value of the defined obligation at that date. The defined benefit obligation is calculated separately for each plan on an annual basis by independent actuaries using the projected unit credit method.

The buy-in policies are recognised as assets of the pension plan with the fair value being the present value of scheme defined benefit obligations. Movements in the fair value of the buy-in policies are recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Actuarial gains and losses are recognised in full in the period in which they occur and are taken to other comprehensive income.

Current and past service costs, along with the impact of any settlements or curtailments, are charged to the Consolidated Income Statement. The net interest expense on pension plans' liabilities and the expected return on the plans' assets is recognised within finance expense in the Consolidated Income Statement.

Contributions to defined contribution plans are charged to the Consolidated Income Statement in the period to which the expense relates.

## **Impairment of trade and other receivables**

The Group assesses on a forward-looking basis the expected credit losses associated with its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In order to estimate the expected lifetime losses, the Group categorises its customers into groups with similar risk profiles and determines the historic rates of impairment for each of those categories of customer. The Group then adjusts the risk profile for each group of customers by using forward looking information, such as the government risk of default for the country in which those customers are located, and determines an overall probability of impairment for the total trade and other receivables at the balance sheet date.

## **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of Group accounts in conformity with IFRS requires the Directors to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report and the stated Net Zero ambitions. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. Climate change is not expected to have a significant impact on the Group's going concern assessment as at 31 March 2026 nor the viability of the Group over the next three years.

The following areas of critical accounting judgement and key estimation uncertainty have been identified as having significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

### **Critical accounting judgements**

#### **Goodwill impairment CGU groups**

Determining whether goodwill is impaired requires management's judgement in assessing cash generating unit (CGU) groups to which goodwill should be allocated. Management allocates a new acquisition to a CGU group based on which one is expected to benefit most from that business combination. The allocation of goodwill to existing CGU groups is generally straightforward and factual, however over time as new businesses are acquired and management reporting structures change, management reviews the CGU groups to ensure they are still appropriate. There have been no changes to the CGU groups in the current year.

### **Key sources of estimation uncertainty**

#### **Contingent consideration changes in estimates**

Determining the value of contingent consideration recognised as part of the acquisition of a business requires management to estimate the expected performance of the acquired business and the amount of contingent consideration that will therefore become payable.

Initial estimates of expected performance are made by the management responsible for completing the acquisition and form a key component of the financial due diligence that takes place prior to completion. Subsequent measurement of contingent consideration is based on the Directors' appraisal of the acquired business's performance in the post-acquisition period and the agreement of final payments.

### **Intangible assets**

Intangible assets IFRS 3 (revised) 'Business Combinations' requires that goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 (revised) also requires the identification and valuation of other separable intangible assets at acquisition. The assumptions involved in valuing these intangible assets require the use of management estimates.

IAS 38 'Intangible Assets' requires that development costs, arising from the application of research findings or other technical knowledge to a plan or design of a new or substantially improved product, are capitalised, subject to certain criteria being met. Determining the technical feasibility and estimating the future cash flows generated by the products in development requires the use of management estimates.

The estimates made in relation to both acquired intangible assets and capitalised development costs include identification of relevant assets, future growth rates, expected inflation rates and the discount rate used. Management also makes estimates of the useful economic lives of the intangible assets. Management engages third party specialists to assist with the valuation of acquired intangible assets for significant acquisitions. Depending on the nature of the assets the Group uses different valuation methodologies to arrive at the fair value including the excess earnings method, the relief from royalty method and the cost savings method. Financial projections are based on market participants' expectations and are discounted to their present value using rates of return which reflects the risk of the investment and the time value of money.

### **Goodwill and acquired intangibles impairment future cash flows**

The 'value in use' calculation used to test for impairment of goodwill and acquired intangibles involves an estimation of the present value of future cash flows. For annual impairment testing of goodwill, the future cash flows of the CGU group are based on annual budgets and forecasts of each relevant CGU, as approved by the Board, to which management's expectation of market-share and long-term growth rates are applied. The present value is then calculated based on management's estimate of future discount and growth rates. The Board reviews these key assumptions (operating assumptions, long-term growth rates, and discount rates) and the sensitivity analysis around these. Management believes that there is no reasonably possible change in any of the key assumptions that would cause the carrying value of any CGU group to exceed its recoverable amount.

Acquired intangibles are assessed each reporting period for any indicators of impairment, both qualitative and quantitative, including as a result of our assessments of climate-related risks. If there are deemed to be any indicators of impairment a 'value in use' calculation is performed over the remaining useful life of the asset to identify if any impairment is needed. Where required, in calculating the 'value in use', future cash flows are based on annual budgets and forecasts for the relevant business. The present value is then calculated based on management's estimate of future discount and growth rates. In certain circumstances, the recoverable amount may be assessed by reference to fair value less costs to sell, based on indicative market pricing where available. The Board and management reviews these key assumptions (operating assumptions, growth rates, and discount rates) and the sensitivity analysis around these.

### **Defined benefit pension plan liabilities**

Determining the value of the future defined benefit asset/obligation requires estimation in respect of the assumptions used to calculate present values of plan liabilities. The significant assumptions utilised in the calculations are future mortality, discount rate and inflation. Management determines these assumptions in consultation with an independent actuary.

### **Other accounting policies**

#### **Basis of consolidation**

The Group accounts include the accounts of Halma plc and all of its subsidiary companies made up to 31 March 2026, adjusted to eliminate intra-Group transactions, balances, income and expenses. The results of subsidiary companies acquired or disposed are included from the month of their acquisition or to the month of their disposal. The Employee Benefit Trust (EBT) is consolidated on the basis that the parent has control, therefore the assets and liabilities of the EBT are included on the Company Balance Sheet and shares held by the EBT in the Company are presented as a deduction from equity.

#### **Non-current assets and disposal groups held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification is adopted once the sale is highly probable, the assets or disposal groups are available for immediate sale in their present condition and the sale is expected to complete within one year. Assets, or asset groups that are held for sale are measured at the lower of their carrying amount and their fair value less costs to sell and any depreciation or amortisation ceases.

#### **Segmental reporting**

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, and whose operating results are reviewed regularly by the Chief Operating Decision Maker (the Group Chief Executive) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Reportable segments are operating segments that either meet the thresholds and conditions set out in IFRS 8 or are considered by the Board to be appropriately designated as reportable segments. Segment results represent operating profits and include an allocation of Head Office expenses. Segment results exclude tax and financing items. Segment assets comprise goodwill, other intangible assets, property, plant and equipment and right-of-use assets (excluding land and buildings), inventories and trade and other receivables.

Segment liabilities comprise trade and other payables, provisions and other payables. Unallocated items represent land and buildings (including right-of-use assets), corporate and deferred taxation balances, defined benefit plan asset/obligation, contingent purchase consideration, all components of net cash/borrowings, lease liabilities and derivative financial instruments.

The Group has three main operating and reportable segments (Safety, Environmental & Analysis and Healthcare), which are defined by markets rather than product type. Each segment includes businesses with similar operating and market characteristics and are consistent with the internal reporting as reviewed by the Group Chief Executive.

#### **Revenue**

The Group's revenue streams are the sale of goods and services in the specialist safety, environmental technologies and health markets. The revenue streams are disaggregated into three sectors that serve like markets. Those sectors are Safety, Environmental & Analysis and Healthcare.

Revenue is recognised at the point of the transfer of control over promised goods or services to customers in an amount that reflects the amount of consideration specified in a contract with a customer, to which the Group expects to be entitled in exchange for those goods or services.

It is the Group's judgement that in the majority of sales there is no contract until such time as the Operating Company satisfies its performance obligation, at which point the contract becomes the Operating Company's terms and conditions resulting from the supplier's purchase order. Where there are Master Supply Arrangements, these are typically framework agreements and do not contain clauses that would result in a contract forming under IFRS 15 until a purchase order is issued by the customer.

Revenue represents sales, net of estimates for variable consideration, including rights to returns, discounts, and excluding value added tax and other sales related taxes. The amount of variable consideration is not considered to be material to the Group as a whole. The transaction price is allocated to each performance obligation on a relative standalone selling price basis.

Performance obligations are unbundled in each contractual arrangement if they are distinct from one another. There is judgement in identifying distinct performance obligations where the product could be determined to be a system, or where a combination of products and services are provided together. For the majority of the Group's activities the performance obligation is judged to be the component product or service rather than the system or combined products and services. The contract price is allocated to the distinct performance obligations based on the relative standalone selling prices of the goods or services.

The way in which the Group satisfies its performance obligations varies by business and may be on shipment, delivery, as services are rendered or on completion of services depending on the nature of product and service and terms of the contract which govern how control passes to the customer. Revenue is recognised at a point in time or over time as appropriate.

Where the Group offers warranties that are of a service nature, revenue is recognised in relation to these performance obligations over time as the services are rendered. In our judgement we believe the associated performance obligations accrue evenly across the contractual term and therefore revenue is recognised on a pro-rated basis over the length of the service period.

