

Halma plc
FULL YEAR RESULTS 2025
Record profit for the 22nd 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 2025.

Marc Ronchetti, Group Chief Executive, commented:

“This has been another successful year for Halma, reflecting the contributions and commitment of everyone in the Group. We delivered record revenue and profit, with strong margins and cash generation, and increased returns on capital. We achieved our 22nd consecutive year of profit growth, and delivered our 46th consecutive year of dividend growth of 5% or more.

Achieving such a strong performance amidst varied market conditions and a challenging economic and geopolitical backdrop is a testament to the fundamental strengths of our Sustainable Growth Model. These include our positive purpose and culture, and a diverse portfolio of companies, each with strong positions in their markets and growth underpinned by long-term drivers. Our business model gives our talented and dedicated teams the autonomy to respond with agility to changes in their markets, and our financial strength supports continued substantial investments in future growth opportunities. These strengths support my confidence that we are well positioned to make further progress this year and in the longer term.”

Highlights

	Change	2024/25	2023/24
Revenue	+11%	£2,248.1m	£2,034.1m
Adjusted ¹ Earnings before Interest and Taxation (EBIT)	+15%	£486.3m	£424.0m
Adjusted ¹ Profit before Taxation	+16%	£459.4m	£396.4m
Adjusted Earnings per Share ²	+14%	94.23p	82.40p
Statutory Profit before Interest and Taxation	+12%	£411.2m	£367.9m
Statutory Profit before Taxation	+13%	£384.3m	£340.3m
Statutory Earnings per Share	+10%	78.49p	71.23p
Total Dividend per Share ³	+7%	23.12p	21.61p
Adjusted ¹ EBIT margin ⁴	+80bps	21.6%	20.8%
Cash conversion ⁵	+9pp	112%	103%
Return on Total Invested Capital ⁶	+60bps	15.0%	14.4%

- Record revenue: +11%, and +9% organic⁷
- Adjusted¹ EBIT: +15%, and +13% organic⁷.
- Strong Adjusted¹ EBIT margin⁴ performance: up 80bps at 21.6% (2023/24: 20.8%)
- Statutory Profit before Interest and Taxation +12%.
- Revenue and Adjusted¹ profit growth in all sectors, including on an organic⁷ basis
 - Broad-based revenue growth in Safety across all subsectors and geographies: +9.5% (organic⁷ +7.7%); Adjusted¹ profit +13.7% (+11.6% organic⁷);

- Strong revenue growth in Environmental & Analysis +18.0% (organic⁷ +19.0%); includes exceptional photonics performance ; Adjusted¹ profit +25.4% (+25.5% organic);
- Modest revenue growth in Healthcare +3.2% (+0.3% organic⁷); Adjusted¹ profit +4.0% (+0.3% organic⁷); substantial improvement in second half.
- Revenue growth in all regions, including double-digit growth in USA and Asia Pacific.
- Continued high returns: ROTIC⁶ increased 60bps to 15.0% (2023/24: 14.4%), well ahead of our 12% target and our weighted average cost of capital of 9.8% (2023/24: 9.7%).
- Strong cash performance: cash conversion⁵ of 112% (2023/24: 103%), substantially above 90% target.
- Continued strategic investment to support future growth:
 - R&D investment increased to £108.4m (2023/24: £103.8m⁹), representing 4.8% of revenue (2023/24: 5.1%⁹);
 - Seven acquisitions completed for £157m maximum total consideration; healthy pipeline of potential acquisitions.
- Continued balance sheet strength: net debt/EBITDA reduced to 0.97 times (2023/24: 1.35 times), well within operating range of up to 2 times.
- Total dividend +7%: 46th consecutive year of dividend growth of 5% or more; reflects the Board's continued confidence in the Group's growth prospects.