In a small number of instances across the Group, products have been determined to be bespoke in nature, with no alternative use. Where there is also an enforceable right to payment for work completed, the criteria for recognising revenue over time have been deemed to have been met. Revenue is recognised on an input basis as work progresses. Progress is measured with reference to the actual cost incurred as a proportion of the total costs expected to be incurred under the contract. This is not a significant part of the Group's business as for the most part, where goods are bespoke in nature, it is the Group's judgement that the product can be broken down to standard component parts with little additional cost and therefore has an alternate use, or there is no enforceable right to payment for work performed. In these cases, the judgement is made that the requirements for recognising revenue over time are not met and revenue is recognised when control of the finished product passes to the customer.

The Group applies the practical expedient in IFRS 15 (paragraph 63) and does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

### **Operating profit**

Operating profit is presented net of direct production costs, production overheads, selling costs, distribution costs and administrative expenditure. Operating profit is stated after charging restructuring costs but before the share of results of associates, profit or loss on disposal of operations, finance income and finance costs.

### **Adjusting items**

When items of income or expense are material and they are relevant to an understanding of the entity's financial performance, they are disclosed separately within the financial statements. This provides additional and more consistent measures of underlying performance to shareholders by removing items that are not closely related to the Group's trading or operating cash flows. Such adjusting items include costs or reversals arising from acquisitions or disposals of businesses, including acquisition costs, creation or reversals of provisions related to changes in estimates for contingent consideration on acquisition, amortisation and impairment of acquired intangible assets, and other significant one-off items that may arise.

### **Deferred government grant income**

Government grant income that is linked to capital expenditure is deferred to the Consolidated Balance Sheet and credited to the Consolidated Income Statement over the life of the related asset. In addition, the Group claims research and development expenditure credits arising on qualifying expenditure and shows these 'above the line' in operating profit. Where the credits arise on expenditure that is capitalised as part of internally generated capitalised development costs, the income is deferred to the Consolidated Balance Sheet and credited to the Consolidated Income Statement over the life of the related asset in line with the policy stated above.

### **Finance income and expenses**

The Group recognises interest income or expense using the effective interest rate method. Finance income and finance costs include:

- Interest payable on loans, borrowings and lease obligations
- Net interest charge on pension plan liabilities
- Amortisation of finance costs
- Interest receivable in respect of cash and cash equivalents
- Unwinding of the discount on provisions
- Fair value movements on derivative financial instruments

The Group has classified interest income and expenses within financing activities in the Consolidated Cash Flow Statement.

### **Taxation**

Taxation comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in Total equity, in which case it too is recognised in Total equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, along with any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items that are never taxable or deductible.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and is accounted for using the balance sheet liability method, apart from the following differences which are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates and laws, which are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax assets are only recognised to the extent that recovery is probable.

## Foreign currencies

The Group presents its accounts in Sterling. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies are measured in terms of historical costs using the exchange rate at the date of the initial transaction. Any gain or loss arising on monetary assets and liabilities from subsequent exchange rate movements is included as an exchange gain or loss in the Consolidated Income Statement.

Net assets of overseas subsidiary companies are expressed in Sterling at the rates of exchange ruling at the end of the financial year, and trading results and cash flows at the average rates of exchange for the financial year. Goodwill arising on the acquisition of a foreign business is treated as an asset of the foreign entity and is translated at the rate of exchange ruling at the end of the financial year. Exchange gains or losses arising on these translations are taken to the Translation reserve within Total equity.

In the event that an overseas subsidiary is disposed of or closed, the profit or loss on disposal or closure will be determined after taking into account the cumulative translation difference held within the Translation reserve attributable to that subsidiary. As permitted by IFRS 1, the Group has elected to deem the translation to be £nil at 4 April 2004. Accordingly, the profit or loss on disposal or closure of foreign subsidiaries will not include any currency translation differences which arose before 4 April 2004.

## Other intangible assets

### (a) Computer software

Computer software that is not integral to an item of property, plant or equipment is recognised separately as an intangible asset and is amortised through the Consolidated Income Statement on a straight-line basis from the point at which the asset is ready to use over its estimated economic life of between three and five years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Where the Group enters into a SaaS cloud computing arrangement to access software, there are limited cases for capitalisation of attributable implementation costs. If the arrangement contains a lease as defined by IFRS 16, lease accounting rules apply including capitalisation of directly attributable costs. Alternatively, directly attributable software costs can create an intangible asset if the software can be controlled by the entity, either through the option to be run on the entity's or a third-party's infrastructure or where the development of the software creates customised software that the entity has exclusive rights to.

### (b) Other intangibles

Other intangibles are amortised through the Consolidated Income Statement on a straight-line basis over their estimated economic lives of between three and ten years.

## Property, plant and equipment

Property, plant and equipment is stated at historical cost less provisions for accumulated impairment and accumulated depreciation which, with the exception of freehold land which is not depreciated, is provided on a straight-line basis over each asset's estimated economic life. The principal annual rates used for this purpose are:

Freehold property	2%
Leasehold buildings and improvements	Shorter of 2% or period of lease
Plant, equipment and vehicles	8% to 33.3%

## Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the Consolidated Balance Sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit or loss in the year of acquisition.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provisioning is made for impairment.

Where the Group disposes of its entire interest in an associate, a gain or loss is recognised in the income statement on the difference between the amount received on the sale of the associate less the carrying value and costs of disposal.

### **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise as FVOCI. The Group considers this classification relevant as these are strategic investments.

Financial assets at FVOCI are adjusted to the fair value of the asset at the balance sheet date with any gain or loss being recognised in other comprehensive income and held as part of Other reserves. On disposal any gain or loss is recognised in other comprehensive income and the cumulative gains or losses are transferred from Other reserves to Retained earnings.

### **Impairment of non-current assets**

All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying value may be impaired. Additionally, goodwill and capitalised development expenditure relating to a product that is not yet in full production are subject to an annual impairment test.

An impairment loss is recognised in the Consolidated Income Statement to the extent that an asset's carrying value exceeds its recoverable amount, which represents the higher of the asset's 'fair value less costs to dispose' and its 'value in use'. An asset's 'value in use' represents the present value of the future cash flows expected to be derived from the asset or from the cash generating unit to which it relates. The present value is calculated using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset concerned.

Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount, but only to the extent that the carrying amount of the asset does not exceed its carrying amount had no impairment loss been recognised in previous periods. Such reversals are recognised in the Consolidated Income Statement. Impairment losses in respect of goodwill are not reversed.

### **Inventories**

Inventories and work in progress are included at the lower of cost and net realisable value. Cost is calculated either on a 'first in, first out' or an average cost basis and includes direct materials and the appropriate proportion of production and other overheads considered by the Directors to be attributable to bringing the inventories to their location and condition at the year end. Net realisable value represents the estimated selling price less all estimated costs to complete and costs to be incurred in marketing, selling and distribution.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, deposits with an initial maturity of less than three months, and bank overdrafts that are repayable on demand.

### **Contract assets and liabilities**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time, for example the completion of future performance obligations under the terms of the contract with the customer.

In some instances, the Group receives payments from customers based on a billing schedule, as established in the contract, which may not match with the pattern of performance under the contract. A contract liability is only recognised on non-cancellable contracts that provide unconditional rights to payment from the customer for products and services that the Group has not yet completed providing or that it will provide in the near future. Where performance obligations are satisfied ahead of billing then a contract asset will be recognised.

Contract assets are recognised within Trade and other receivables and are assessed for impairment on a forward-looking basis using the expected lifetime losses approach, as required by IFRS 9 'Financial Instruments'.

### **Costs to obtain or fulfil a contract**

The incremental costs of obtaining a contract with a customer are capitalised as an asset if the Group expects to recover them. Costs such as sales commissions may be incurred when the Group enters into a new contract. Costs to obtain or fulfil a contract are presented in the Consolidated Balance Sheet as assets until the performance obligation to which they relate has been met. These assets are amortised on a consistent basis with how the related revenue is recognised.

The Group applies the practical expedient in IFRS 15 (paragraph 94) and recognises incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group would otherwise have recognised is one year or less.

### **Trade payables**

Trade payables are non-interest bearing and are stated at amortised cost.

### **Interest bearing loans and borrowings**

Interest bearing loans and borrowings are initially recognised in the Consolidated Balance Sheet at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

### **Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed where a possible obligation dependent on uncertain future events exists as at the end of the reporting period or a present obligation for which payment either cannot be measured or is not considered to be probable is noted. Contingent liabilities are not accrued for and no contingent liability is disclosed where the possibility of payment is considered to be remote.

### **Derivative financial instruments and hedge accounting**

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk using forward exchange contracts and interest rate risk using interest rate swaps. The Group continues to apply the requirements of IAS 39 for hedge accounting.

Derivative financial instruments are classified as fair value through profit and loss (held for trading) unless they are in a designated hedge relationship.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the Consolidated Income Statement, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Income Statement depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **Cash flow hedge accounting**

The Group designates certain hedging instruments as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument has been or is expected to be highly effective in offsetting changes in fair values or cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion as a result of being over hedged is recognised immediately in the Consolidated Income Statement.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the Consolidated Income Statement in the periods when the hedged item is recognised in the Consolidated Income Statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised, when the forecast transaction is ultimately recognised, in the Consolidated Income Statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Income Statement.

### **Net investment hedge accounting**

The Group uses foreign currency denominated borrowings as a hedge against the translation exposure on the Group's net investment in overseas companies. Where the hedge is fully effective at hedging, the variability in the net assets of such companies caused by changes in exchange rates and the changes in value of the borrowings are recognised in the Consolidated Statement of Comprehensive Income and accumulated in the Translation reserve. The ineffective part of any change in value caused by changes in exchange rates is recognised in the Consolidated Income Statement.

### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where the Group determines the contract is, or contains a lease, a right-of-use asset and a lease liability is recognised at the lease commencement date.

The lease term is determined from the commencement date of the lease and covers the non-cancellable term. If the Group has an extension option, which it considers reasonably certain to exercise, then the lease term will be considered to extend beyond that non-cancellable period. If the Group has a termination option, which it considers reasonably certain to exercise, then the lease term will be considered to be until the point the termination option will take effect. The Group deems that it is not reasonably certain to exercise an extension option or a termination option with an exercise date past the planning horizon of five years.

The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the right-of-use asset is deemed to have a useful life shorter than the lease term. The Group has taken the practical expedient to not separate lease and non-lease components and so account for both as a single lease component.

The right-of-use assets are also subject to impairment testing under IAS 36. Refer to the previous section on Impairment of non-current assets for further details.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees are not material to the Group. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. The lease liability is measured at amortised cost using the effective interest method by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Group's assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the right-of-use asset.

Payments associated with short-term leases or low-value assets are recognised on a straight-line basis as an expense in the Consolidated Income Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mostly comprise IT equipment and small items of office furniture. Lease payments for short-term leases, low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities within the Consolidated Cash Flow Statement. The Group has classified the principal and interest portions of lease payments within financing activities.

### **Employee share plans**

Share-based incentives are provided to employees under the Group's share incentive plan, the performance share plan and the executive share plan.

#### **(a) Share incentive plan**

Awards of shares under the share incentive plan are made to qualifying employees depending on salary and service criteria. The shares awarded under this plan are purchased in the market by the plan's trustees at the time of the award, and are then held in trust for a minimum of three years. The costs of this plan are recognised in the Consolidated Income Statement over the three-year vesting period of the awards.

#### **(b) Executive share plan**

Under the Executive share plan, awards of shares are made to Executive Directors and certain senior employees. Grants under this plan are in the form of Performance Awards or Deferred Share Awards.

Performance Awards are subject to non-market-based vesting criteria, and Deferred Share Awards are subject only to continuing service of the employee. Share awards are equity-settled. The fair value of the awards at the date of grant, which is estimated to be equal to the market value, is charged to the Consolidated Income Statement on a straight-line basis over the vesting period, with appropriate adjustments being made during this period to reflect expected and actual forfeitures. The corresponding credit is to Retained earnings within Total equity.

#### **(c) Cash-settled**

For cash-settled awards, a liability equal to the portion of the services received is recognised at the current fair value determined at each balance sheet date.

### **Dividends**

Dividends payable to the Company's shareholders are recognised as a liability in the period in which the distribution is approved by the Company's shareholders.

## Notes to the Accounts

### 1 Segmental analysis and revenue from contracts with customers

#### Sector analysis and disaggregation of revenue

The Group has three main operating and reportable segments (Safety, Environmental & Analysis and Healthcare), which are defined by markets rather than product type. Each segment includes businesses with similar operating and market characteristics. These segments are consistent with the internal reporting as reviewed by the Group Chief Executive.

#### Nature of goods and services

The following is a description of the principal activities – separated by reportable segments, which are defined by markets rather than product type – from which the Group generates its revenue.

Further disaggregation of sector revenue by geography and by the pattern of revenue recognition depicts how economic factors affect the timing and uncertainty of the Group's revenues.

**Safety** sector generates revenue by providing products that protect people, assets and infrastructure in commercial, industrial and public spaces. The technologies play a critical role in reducing safety risks in hazardous situations, increasing efficiency and helping create a safe and more sustainable future for everyone. Markets include: Fire Safety solutions that detect, control, mitigate and suppress the effects of fires, protecting people and assets; Public Safety technologies that safeguard the public by protecting people against risks in daily life; Worker Safety solutions that protect people in hazardous work environments; and Infrastructure and Asset Safety technologies that ensure the safe management and operating of critical assets.

Products are generally sold separately, with contracts typically less than one year in length, but some companies have contracts where certain performance obligations are delivered over a number of years. Warranties are typically of an assurance nature. Revenue is recognised as control passes on delivery or despatch.

Payment is typically due within 60 days of invoice, except where a retention is held for documentation.

**Environmental & Analysis** sector generates revenue by providing technologies that monitor the environment, ensure the quality and availability of life-critical resources, and enable customers to analyse, test and transmit critical data through optical and photonic technologies. Markets include: Optical Solutions which provides world-class optical, optoelectronic and spectral imaging systems that use light in a wide variety of industrial, scientific and research applications; Water Analysis & Treatment systems that assist communities and businesses around the world to sustainably improve water quality and availability; and Environmental Monitoring & Measuring technologies that detect hazardous gases, preventing environmental damage, and monitoring performance to ensure assets operate safely and reliably.

Products and services are generally sold separately. Warranties are typically of an assurance nature, but some companies within the Group offer extended warranties. Depending on the nature of the performance obligation, revenue may be recognised as control passes on delivery, despatch or as the service is delivered. Contracts are typically less than one year in length, but some companies have contracts where certain service-related performance obligations are delivered over a number of years; this can result in contract liabilities where those performance obligations are invoiced ahead of performance.

Payment is typically due within 60 days of invoice.

**Healthcare** sector generates revenue by providing technologies and digital solutions which help providers improve the care they deliver and enhance the quality of patients' lives. They contribute to the discovery and development of new cures, the prevention, diagnosis and treatment of patient conditions, and the provision of improved healthcare through data analysis. Markets include: Healthcare Enablement which provides systems and technologies that enable healthcare providers to operate more efficiently, safely and effectively, supporting staff safety, optimising workflows and asset utilisation, and improving the delivery of patient care; Therapeutic Solutions technologies, materials and solutions used in surgical and acute healthcare settings that provide targeted treatments across key clinical specialties; Discovery, Prevention & Diagnostics which provides components, devices and systems that generate information and insights to help providers understand and diagnose health conditions, and support earlier intervention and prevention.

Products are generally sold separately, and warranties are typically of an assurance nature. Depending on the nature of the performance obligation, revenue is recognised as control passes on delivery or despatch or as the service is delivered. Contracts are typically less than one year in length, but a limited number of companies have contracts where certain service-related performance obligations are delivered over a number of years; this can result in contract liabilities where those performance obligations are invoiced ahead of performance.

Payment is typically due within 60 days of invoice.

## Sector revenue disaggregation

	Year ended 31 March 2026						
	Revenue by sector and destination (all continuing operations)						
	United States of America £m	Mainland Europe £m	United Kingdom £m	Asia Pacific £m	Africa, Near and Middle East £m	Other countries £m	Total £m
Safety	222.5	297.6	185.2	159.2	53.8	29.2	947.5
Environmental & Analysis	700.9	96.4	104.1	105.4	12.9	18.0	1,037.7
Healthcare	313.7	106.2	56.7	68.5	19.5	33.8	598.4
Inter-segmental sales	–	–	(1.3)	–	–	–	(1.3)
<b>Revenue for the year</b>	<b>1,237.1</b>	<b>500.2</b>	<b>344.7</b>	<b>333.1</b>	<b>86.2</b>	<b>81.0</b>	<b>2,582.3</b>

	Year ended 31 March 2025						
	Revenue by sector and destination (all continuing operations)						
	United States of America £m	Mainland Europe £m	United Kingdom £m	Asia Pacific £m	Africa, Near and Middle East £m	Other countries £m	Total £m
Safety	242.6	260.3	173.1	143.1	47.8	35.1	902.0
Environmental & Analysis	492.1	70.6	93.6	86.2	17.1	17.0	776.6
Healthcare	303.9	100.3	50.0	74.7	15.4	26.1	570.4
Inter-segmental sales	–	–	(0.9)	–	–	–	(0.9)
<b>Revenue for the year</b>	<b>1,038.6</b>	<b>431.2</b>	<b>315.8</b>	<b>304.0</b>	<b>80.3</b>	<b>78.2</b>	<b>2,248.1</b>

Inter-segmental sales are charged at prevailing market prices and have not been disclosed separately by segment as they are not considered material. Revenue derived from the rendering of services was £152.2m (2025: £125.8m).

	Year ended 31 March 2026		
	Revenue recognised over time £m	Revenue recognised at a point in time £m	Total Revenue £m
Safety	16.7	930.8	947.5
Environmental & Analysis	553.6	484.1	1,037.7
Healthcare	82.8	515.6	598.4
Inter-segmental sales	–	(1.3)	(1.3)
<b>Revenue for the year</b>	<b>653.1</b>	<b>1,929.2</b>	<b>2,582.3</b>

	Year ended 31 March 2025		
	Revenue recognised over time* £m	Revenue recognised at a point in time* £m	Total Revenue £m
Safety	10.7	891.3	902.0
Environmental & Analysis	320.4	456.2	776.6
Healthcare	80.3	490.1	570.4
Inter-segmental sales	–	(0.9)	(0.9)
<b>Revenue for the year</b>	<b>411.4</b>	<b>1,836.7</b>	<b>2,248.1</b>

\* The balances for revenue recognised over time and revenue recognised at a point in time for the year ended 31 March 2025 have been restated where amounts were presented incorrectly in a small number of companies in the Environmental & Analysis sector. There was no change to total revenue.