Outlook for the 2026 financial year

We have made a positive start to the 2026 financial year, with a strong order book and order intake ahead of revenue and last year. While the geopolitical and economic environment remains uncertain, we currently expect to deliver upper single digit percentage organic constant currency revenue growth in this financial year. This includes an expected benefit from further very strong growth in photonics within the Environmental & Analysis Sector. Adjusted EBIT margin is expected to be modestly above the middle of our target range of 19-23%.

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 £75.1m (2023/24: £56.1m). See note 1 to the Results for details.
- 2 Adjusted to remove the amortisation and impairment of acquired intangible assets, acquisition items, significant restructuring costs, profit on disposal of operations, impairment of associates, and the associated taxation thereon. See note 2 to the Results for details.
- 3 Total dividend paid and proposed per share, comprising an interim dividend of 9.00p per share and a proposed final dividend of 14.12p per share.
- 4 Adjusted¹ EBIT margin is defined as Adjusted¹ Earnings before Interest and Taxation from continuing operations expressed as a percentage of revenue from continuing operations.
- 5 Cash conversion is defined as Adjusted¹ operating cash flow as a percentage of Adjusted¹ operating profit. See note 3 to the Results for details.
- 6 Return on Total Invested Capital (ROTIC) is defined as post-tax Adjusted¹ Profit as a percentage of average Total Invested Capital.
- 7 Organic measures exclude the effect of movements in foreign exchange rates on the translation of revenue and Adjusted¹ Profit into Sterling, as well as acquisitions in the year following completion and disposals. See note 3 to the Results for details.

- 8 *Adjusted¹ Earnings before Interest and Taxation, Adjusted¹ Profit before Taxation, Adjusted² Earnings per Share, organic growth rates, ROTIC and net debt are alternative performance measures used by management. See notes 1, 2 and 3 to the Results for details.*
- 9 *FY 2023/24 R&D corrected and restated.*
- 10 *Throughout this announcement above and the Strategic Report that follows, references to profit, unless otherwise qualified, refer to Adjusted¹ Profit before interest and taxation (EBIT), as management's preferred measure of profitability. See note 3 to the Results for alternative performance measures.*

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

NOTE TO EDITORS

1. 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 market areas where it operates:
 - **Safety** Protecting people, assets and infrastructure in commercial, industrial and public spaces. Reducing safety risks in hazardous situations, increasing efficiency and helping to create a more sustainable future.
 - **Environmental & Analysis** Monitoring and protecting the environment, and ensuring the quality and availability of life-critical resources. Creating solutions used in materials analysis and optoelectronic applications.
 - **Healthcare** Improving the care delivered by healthcare providers, and enhancing the quality of patients' lives, through contributing to the discovery and development of new cures, the diagnosis and treatment of patient conditions, and data analysis.

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 six years.

2. You can view or download copies of this announcement and our latest Annual Report from the website at www.halma.com.
3. 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 profit for the 22nd consecutive year

I am pleased to report another year of record revenue and profit, marking Halma's 22nd consecutive year of record profit. Achieving such a strong performance amidst varied market conditions and a challenging economic and geopolitical backdrop is a testament to the fundamental strengths of our Sustainable Growth Model. These include the clarity of our purpose and strategy, the breadth of our portfolio, the diversity, agility and entrepreneurialism of our teams, and the hard work and dedication of our people.

I would like to thank everyone at Halma for their contributions to our success and their commitment to growing a safer, cleaner, healthier future for everyone, every day.

Driven by a common purpose

While our companies operate in a wide variety of individual market niches, our purpose unites them, and motivates our people to develop innovative solutions which address our customers' pressing safety, environmental, and healthcare challenges. Leading a group whose dedicated people share a strong sense of purpose is a huge privilege and when I visit our companies, I am inspired by the passion and focus each person brings to their work.

Our purpose is both a significant motivator for our people and a strategic business driver at the core of our Sustainable Growth Model. It means that we focus on markets which offer opportunities for Halma to grow for decades to come. Growth in our markets is underpinned by structural long-term drivers, such as the increasing need to ensure the safety of people and assets in an ever more crowded and fast-moving world, the growing necessity to protect life-critical natural resources as they come under increased pressure, and the rising demand for better healthcare as populations age and demand for better patient outcomes continues to increase.