	Year ended 31 March 2026			
	Revenue from performance obligations entered into and satisfied in the year £m	Revenue previously included as contract liabilities £m	Revenue from performance obligations satisfied in previous periods £m	Total Revenue £m
Safety	938.8	8.7	–	947.5
Environmental & Analysis	1,029.7	8.0	–	1,037.7
Healthcare	574.1	24.3	–	598.4
Inter-segmental sales	(1.3)	–	–	(1.3)
<b>Revenue for the year</b>	<b>2,541.3</b>	<b>41.0</b>	<b>–</b>	<b>2,582.3</b>

	Year ended 31 March 2025			
	Revenue from performance obligations entered into and satisfied in the year £m	Revenue previously included as contract liabilities £m	Revenue from performance obligations satisfied in previous periods £m	Total Revenue £m
Safety	895.8	6.2	–	902.0
Environmental & Analysis	768.9	7.7	–	776.6
Healthcare	552.6	17.8	–	570.4
Inter-segmental sales	(0.9)	–	–	(0.9)
Revenue for the year	2,216.4	31.7	–	2,248.1

The Group has unsatisfied (or partially satisfied) performance obligations at the balance sheet date with an aggregate amount of transaction price as follows. The time bands represented present the expected timing of when the remaining transaction price will be recognised as revenue.

	Aggregate transaction price allocated to unsatisfied performance obligations			
	31 March 2026 Total £m	To be recognised < 1 year £m	To be recognised 1-2 years £m	To be recognised > 2 years £m
Safety	15.1	9.2	3.6	2.3
Environmental & Analysis	30.1	15.6	4.9	9.6
Healthcare	21.3	20.8	0.5	–
Inter-segmental sales	–	–	–	–
<b>Total</b>	<b>66.5</b>	<b>45.6</b>	<b>9.0</b>	<b>11.9</b>

	Aggregate transaction price allocated to unsatisfied performance obligations			
	31 March 2025 Total £m	To be recognised < 1 year £m	To be recognised 1-2 years £m	To be recognised > 2 years £m
Safety	18.2	10.0	3.5	4.7
Environmental & Analysis	23.0	11.9	4.2	6.9
Healthcare	28.1	27.3	0.8	–
Inter-segmental sales	–	–	–	–
<b>Total</b>	<b>69.3</b>	<b>49.2</b>	<b>8.5</b>	<b>11.6</b>

## Segment results

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Segment profit before allocation of adjustments (Sector adjusted profit)*</b>		
Safety	<b>253.6</b>	217.9
Environmental & Analysis	<b>250.6</b>	185.5
Healthcare	<b>143.1</b>	130.6
	<b>647.3</b>	534.0
<b>Segment profit after allocation of adjustments*</b>		
Safety	<b>219.2</b>	192.1
Environmental & Analysis	<b>233.0</b>	174.8
Healthcare	<b>121.3</b>	92.0
<b>Segment profit</b>	<b>573.5</b>	458.9
Central administration costs	<b>(52.8)</b>	(47.7)
<b>Group profit before interest and taxation</b>	<b>520.7</b>	411.2
Net finance expense	<b>(30.0)</b>	(26.9)
<b>Group profit before taxation</b>	<b>490.7</b>	384.3
Taxation	<b>(118.4)</b>	(87.9)
<b>Profit for the year</b>	<b>372.3</b>	296.4

\* Adjustments include where applicable the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates. Note 3 provides more information on alternative performance measures.

### Adjusting items

Acquisition transaction costs, adjustments to contingent consideration and release of fair value adjustments to inventory (collectively 'acquisition items'), amortisation and impairment of acquired intangible assets and profit on disposal of operations are recognised in the Consolidated Income Statement. Segment profit, before these acquisition items and the other adjustments, is disclosed separately above as this is the measure reported to the Group Chief Executive for the purpose of allocation of resources and assessment of segment performance. These adjustments are analysed as follows:

	Acquisition items						Year ended 31 March 2026	
	Amortisation of acquired intangible assets £m	Transaction costs £m	Adjustments to contingent consideration £m	Release of fair value adjustments to inventory £m	Total amortisation charge and acquisition items £m	Disposal of operations (note 9) £m	Total £m	
Safety	<b>(24.2)</b>	<b>(3.0)</b>	<b>0.3</b>	<b>(2.4)</b>	<b>(29.3)</b>	<b>(5.1)</b>	<b>(34.4)</b>	
Environmental & Analysis	<b>(16.0)</b>	<b>(1.6)</b>	<b>1.4</b>	<b>(0.5)</b>	<b>(16.7)</b>	<b>(0.9)</b>	<b>(17.6)</b>	
Healthcare	<b>(23.0)</b>	<b>0.6</b>	<b>1.1</b>	<b>(0.3)</b>	<b>(21.6)</b>	<b>(0.2)</b>	<b>(21.8)</b>	
<b>Total Segment &amp; Group</b>	<b>(63.2)</b>	<b>(4.0)</b>	<b>2.8</b>	<b>(3.2)</b>	<b>(67.6)</b>	<b>(6.2)</b>	<b>(73.8)</b>	

The transaction costs in Safety related to the acquisitions of E2S Group Limited (E2S) and Safetec S.r.l (Safetec) in the current year, Safe-com Wireless LLC (Safe-com) and Remlive Limited (Remlive) which were acquired in the prior year. In Environmental & Analysis, they related to the acquisitions of MC Steering B.V. (Brownline) in the current year, Hathorn Corporation Inc. (Hathorn) and Ziegler Electronic Devices GmbH (ZED) which were acquired in the prior year and DCR Inspection Systems Ltd ('DCR') which was acquired after the period closed. In Healthcare, they related to the acquisitions of Nu Perspectives Limited (Nu Perspectives) and Altomed Group Holdings Limited (Altomed) in the current year offset by a credit in relation to Infinite Leap which was acquired in previous years.

The £2.8m adjustments to contingent consideration comprised a credit of £0.3m in Safety arising from a decrease in estimates payable for Remlive, Safe-com and G.F.E. – Global Fire Equipment Montagem de Equipamento Electrónico S.A. (Global Fire Equipment). In Environmental & Analysis there was a credit of £1.4m arising from a decrease in the estimates payable for Sewertronics partially offset by an increase in the estimates of the payable for Alpha, Visual Imaging Resourcing LLC (VIR) and ZED. In Healthcare there was a credit of £1.1m arising from a decrease in estimates payable for Apriomed and Infinite Leap partially offset by an increase in the estimate of the payable in Rovers.

The £3.2m release of fair value adjustments to inventory related to Remlive and E2S in Safety; Brownline in Environmental & Analysis; and Altomed in Healthcare. All amounts have been released in relation to Remlive, Brownline and E2S.

The loss on disposal of operations in Safety of £5.1m related to the disposal of Apollo America Inc. (AAI) in the year. The charge in Environmental & Analysis related to the selling costs for the disposal of Labsphere which completed after the period end (note 12) partially offset by a deemed profit on the stepped disposal of the Group's associate, OneThird B.V. (OneThird), following a funding round which diluted the Group's interest. Following the stepped disposal, the Group now recognises OneThird as an equity investment. The charge in Healthcare related to the selling costs for the disposal of Cardios which completed after the period end.

For more information on the Group's disposals of Labsphere and Cardios subsequent to the year-end, refer to note 12.

	Acquisition items				Total amortisation charge and acquisition items £m	Disposal of operations and impairment of associates £m	Total £m
	Amortisation of acquired intangible assets £m	Transaction costs £m	Adjustments to contingent consideration £m	Release of fair value adjustments to inventory £m			
Safety	(21.7)	(2.2)	–	(1.9)	(25.8)	–	(25.8)
Environmental & Analysis	(12.9)	(0.5)	0.8	(0.1)	(12.7)	2.0	(10.7)
Healthcare	(22.3)	(5.6)	(6.1)	(4.6)	(38.6)	–	(38.6)
<b>Total Segment &amp; Group</b>	<b>(56.9)</b>	<b>(8.3)</b>	<b>(5.3)</b>	<b>(6.6)</b>	<b>(77.1)</b>	<b>2.0</b>	<b>(75.1)</b>

The transaction costs in Safety, related to the acquisitions of Jam Topco Limited (MK Test), Global Fire Equipment and Remlive, Advantronic Systems, S.L. (Advantronic) and Safe-com in the prior year. In Environmental & Analysis, they relate to the acquisition of Hathorn in the prior year and ZED which was acquired in a previous year. In Healthcare, they related to the acquisitions of Altomed in the current year and Lamidey Noury Médical (Lamidey) in the prior year and Infinite Leap, Visiometrics, TeDan Group and Rovers Medical Devices B.V. (Rovers) in previous years.

The £5.3m adjustments to contingent consideration comprised a credit of £0.8m in Environmental & Analysis arising from a decrease in estimates of the payable for VIR, a decrease in estimates of the payable for Alpha Instrumentics (Alpha) partially set off against an increase in the estimates of the payable for Sewertronics. In Healthcare there was a debit of £6.1m arising from increases in the estimates of the payable for Infinite Leap, AprioMed AB and Rovers. The £6.6m release of fair value adjustments to inventory related to Remlive, Advantronic and Global Fire Equipment in Safety; Hathorn in Environmental & Analysis; and Lamidey, TeDan, AprioMed AB and Rovers in Healthcare. All amounts have been released in relation to TeDan, Advantronic, Hathorn, Lamidey, Global Fire Equipment, AprioMed AB and Rovers.

### Other segment information

	Depreciation, amortisation and impairment	
	31 March 2026 £m	31 March 2025 £m
Safety	<b>39.3</b>	37.2
Environmental & Analysis	<b>25.4</b>	21.8
Healthcare	<b>32.8</b>	33.4
Total Segment additions/depreciation, amortisation and impairment	<b>97.5</b>	92.4
Unallocated	<b>32.7</b>	32.0
<b>Total Group</b>	<b>130.2</b>	124.4

During the year, a reversal of impairment of £0.8m was recognised in other intangible assets in the Healthcare Sector (2025: impairments of £3.2m comprising £1.1m in Safety, £0.4m in Environmental & Analysis and £1.7m in Healthcare). Impairment and impairment reversals mainly related to capitalised development costs recorded as a result of changes in the expected outcome of projects.

### Information about major customers

Revenue from one customer of the Group's Environmental & Analysis segment represents 20% (2025: 15%) of the Group's total revenue for the year ended 31 March 2026. No other single customer (2025: no other single customer) amounted to more than 10% of the Group's revenue.

### 2 Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to the equity shareholders of the parent by the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the equity shareholders of the parent by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be in issue on the conversion of all dilutive potential shares.

The weighted average number of shares used to calculate both basic and diluted earnings per share exclude shares held in the employee benefit trust.

Adjusted earnings are calculated as earnings from continuing operations excluding the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates; and the associated taxation thereon. The Directors consider that adjusted earnings, which constitute an alternative performance measure, represent a more consistent measure of underlying performance as it excludes amounts not directly linked with trading. A reconciliation of earnings and the effect on basic and diluted earnings per share figures is as follows:

## Basic earnings per share

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Per share	
			Year ended 31 March 2026 pence	Year ended 31 March 2025 pence
<b>Earnings from continuing operations attributable to owners of the parent</b>	<b>372.3</b>	296.4	<b>98.57</b>	78.49
Amortisation and impairment of acquired intangible assets (after tax)	<b>49.2</b>	42.9	<b>13.03</b>	11.39
Acquisition transaction costs (after tax)	<b>3.5</b>	8.2	<b>0.93</b>	2.16
Adjustments to contingent consideration (after tax)	<b>(2.8)</b>	5.3	<b>(0.74)</b>	1.39
Release of fair value adjustments to inventory (after tax)	<b>2.4</b>	5.0	<b>0.64</b>	1.33
Impairment of associates (after tax)	–	1.0	–	0.26
Disposal of operations (after tax)	<b>6.1</b>	(3.0)	<b>1.62</b>	(0.79)
<b>Adjusted earnings attributable to owners of the parent</b>	<b>430.7</b>	355.8	<b>114.05</b>	94.23
<b>Weighted average number of shares in issue for basic earnings per share, million</b>	<b>377.7</b>	377.6		

## Diluted earnings per share

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Per share	
			Year ended 31 March 2026 pence	Year ended 31 March 2025 pence
<b>Earnings from continuing operations attributable to owners of the parent</b>	<b>372.3</b>	296.4	<b>98.17</b>	78.14
Weighted average number of shares in issue for basic earnings per share, million	<b>377.7</b>	377.6		
Dilutive potential shares – share awards, million	<b>1.5</b>	1.6		
<b>Weighted average number of shares in issue for diluted earnings per share, million</b>	<b>379.2</b>	379.2		

## 3 Alternative performance measures

The Board uses certain alternative performance measures to help it effectively monitor the performance of the Group. The Directors consider that these represent a more consistent measure of underlying performance by removing items that are not closely related to the Group's trading or operating cash flows. These measures include Adjusted Return on Total Invested Capital (Adjusted ROTIC), Adjusted Return on Capital Employed (Adjusted ROCE), Organic growth, Net debt, Adjusted operating profit, Adjusted profit before interest and taxation (Adjusted EBIT), Adjusted cash conversion and Adjusted operating cash flow. During the year the Group clarified the naming of certain Alternative Performance Measures to make explicit where measures are calculated on an adjusted basis. The underlying calculations have not changed.

Note 1 provides further analysis of the adjusting items in reaching adjusted profit measures. Net debt is defined as Borrowings plus Lease liabilities less Cash and bank balances. Note 10 provides an analysis of Net debt for the year.

### Organic growth

Organic growth measures the change in revenue and adjusted profit from continuing Group operations at constant currency.

This measure equalises the effect of acquisitions by:

- removing from the year of acquisition their entire revenue and adjusted profit before taxation;
- in the following year, removing the revenue and adjusted profit for the number of months equivalent to the pre-acquisition period in the prior year; and
- removing from the year prior to acquisition, any revenue generated by sales to the acquired company which would have been eliminated on consolidation had the acquired company been owned for that period.

The results of disposals are removed from the prior period reported revenue and adjusted profit before taxation.

Constant currency excludes the effects of currency movements. The current year's revenue and adjusted profit are restated at last year's exchange rates.

Organic growth has been calculated for the Group as follows:

## Group

	Revenue		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	2,588.2	2,218.8	16.6%
Acquired and disposed revenue	56.1	29.3	1.0%
Constant currency adjustment	(62.0)		(2.7)%
<b>Continuing operations – reported</b>	<b>2,582.3</b>	<b>2,248.1</b>	<b>14.9%</b>

	Adjusted* profit before interest and taxation			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	589.1	487.2	20.9%	566.4	460.3	23.1%
Acquired and disposed profit	19.3	(0.9)	4.1%	11.9	(0.9)	2.7%
Constant currency adjustment	(13.9)		(2.8)%	(13.8)		(2.9)%
<b>Continuing operations – reported</b>	<b>594.5</b>	<b>486.3</b>	<b>22.2%</b>	<b>564.5</b>	<b>459.4</b>	<b>22.9%</b>

## Sector Organic growth

Organic growth is calculated for each segment using the same method as described above.

### Safety

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	931.1	874.0	6.5%	247.5	218.8	13.1%
Acquired and disposed revenue/profit	24.7	28.0	(0.6)%	7.8	(0.9)	4.1%
Constant currency adjustment	(8.3)		(0.9)%	(1.7)		(0.8)%
<b>Continuing operations – reported</b>	<b>947.5</b>	<b>902.0</b>	<b>5.0%</b>	<b>253.6</b>	<b>217.9</b>	<b>16.4%</b>

### Environmental & Analysis

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	1,052.4	775.7	35.7%	251.7	185.5	35.7%
Acquired and disposed revenue/profit	22.8	0.9	2.7%	7.9	–	4.3%
Constant currency adjustment	(37.5)		(4.8)%	(9.0)		(4.9)%
<b>Continuing operations – reported</b>	<b>1,037.7</b>	<b>776.6</b>	<b>33.6%</b>	<b>250.6</b>	<b>185.5</b>	<b>35.1%</b>

### Healthcare

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	606.0	570.0	6.3%	143.1	130.6	9.6%
Acquired and disposed revenue/profit	8.6	0.4	1.4%	3.6	–	2.3%
Constant currency adjustment	(16.2)		(2.8)%	(3.6)		(2.4)%
<b>Continuing operations – reported</b>	<b>598.4</b>	<b>570.4</b>	<b>4.9%</b>	<b>143.1</b>	<b>130.6</b>	<b>9.5%</b>

\* Adjustments include where applicable the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates.

**Adjusted EBIT/EBITDA**

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Profit before interest and taxation (EBIT)</b>	<b>520.7</b>	411.2
Add back:		
Acquisition items (note 1)	4.4	20.2
Disposal of operations and impairment of associate (note 1)	6.2	(2.0)
Amortisation of acquired intangible assets (note 1)	63.2	56.9
<b>Adjusted profit before interest and taxation (Adjusted EBIT)</b>	<b>594.5</b>	486.3
Depreciation, impairment and amortisation (excluding acquired intangible assets)	67.0	66.5
<b>Adjusted EBITDA</b>	<b>661.5</b>	552.8

**Adjusted operating profit**

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Operating profit</b>	<b>525.8</b>	409.5
Add back:		
Acquisition items (note 1)	4.4	20.2
Amortisation of acquired intangible assets (note 1)	63.2	56.9
<b>Adjusted operating profit</b>	<b>593.4</b>	486.6

**Adjusted operating cash flow**

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Net cash from operating activities (note 10)</b>	<b>480.6</b>	492.4
Add:		
Net acquisition costs paid	6.2	4.9
Prepayment for acquisition made post year-end, included in receivables	8.5	-
Taxes paid	112.5	103.3
Proceeds from sale of property, plant and equipment and capitalised development costs	1.2	0.9
Share awards vested not settled by own shares	5.5	3.5
Deferred consideration paid in excess of payable estimated on acquisition (note 8)	6.7	0.1
Less:		
Purchase of property, plant and equipment (excluding Right of use assets)	(54.9)	(43.8)
Purchase of computer software and other intangibles	(1.3)	(1.8)
Development costs capitalised	(14.8)	(13.8)
<b>Adjusted operating cash flow</b>	<b>550.2</b>	545.7
<b>Adjusted cash conversion % (adjusted operating cash flow/adjusted operating profit)</b>	<b>93%</b>	112%