A proven Sustainable Growth Model

The strengths of our Sustainable Growth Model have been proven over many years. It gives each of our individual companies the autonomy to be entrepreneurial in their markets, and to act with agility to ensure that they can maximise opportunities in existing and new, adjacent market areas. It also allows them to benefit from being part of a FTSE 100 company with global operations, and from the network of Halma companies. These elements are important assets for our companies in more challenging markets, enabling them to react rapidly to mitigate the effects of adverse geopolitical, economic or regulatory changes, and to benefit from collaboration with other Halma companies in finding solutions to specific issues.

For the Group as a whole, we benefit from the diversity of our portfolio, and the low correlation between the growth drivers in our individual companies' markets. This enhances the resilience of our Group performance, with variations of performance in specific markets often offset elsewhere in the portfolio, and this in turn allows us to invest for the longer term, through market cycles.

Our Sustainable Growth Model is therefore designed to enable the delivery of both strong and resilient performance in the near term, and sustainable, compounding growth and returns over the longer term. We focus on acquiring high-quality companies in global niche markets that are aligned with our purpose, and then ensure we have talented leaders to run them. These are the critical inputs to Halma's success, and you can read more about them, and the common characteristics we look for in our companies and leaders in the Annual Report and Accounts 2025.

We have seen the benefits of this disciplined approach this year and over many years. The quality of the talent and the companies in our portfolio generates strong organic growth and high cash flow returns on investment, allowing us to continually invest in new organic growth opportunities, as well as high-quality acquisitions which then further contribute to our future organic growth. This creates a positive compounding effect, delivering long-term sustainable growth and returns. This has meant our total shareholder return has been well above returns delivered by the FTSE 100 and NASDAQ Index over the past 20 years.

A strong financial performance in varied market conditions

We delivered a strong financial performance this year. Revenue grew by 11% to £2,248m, Adjusted¹ EBIT increased by 15% to £486m, and Adjusted¹ earnings per share rose by 14%, well above our 10% target, to 94.23p. It was pleasing to see this supported by good levels of organic¹ revenue and organic¹ Adjusted¹ EBIT growth, of 9% and 13% respectively. This was well ahead of our 5% organic¹ growth targets and above our average growth rates for both metrics over the preceding decade of 7% and 6% respectively, and reflected our companies' ability to respond to the substantial opportunities in their markets. Statutory profit before interest and taxation increased by 12% to £411m.

The strength of our performance was supported by our companies' ability to respond with agility to the varied opportunities and challenges in their end markets, and by the diversity of our portfolio. We saw strong growth in the Safety Sector, broadly spread across all subsectors, and in the Environmental & Analysis Sector. The latter included exceptional performance from photonics within the Optical Analysis subsector whose solutions support the ongoing development of a large "hyperscaler" technology customer's data centre capabilities (for further detail please see the Environmental & Analysis Sector review). In the Healthcare Sector, there was a substantial improvement in performance in the second half, following a weaker first half which reflected a subdued background in its end markets.

Our continued focus on the delivery of high and compounding returns and optimising cash flow returns on investment resulted in a strong performance against a number of our KPIs. Our Adjusted¹ EBIT margin was 21.6%, up 80 basis points, ahead of our expectations at the beginning of the year and above the mid point of our KPI target range of 19%-23%, reflecting favourable product and portfolio mix and good operational delivery across all three sectors. Return on Total Invested Capital¹ increased by 60 basis points to 15.0%, which is both well above our estimated weighted average cost of capital of 9.8% and towards the upper end of our KPI target range of 12%-17%. Cash conversion for the year was substantially ahead of our 90% KPI at 112%.

This performance continues to support our investment in growth, both organically and through acquisitions, and our progressive dividend policy. The Board is recommending a 7% increase in the final dividend to 14.12p per share, resulting in a total dividend for the year of 23.12p, marking our 46th consecutive year of dividend per share growth of 5% or more.