## Adjusted Return on Total Invested Capital

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit after tax	372.3	296.4
Adjustments <sup>1</sup>	58.4	59.4
<b>Adjusted profit after tax<sup>1</sup></b>	<b>430.7</b>	<b>355.8</b>
Total equity	2,168.0	1,899.4
Less net retirement benefit assets	(1.9)	(2.0)
Deferred tax liabilities on retirement benefits	0.4	0.6
Cumulative fair value adjustments on equity investments through other comprehensive income	3.4	(3.3)
Cumulative amortisation and impairment of acquired intangible assets	568.2	505.9
Cumulative amortisation and impairment of acquired intangible assets – held for sale	3.0	–
Historical adjustments to goodwill <sup>2</sup>	89.5	89.5
<b>Total Invested Capital</b>	<b>2,830.6</b>	<b>2,490.1</b>
<b>Average Total Invested Capital<sup>3</sup></b>	<b>2,660.4</b>	<b>2,374.1</b>
<b>Adjusted Return on Total Invested Capital (Adjusted ROTIC)<sup>4</sup></b>	<b>16.2%</b>	<b>15.0%</b>

## Adjusted Return on Capital Employed

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit before tax	490.7	384.3
Adjustments <sup>1</sup>	73.8	75.1
Net finance costs	30.0	26.9
Lease interest	(4.3)	(4.6)
<b>Adjusted operating profit<sup>1</sup> after share of results of associates and lease interest</b>	<b>590.2</b>	<b>481.7</b>
Computer software costs within other intangible assets	2.1	3.2
Capitalised development costs within other intangible assets	54.8	51.4
Other intangibles within other intangible assets	3.5	3.0
Property, plant and equipment	310.3	283.2
Inventories	322.2	300.3
Trade and other receivables	601.0	485.9
Assets classified as held for sale <sup>5</sup>	13.2	–
Current trade and other payables	(396.9)	(343.3)
Current lease liabilities	(25.2)	(23.1)
Current provisions	(30.0)	(44.5)
Net tax receivable	14.0	4.2
Non-current trade and other payables	(24.6)	(24.5)
Non-current provisions	(13.3)	(11.2)
Non-current lease liabilities	(82.6)	(86.5)
Liabilities classified as held for sale	(4.1)	–
Add back contingent purchase consideration	17.2	27.0
<b>Capital Employed</b>	<b>761.6</b>	<b>625.1</b>
<b>Average Capital Employed<sup>5</sup></b>	<b>693.4</b>	<b>632.4</b>
<b>Adjusted Return on Capital Employed (Adjusted ROCE)<sup>4</sup></b>	<b>85.1%</b>	<b>76.2%</b>

1 Adjustments include the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates. Where measures are after tax, these also include the associated taxation on adjusting items. Note 1 provides more information on these items.

2 Includes goodwill amortised prior to 3 April 2004 and goodwill taken to reserves.

3 The Adjusted ROTIC and Adjusted ROCE measures are expressed as a percentage of the average of the current and prior year's Total Invested Capital and Capital Employed respectively. Using an average as the denominator is considered to be more representative. The 1 April 2024 Total Invested Capital and Capital Employed balances were £2,258.0m and £639.6m respectively.

4 The Adjusted ROTIC and Adjusted ROCE measures are calculated as Adjusted profit after tax divided by Average Total Invested Capital and Adjusted operating profit after share of results of associates and lease interest divided by Average Capital Employed, respectively.

5 Assets classified held for sale include capitalised software, property plant and equipment, inventory, trade and other receivables and tax receivable.

#### 4 Finance income

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Interest receivable	5.8	4.9
Net interest credit on pension plan assets	0.2	1.5
	<b>6.0</b>	<b>6.4</b>

#### 5 Finance expense

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Interest payable on borrowings	28.1	27.9
Interest payable on lease obligations	4.3	4.6
Amortisation of finance costs	1.1	0.5
Other interest payable	2.4	0.2
Fair value movement on derivative financial instruments	0.1	0.1
	<b>36.0</b>	<b>33.3</b>

#### 6 Taxation

##### Recognised in the Consolidated Income Statement

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Current tax</b>		
UK corporation tax at 25% (2025: 25%)	31.6	25.9
Overseas taxation	80.6	81.2
Adjustments in respect of prior years	(7.1)	(3.7)
<b>Total current tax charge</b>	<b>105.1</b>	<b>103.4</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	8.5	(18.3)
Adjustments in respect of prior years	4.8	2.8
<b>Total deferred tax charge/(credit)</b>	<b>13.3</b>	<b>(15.5)</b>
<b>Total tax charge recognised in the Consolidated Income Statement</b>	<b>118.4</b>	<b>87.9</b>
Reconciliation of the effective tax rate:		
Profit before tax	490.7	384.3
Tax at the UK corporation tax rate of 25% (2025: 25%)	122.7	96.1
Overseas tax rate differences	(4.1)	(6.3)
Tax incentives, exemptions and credits (including patent box, R&D and High-Tech status)	(11.0)	(9.4)
Permanent differences	13.1	8.4
Adjustments in respect of prior years	(2.3)	(0.9)
<b>Total tax charge recognised in the Consolidated Income Statement</b>	<b>118.4</b>	<b>87.9</b>
<b>Effective tax rate</b>	<b>24.1%</b>	<b>22.9%</b>

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Adjusted* profit before tax	564.5	459.4
Total tax charge on adjusted* profit	133.8	103.6
<b>Effective tax rate</b>	<b>23.7%</b>	<b>22.6%</b>

\* Adjustments include the amortisation and impairment of acquired intangible assets, acquisition items, significant restructuring costs, profit or loss on disposal of operations and impairment of associates. Note 3 provides more information on alternative performance measures.

The Group's future Effective Tax Rate (ETR) will mainly depend on the geographic mix of profits and whether there are any changes to tax legislation in the Group's most significant countries of operations.

The UK Finance (No. 2) Act 2023 contains the UK's provisions in relation to the Pillar Two tax framework (part of the Organisation for Economic Co-operation and Development (OECD) BEPS initiative), which introduced a global minimum ETR of 15% to large multinational groups, effective for accounting periods beginning on or after 31 December 2023 (year ended 31 March 2025 for the Group).

The assessment of the exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31 March 2026 of the constituent entities in the Group.

There are a limited number of jurisdictions where transitional safe harbour relief may not apply and the Pillar Two ETR may be below 15%. However, the Pillar Two income taxes exposure for the Group is assessed to be immaterial.

The Group continues to apply the exemption under the IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to top up income taxes.

## Recognised in the Consolidated Statement of Comprehensive Income and Expenditure

In addition to the amount charged to the Consolidated Income Statement, the following amounts relating to tax have been recognised directly in the Consolidated Statement of Comprehensive Income and Expenditure:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Current tax</b>		
Retirement benefits	–	–
<b>Deferred tax</b>		
Retirement benefits	–	(7.4)
Effective portion of changes in fair value of cash flow hedges	<b>0.2</b>	0.1
	<b>0.2</b>	(7.3)

## Recognised directly in equity

In addition to the amounts charged to the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income and Expenditure, the following amounts relating to tax have been recognised directly in equity:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Current tax</b>		
Excess tax deductions related to share-based payments on vested awards	<b>(2.8)</b>	(0.9)
<b>Deferred tax</b>		
Change in estimated excess tax deductions related to share-based payments	<b>(3.3)</b>	(0.8)
	<b>(6.1)</b>	(1.7)

## 7 Dividends

	Per ordinary share		Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
	Year ended 31 March 2026 pence	Year ended 31 March 2025 pence		
<b>Amounts recognised as distributions to shareholders in the year</b>				
Final dividend for the year ended 31 March 2025 (31 March 2024)	<b>14.12</b>	13.20	<b>53.3</b>	49.8
Interim dividend for the year ended 31 March 2026 (31 March 2025)	<b>9.63</b>	9.00	<b>36.4</b>	34.0
	<b>23.75</b>	22.20	<b>89.7</b>	83.8
<b>Dividends declared in respect of the year</b>				
Interim dividend for the year ended 31 March 2026 (31 March 2025)	<b>9.63</b>	9.00	<b>36.4</b>	34.0
Proposed final dividend for the year ended 31 March 2026 (31 March 2025)	<b>15.11</b>	14.12	<b>57.0</b>	53.3
	<b>24.74</b>	23.12	<b>93.4</b>	87.3

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 23 July 2026 and has not been included as a liability in these financial statements.

## 8 Acquisitions

In accounting for acquisitions, adjustments are made to the book values of the net assets of the companies acquired to reflect their fair values to the Group. Other previously unrecognised assets and liabilities at acquisition are included and accounting policies are aligned with those of the Group where appropriate.

For each of the businesses acquired during the year, the following has been disclosed: the name of the business, the sector it will join, its location, date of acquisition and the annualised acquired revenue. The remaining disclosures required by IFRS 3 are provided separately for those individual acquisitions that are considered material and in aggregate for individually immaterial acquisitions. An acquisition would generally be considered individually material if the impact on the Group or the sector's revenue or profit measures (on an annualised basis) or the relevant amounts on the balance sheet for acquired intangibles or goodwill is greater than 5%. Management also applies judgement in considering whether there are any material qualitative differences from other acquisitions made.

Business	Sector	Country	Acquisition Date	Percentage of Share Capital Acquired	Annualised acquired Revenue £m
Nu Perspectives Limited (Nu Perspectives)	Healthcare	United Kingdom	3 April 2025	100%	1.1
MC Steering B.V. (Brownline)	Environmental & Analysis	Netherlands	25 August 2025	100%	30.5
E2S Group Limited (E2S)	Safety	United Kingdom	5 December 2025	100%	44.0
Safetec S.r.l (Safetec)	Safety	Italy	9 January 2026	100%	23.0
Altomed Group Holdings Limited (Altomed)	Healthcare	United Kingdom	27 February 2026	100%	13.7
<b>Total</b>					<b>112.3</b>

Founded in 2008 and based in Stockbridge, UK, Nu Perspectives are specialists in the design and development of medical products, pneumatic systems, liquid nitrogen systems and cryosurgical devices. Nu Perspectives was bought as a bolt-on for the Group's Keeler businesses and so joined the Healthcare sector. In August 2025, Nu Perspectives was hived up into Keeler Limited.

Founded in 1994 and based in Meerkerk, Netherlands, Brownline has developed proprietary gyro-based steering technology that enables interference-free, ultra-accurate drilling in complex underground environments. Brownline's core offering, the DrillGuide GyroSteering Tool ("GST") is deployed across utility, energy, and telecommunications sectors, supporting trenchless infrastructure installation with minimal surface disruption. Brownline will continue to run under its own management team and joins the Group's Environmental & Analysis sector.

Founded in 1992 and based in London, UK, E2S develops products that keep people safe in hazardous industrial and manufacturing environments. Its range of high-performance signalling solutions are critical components of process safety systems which play a vital role in alerting workers to potential dangers such as gas leaks, fires, or equipment failures. By enabling rapid action and reducing the risk to workers and critical assets, E2S's technology is indispensable in stringent and highly regulated markets such as oil and gas, renewable energy and power, with its products designed to operate in harsh and challenging conditions. E2S will continue to run under its own management team and joins the Group's Safety sector.

Founded in 2003 and based in Milan, Italy, Safetec is a global provider of fire and gas safety systems for industrial markets. Safetec specialises in designing and delivering customised safety systems for large-scale industrial projects across sectors such as oil and gas, power generation, petrochemicals and pharmaceuticals. Safetec continues to run under its own management team and has become part of the Group's Safety sector.

Founded in 1976 and based in Tyne and Wear, UK, Altomed is a UK-based manufacturer and distributor of specialised ophthalmic instruments and consumables. Altomed was bought as a bolt-on for the Group's MST business and so joined the Healthcare Sector.

The acquisition of Brownline and E2S are considered to be individually material during the current year due to their impact on revenue, intangible assets and goodwill and have therefore been separately disclosed in the table below:

	Total 2026 £m	Brownline £m	E2S £m	Other £m
<b>Non-current assets</b>				
Other intangible assets	229.0	65.9	110.0	53.1
Property, plant and equipment	19.2	12.7	5.2	1.3
<b>Current assets</b>				
Inventories	17.1	3.4	10.0	3.7
Trade and other receivables	39.2	9.0	9.0	21.2
Cash and bank balances	30.2	5.6	6.8	17.8
<b>Total assets</b>	<b>334.7</b>	<b>96.6</b>	<b>141.0</b>	<b>97.1</b>
<b>Current liabilities</b>				
Trade and other payables	(20.1)	(5.6)	(4.4)	(10.1)
Borrowings	(19.0)	(18.9)	–	(0.1)
Lease liabilities	(2.1)	(0.9)	(0.5)	(0.7)
Provisions	(2.4)	(1.3)	(0.2)	(0.9)
Tax liabilities	(4.8)	(1.6)	(1.8)	(1.4)
<b>Non-current liabilities</b>				
Lease liabilities	(9.4)	(5.2)	(3.6)	(0.6)
Provisions	(0.6)	–	(0.5)	(0.1)
Deferred tax liabilities	(57.2)	(16.5)	(27.9)	(12.8)
<b>Total liabilities</b>	<b>(115.6)</b>	<b>(50.0)</b>	<b>(38.9)</b>	<b>(26.7)</b>
<b>Net assets of businesses acquired</b>	<b>219.1</b>	<b>46.6</b>	<b>102.1</b>	<b>70.4</b>
Initial cash consideration paid	453.6	114.0	234.3	105.3
Other amounts to be (received)/paid	(0.4)	(0.6)	(1.1)	1.3
Contingent purchase consideration including retentions estimated to be paid	5.4	–	–	5.4
<b>Total consideration</b>	<b>458.6</b>	<b>113.4</b>	<b>233.2</b>	<b>112.0</b>
<b>Total goodwill</b>	<b>239.5</b>	<b>66.8</b>	<b>131.1</b>	<b>41.6</b>

Brownline was acquired for a total estimated consideration of €130.4m (£113.4m). The initial consideration comprised the cash- and debt-free purchase price of €145.7m (£126.7m), plus cash acquired of €6.4m (£5.6m) less debt acquired of €21.7m (£18.9m). In addition, there are amounts to be received from the sellers of €0.7m (£0.6m). The debt acquired of €21.7m (£18.9m) was settled immediately post-acquisition. There is no contingent consideration payable.

E2S was acquired for a total estimated consideration of £233.2m. The initial consideration comprised the cash- and debt-free purchase price of £226.4m plus cash acquired of £6.8m. In addition, there are amounts to be received from the sellers of £1.1m. There is no contingent consideration payable.

The Safetec acquisition includes amounts to be paid to the sellers of €6.0m (£5.2m) relating to agreed retentions. These amounts are to be settled in two instalments after one and two years.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £114.2m; trade names of £29.5m; and technology related intangibles of £84.4m.

The residual goodwill of £239.5m represents:

- the technical expertise of the acquired workforce;
- future cashflows of undeveloped intangible assets; and
- the new customers of the acquired business.

Due to their contractual dates, the fair value of receivables acquired approximate to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial.

There are no material contingent liabilities recognised in accordance with paragraph 23 of IFRS 3 (revised).

As at the date of approval of the financial statements, the accounting for all acquisitions since 31 March 2025, is provisional; relating to finalisation of the valuation of acquired intangible assets, the initial consideration, which is subject to agreement of certain contractual adjustments, and certain other provisional balances.

#### Analysis of cash outflow in the Consolidated Cash Flow Statement

	Year ended 2026 £m	Year ended 2025 £m
Initial cash consideration paid	453.6	115.5
Cash acquired on acquisitions	(30.2)	(10.5)
Initial cash consideration adjustment paid on current year acquisitions	–	1.0
Contingent consideration paid	12.0	10.3
<b>Net cash outflow relating to acquisitions</b>	<b>435.4</b>	<b>116.3</b>
<b>Included in cash flows from operating activities</b>	<b>6.7</b>	<b>0.1</b>
<b>Included in cash flows from investing activities</b>	<b>428.7</b>	<b>116.2</b>

Contingent consideration included in cash flows from operating activities reflects amounts paid in excess of that estimated in the acquisition balance sheets.

In addition, immediately after acquisition the Group repaid £19.0m of debt acquired comprising £18.9m for Brownline and £0.1m for Safetec.

The revenue and profit after tax of acquisitions included in the Group's results since the date of acquisition and the estimated revenue and profit after tax if they had been acquired at the start of the financial year, are as follows:

		Total £m	Brownline £m	E2S £m	Other £m
Revenue	Post acquisition	41.9	21.3	14.3	6.3
	Full year estimate	124.6	34.9	45.6	44.1
Profit after tax	Post acquisition	10.5	4.8	4.5	1.2
	Full year estimate	31.4	8.3	13.8	9.3

Acquisition costs totalling £5.5m were recorded in the Consolidated Income Statement.

The goodwill arising on these acquisitions is not expected to be deductible for tax purposes.

#### Adjustments in respect of prior year acquisitions

	Total £m
<b>Current assets</b>	
Trade and other receivables	0.3
<b>Total assets</b>	<b>0.3</b>
<b>Non-current liabilities</b>	
Deferred tax liability	(0.1)
<b>Total liabilities</b>	<b>(0.1)</b>
<b>Net assets of business acquired</b>	<b>0.2</b>
Other paid	(0.2)
<b>Total consideration</b>	<b>(0.2)</b>
<b>Total goodwill</b>	<b>0.0</b>

In finalising the acquisition accounting for the prior year acquisition of Lamidey Noury Médical S.A., a reduction of £0.3m was made to trade and other receivables, an adjustment of £0.1m was made to deferred tax liability and an increase of £0.2m to other amounts owed to vendors. Overall this resulted in £0.0m change to goodwill.

The adjustments were not material and as such the comparative balance sheet was not restated; instead the adjustments have been made through the current year.

## 9 Disposal of operations

On 25 July 2025, the Group disposed of Apollo America Inc. (AAI) to a third party for proceeds of US\$13.6m (£10.1m). This transaction resulted in the recognition of a loss in the Consolidated Income Statement as follows:

	Year ended 31 March 2026 £m
Proceeds of disposal	10.1
Less: net assets on disposal	(14.1)
Less: allocation of goodwill disposed	(2.4)
Less: costs of disposal	(2.5)
Add: translation reserve recycled to profit and loss	3.8
<b>Loss on disposal</b>	<b>(5.1)</b>

Also included in the loss on disposal of operations in the Consolidated Income Statement of £6.2m is the disposal costs relating to disposals completed post-year-end of £2.1m (note 12), net of the profit on the stepped disposal of OneThird of £1.0m.