Strategic investment to support future growth

Investing in organic growth

Supporting our companies' investment in their organic growth is central to our Sustainable Growth Model and underlines the future growth opportunities each company sees in its end markets. Our companies are high-performing, high-quality companies when we acquire them. Our focus is then to support and invest in them to sustain their growth, empowering leaders who have a deep understanding of their markets and their customers to seize new growth opportunities. Supporting our companies' investment in their organic growth opportunities is therefore our top capital allocation priority, and I am pleased to report that investment in innovation and new product development grew in the year, with R&D expenditure increasing by £5m to £108m, representing 4.8% of revenue.

Investing in acquisitions to broaden our growth opportunities

One of the benefits of our model is that we can continue to invest across our sectors through varied end market conditions. This year we made seven acquisitions across all sectors for a total maximum consideration of £157m. This relatively modest amount compared to recent years reflected our continued discipline in selecting only companies that meet our stringent acquisition criteria, and the timing of individual transactions. Over the last five years, we have achieved an average contribution to profit growth from acquisitions (prior to financing costs) of 5.9%, ahead of our 5% KPI. Our healthy pipeline of potential acquisitions and the strength of our balance sheet support our confidence that acquisitions will continue to make a material contribution to growth in the future.

Many of our companies are now of a size and capability that they are increasingly looking for their own acquisitions. It's great to see that five of our companies have completed bolt-on acquisitions this year, expanding their capabilities and accessing new technologies and markets to accelerate their growth and deliver their individual longer-term growth strategies.

We actively manage our portfolio to ensure it remains aligned to our Sustainable Growth Model. As a result, we made one small disposal in the first half of the year in the Environmental & Analysis Sector.

Further details of acquisitions and disposals are contained in the relevant sector reviews and in the notes to the Results.

Investing in our talent and culture

Talent is one of the critical inputs to our model and vital for our continued success. People are at the heart of our growth strategy, and we are focused on ensuring that we cultivate leaders who can thrive within our decentralised model and build high-performing businesses. We also believe building diverse and inclusive businesses is the right thing to do and the source of our strength as a group.

I was pleased to see that our focus on developing leaders has resulted in eight people being promoted onto company boards this year, including two Managing Directors who were previously part of our graduate scheme, the Catalyst programme. We also welcomed two new Sector CFOs for Safety and Healthcare, the latter being an

internal promotion from a company board role. We also supported over 100 leaders through our development programmes, many of whom will go on to become future Halma leaders.

In October, we held our biennial Accelerate conference, attended by over 300 company board members. This event enables leaders to connect with their peers, build new relationships, and share solutions to common business challenges. Although our companies work in different market niches, sectors and countries, they often share similar challenges, and it was great to see the energy and excitement throughout the event as our leaders shared real-life examples and learned from each other.

During the year, we were also pleased to launch the Impact the Future Fund, a new initiative to enable our companies to support causes in their local communities. You can find out more about this in the Annual Report and Accounts 2025.

Sustainability as a growth driver

Sustainability is an integral part of our Sustainable Growth Model and is embedded in our companies' growth strategies. Our focus on end markets underpinned by long-term growth drivers of safer infrastructure, a cleaner environment, and a healthier future for all means that we are already making a positive contribution towards helping our customers tackle several global sustainability challenges, including climate change. We continue to encourage our companies to "do more good" by broadening the positive benefits they provide and seeking new opportunities in sustainability-related end markets and products.

In addition to developing new sustainability-related opportunities, we aim to "do less harm" – by supporting our people and protecting our environment. Our companies set their own sustainability goals that are most relevant and stretching for them, while contributing towards the Group's overall focus areas of reducing emissions, sustainable design and supporting our people. I'm excited to see the innovative and diverse approaches our companies are taking, examples of which can be found in our Environment & People Reports in the Annual Report and Accounts 2025.