Cash received on disposal of operations in the Consolidated Cash Flow Statement of £6.9m comprised proceeds of disposal for AAI of US\$13.6m (£10.1m), less deal costs settled of US\$2.6m (£1.9m), less amounts to be received of US\$1.4m (£1.0m), net of cash disposed of US\$0.2m (£0.1m), less £0.2m in relation to the disposal costs for the post-year-end disposals that were settled in the year ended 31 March 2026.

The amount to be received for the disposal of AAI is held in escrow and is expected to be received within 12 months.

## 10 Notes to the Consolidated Cash Flow Statement

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Reconciliation of profit from operations to net cash inflow from operating activities:</b>		
Profit on continuing operations before finance income and expense, share of results of associate and profit on disposal of operations	525.8	409.5
Non-cash loss on hedging instruments	(0.1)	(0.6)
Depreciation and impairment of property, plant and equipment	55.0	51.0
Amortisation and impairment of computer software	1.3	1.3
Amortisation of capitalised development costs and other intangibles	11.5	11.1
Impairment (reversal)/charge of capitalised development costs	(0.8)	3.1
Amortisation of acquired intangible assets	63.2	56.9
Share-based payment expense in excess of amounts paid	17.2	21.9
Defined benefit pension plans administration cost less contributions from sponsoring companies	0.4	0.4
Loss/(profit) on sale of property, plant and equipment, capitalised development costs and computer software	0.7	(0.2)
<b>Operating cash flows before movement in working capital</b>	<b>674.2</b>	<b>554.4</b>
(Increase)/decrease in inventories	(12.5)	12.3
Increase in receivables	(90.5)	(20.9)
Increase in payables and provisions	31.4	44.7
(Decrease)/increase to estimate and exchange difference on contingent consideration payable less amounts paid in excess of payable estimated on acquisition	(9.5)	5.2
<b>Cash generated from operations</b>	<b>593.1</b>	<b>595.7</b>
Taxation paid	(112.5)	(103.3)
<b>Net cash inflow from operating activities</b>	<b>480.6</b>	<b>492.4</b>

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	143.4	313.2
Cash reclassified as held for sale (note 12)	1.4	-
Overdrafts (included in current borrowings)	(1.4)	(0.5)
<b>Cash and cash equivalents</b>	<b>143.4</b>	<b>312.7</b>

	31 March 2025 £m	Cash flow £m	Net cash/(debt) acquired £m	Net (cash)/debt disposed £m	Additions and reclassifications £m	Exchange adjustments £m	31 March 2026 £m
<b>Analysis of net debt</b>							
Cash and bank balances	313.2	(201.2)	30.2	(0.1)	(1.4)	2.7	143.4
Cash reclassified as Held For Sale	–	–	–	–	1.4	–	1.4
Overdrafts	(0.5)	(0.9)	–	–	–	–	(1.4)
Cash and cash equivalents	312.7	(202.1)	30.2	(0.1)	–	2.7	143.4
Loan notes falling due within one year	(35.1)	35.1	–	–	(47.5)	–	(47.5)
Loan notes falling due after more than one year	(659.9)	–	–	–	47.5	(15.4)	(627.8)
Bank loans falling due within one year	–	19.0	(19.0)	–	–	–	–
Bank loans falling due after more than one year	(43.9)	(81.2)	–	–	–	(3.8)	(128.9)
Lease Liabilities	(109.6)	29.3	(11.6)	0.4	(16.3)	–	(107.8)
Lease Liabilities reclassified as Held For Sale	–	–	–	–	(0.5)	–	(0.5)
<b>Total net debt</b>	<b>(535.8)</b>	<b>(199.9)</b>	<b>(0.4)</b>	<b>0.3</b>	<b>(16.8)</b>	<b>(16.5)</b>	<b>(769.1)</b>

The net decrease in cash and cash equivalents of £172.0m comprised net cash outflow of £202.1m and net cash acquired and disposed of £30.1m.

The movement in bank loans in the year represents the proceeds and repayments of bank borrowings and the borrowings acquired as a result of acquisition.

### Reconciliation of movements of the Group's liabilities from financing activities

Liabilities from financing activities are those for which cash flows were, or will be, classified as cash flows from financing activities in the Consolidated Cash Flow Statement.

	Borrowings* £m	Overdraft £m	Leases £m	Total liabilities from financing activities £m	Trade and other payables falling due within one year £m
At 1 April 2024	711.9	0.3	83.7	795.9	296.5
Cash flows from financing activities	(8.9)	–	(28.8)	(37.7)	(33.0)
Acquisition/disposal of subsidiaries	46.7	–	2.4	49.1	12.0
Exchange adjustments	(10.8)	–	(1.8)	(12.6)	(4.2)
Other changes**	–	0.2	54.1	54.3	72.0
<b>At 31 March 2025</b>	<b>738.9</b>	<b>0.5</b>	<b>109.6</b>	<b>849.0</b>	<b>343.3</b>
Cash flows from financing activities	27.1	–	(29.3)	(2.2)	(28.3)
Acquisition/disposal of subsidiaries	19.0	–	11.2	30.2	18.9
Exchange adjustments	19.2	–	–	19.2	(1.3)
Other changes**	–	0.9	16.3	17.2	64.3
<b>At 31 March 2026</b>	<b>804.2</b>	<b>1.4</b>	<b>107.8</b>	<b>913.4</b>	<b>396.9</b>

\* Excluding overdrafts.

\*\* Other changes include movements in overdraft which is treated as cash, interest accruals, reclassifications from non-current to current liabilities, lease additions and other movements in working capital balances including amounts transferred to Held For Sale.

### 11 Contingent liabilities

The Group has widespread global operations and is consequently a defendant in legal, tax and customs proceedings incidental to those operations. In addition, there are contingent liabilities arising in the normal course of business in respect of indemnities, warranties and guarantees. These contingent liabilities are not considered to be unusual or material in the context of the normal operating activities of the Group. Provisions have been recognised in accordance with the Group accounting policies where required. None of these claims are expected to result in a material gain or loss to the Group.

## 12 Events subsequent to end of reporting period

During the year, the sale of Labsphere was assessed as highly probable and the disposal group was therefore classified as held for sale on 20 March 2026. Upon classification as held for sale, the assets and liabilities of the disposal group were measured at the lower of carrying amount and fair value less costs to sell. As fair value less costs to sell exceeded the carrying amount of the disposal group, no impairment was recognised on classification. From the date of classification, depreciation and amortisation ceased. As Labsphere does not represent a discontinued operation, its results for the year remain included within continuing operations.

On 2 April 2026, the Group completed the sale of Labsphere to Industrious Equity Partners for US\$42m (£31m). Due to local regulatory requirement the sale of the Chinese entity closed on 16 April 2026. The profit on disposal is expected to be c.£16m. Disposal costs of £1.9m were recognised in the Consolidated Income Statement for the year ending 31 March 2026.

The table below sets out the major classes of assets and liabilities classified as held for sale at 31 March 2026:

	31 March 2026 £m
<b>Assets classified as held for sale</b>	
Goodwill	1.1
Other intangible assets	6.8
Property, plant and equipment	3.1
Deferred tax asset	0.7
Inventory	4.7
Trade and other receivables	4.1
Tax receivable	0.1
Cash and cash equivalents	1.4
	<b>22.0</b>
<b>Liabilities classified as held for sale</b>	
Trade and other payables	(3.5)
Lease Liabilities	(0.5)
Provision	(0.1)
	<b>(4.1)</b>

On 1 April 2026, the Group acquired the entire share capital of DCR Inspection Systems Ltd (DCR), based in Pontyclun, Wales, UK for a cash consideration of £8m on a cash- and debt-free basis as a bolt-on for its Minicam business. DCR is a leading UK drainage equipment rental provider and an existing Minicam partner. DCR will be part of the Environmental & Analysis Sector. A detailed purchase price allocation exercise is currently being performed to calculate the goodwill arising on this acquisition.

On 10 April 2026, the Group acquired the entire share capital of Surgistar Inc (Surgistar), based in California, USA for a cash consideration of US\$90m (£67m) on a cash- and debt-free basis as a bolt-on for its MST business. Surgistar is a manufacturer of high quality surgical instruments and devices used in everyday ophthalmic procedures. Surgistar will be part of the Healthcare Sector. A detailed purchase price allocation exercise is currently being performed to calculate the goodwill arising on this acquisition.

On 29 April 2026, the Group completed the sale of Cardios to Cardioline for R\$82m (£12m). The loss on disposal is expected to be c.£4m, predominantly driven by the significant devaluation in Brazilian Real since Halma acquired Cardios in 2017. Disposal costs of £0.2m were recognised in the Consolidated Income Statement for the year ending 31 March 2026.

## 13 Remuneration of key management personnel

The remuneration of the Directors and Executive Board members, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided in the audited part of the Annual Remuneration Report in the Annual Report and Accounts 2026.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Wages and salaries	15.4	13.7
Pension costs	-	-
Share-based payment charge	8.4	7.7
	<b>23.8</b>	21.4

## Cautionary note

These results contain certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the announcement. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.