We remain committed to our climate change objectives. We believe this is not only the right thing to do, but we know that our stakeholders want and expect us to take action. This year, we've exceeded our 2025 target to achieve 85% renewable electricity globally and continue to make good progress towards our 2040 Scope 1 & 2 Net Zero goal. We've also introduced a new interim science-aligned Scope 3 target for 2035, complementing our existing 2050 Scope 3 Net Zero ambition. More information on our climate-related targets and progress is available in the Annual Report and Accounts 2025.

Executive Board changes

I am delighted to welcome Carole Cran as Chief Financial Officer following Steve Gunning's retirement from Halma. Carole brings considerable experience as a finance leader and a strong understanding of Halma's Sustainable Growth Model, having spent nine years as a non-executive director on our Board. Her passion for Halma's purpose, our companies and our people makes her a great addition to the executive team.

Steve has played a vital role for Halma and for me personally, enabling me to focus fully on my transition into the Group Chief Executive role. He has delivered strategically critical work across the finance function, setting us up for the next phase of our growth. I would like to thank him for his partnership and support, and I wish him all the best for the future.

In September 2024, we appointed Charlene Lim as Group General Counsel to our Executive Board. Charlene brings extensive legal and commercial experience. Charlene's appointment follows our previous Group General Counsel, Funmi Adegoke, moving to become Safety Sector Chief Executive in July 2023.

Summary and outlook

This has been another successful year for Halma, reflecting the contributions and commitment of everyone in the Group. We delivered record revenue and profit, with strong margins and cash generation, and increased returns on capital. We achieved our 22nd consecutive year of profit growth, and delivered our 46th consecutive year of dividend growth of 5% or more.

We have made a positive start to the 2026 financial year, with a strong order book and order intake ahead of revenue and last year. While the geopolitical and economic environment remains uncertain, we currently expect to deliver upper single digit percentage organic¹ constant currency revenue growth in this financial year. This includes an expected benefit from further very strong growth in photonics within the Environmental & Analysis Sector. Adjusted¹ EBIT margin is expected to be modestly above the middle of our target range of 19-23%.

Achieving such a strong performance amidst varied market conditions and a challenging economic and geopolitical backdrop is a testament to the fundamental strengths of our Sustainable Growth Model. These include our positive purpose and culture, and a diverse portfolio of companies, each with strong positions in their markets and growth underpinned by long-term drivers. Our business model gives our talented and dedicated teams the autonomy to respond with agility to changes in their markets, and our financial strength supports continued substantial investments in future growth opportunities. These strengths support my confidence that we are well positioned to make further progress this year and in the longer term.

Marc Ronchetti

Group Chief Executive

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

Chief Financial Officer's Review

Strong financial performance

It is my pleasure to introduce my first review as Halma's Chief Financial Officer and I am pleased to present another year of strong financial performance. This further demonstrates the benefits of agility and diversity we derive from our Sustainable Growth Model. We executed well against our key performance indicators, delivering good organic growth and increased returns, with strong operational cash flows for reinvestment.

This performance extends our track record of delivering long-term compounding growth and strong returns for our shareholders. Over the past ten years, our disciplined approach to our business model and capital allocation has resulted in both revenue and Adjusted¹ EBIT compounding at 12% annually and maintaining strong margins and returns well in excess of our weighted average cost of capital, with cash conversion averaging 92% and leverage in a range of 0.6 to 1.4 times net debt/EBITDA².

This relentless commitment to our Sustainable Growth Model has resulted in our total shareholder returns exceeding those of the NASDAQ Composite Index and being more than triple those of the FTSE 100 Index over that same period.

Our sustainable financial model of strong operating cash generation and balance sheet strength enabled us to continue to invest for long-term growth, through organic R&D and acquisitions. We expect these growth drivers, combined with our financial strength, to enable us to continue to deliver compounding growth and high returns over the longer term as our companies invest to address some of the world's most fundamental needs and challenges.

Record revenue and profit

We delivered strong revenue growth of 10.5%, with revenue for the year to 31 March 2025 of £2,248.1m (2024: £2,034.1m). This comprised good momentum on an organic² basis, with revenue growth of 9.4%, and a contribution from acquisitions of 3.1% (2.7% net of disposals). The appreciation of Sterling mainly against the US Dollar had a negative currency translation effect of 1.6%.

Adjusted¹ EBIT grew 14.7% to £486.3m (2024: £424.0m). Adjusted¹ EBIT growth comprised a 12.6% increase in organic² EBIT, a 4.1% contribution from acquisitions (4.0% net of disposals), and a negative effect from currency of 1.9% due to the appreciation of Sterling. This led to 80 basis points of improvement in the Adjusted¹ EBIT margin to 21.6% (2024: 20.8%). Adjusted¹ profit before taxation grew by 15.9% to £459.4m (2024: £396.4m).

Statutory profit before interest and taxation of £411.2m (2024: £367.9m) was 11.8% higher and Statutory profit before taxation of £384.3m (2024: £340.3m) was 12.9% higher. Statutory profit before taxation is calculated after charging the amortisation and impairment of acquired intangible assets of £56.9m (2024: £49.5m), a net £2.0m gain on disposal and impairment of associate (2024: £0.5m gain), and other acquisition items of a net £20.2m (2024: £7.1m).

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

Revenue and profit growth in all sectors

All sectors grew revenue on a reported and organic² basis. The Safety Sector delivered strong growth, broadly spread across markets and regions. Strong sales growth, favourable product mix and good operational cost control resulted in strong growth in Adjusted¹ profit and an increased sector profit³ margin. The Environmental & Analysis Sector also delivered strong revenue growth, led by exceptional growth in photonics within Optical Analysis. Adjusted¹ profit grew strongly with good operational cost control and favourable portfolio and product mix, including a recovery in spectroscopy in Optical Analysis, resulting in an increased margin against last year's weaker performance. The Healthcare Sector grew modestly, reflecting a first half where we experienced a continued subdued background in the healthcare market, offset by a significant improvement pointing to signs of recovery across the majority of companies in the second half. Adjusted¹ profit also grew modestly and good operational cost control resulted in a robust margin performance.

Further information on regional and sector performance is given in the individual sector reviews further below, and commentary on performance by region is given in the Financial review, below.

Substantial investment to drive future growth

All sectors continue to innovate and invest in new products, reflecting our companies' confidence in the future long-term growth prospects of their respective markets. R&D expenditure as a percentage of revenue remained well above our KPI target of 4% at 4.8% (2024: 5.1%; restated), increasing at a slightly slower rate than revenue to £108.4m (2024: £103.8m; restated), principally as result of the exceptional revenue growth in photonics, which

has relatively lower R&D requirements. R&D as a percentage of revenue in other companies remained at a similar level to the prior year.

We invested £157m (maximum total consideration) in seven new businesses in FY25. These were two new businesses and five bolt-ons for our existing companies, spread across the sectors and well distributed by geography. This adds to the eight acquisitions completed in FY24, which have performed well in their first year of trading under Halma's ownership. We also made one small disposal in the Environmental & Analysis Sector. Details of the acquisitions made are given in the sector reviews below and details of the acquisitions made in the year are given in note 8 to the Results.

We are also continuing to invest group-wide in our infrastructure, both in our facilities as well as in our systems and data and analytics capabilities.

Revenue and profit³ change by sector

	2025		2024				
	£m	% of total	£m	% of total	Change £m	% growth	% organic growth ²
Safety	902.0	40	823.8	41	78.2	9.5	7.7
Environmental & Analysis	776.6	35	658.4	32	118.2	18.0	19.0
Healthcare	570.4	25	552.9	27	17.5	3.2	0.3
Inter segment sales	(0.9)		(1.0)		0.1		
Revenue	2,248.1	100	2,034.1	100	214.0	10.5	9.4
	2025		2024				
	£m	% of total	£m	% of total	Change £m	% growth	% organic growth ²
Safety	217.9	41	191.6	41	26.3	13.7	11.6
Environmental & Analysis	185.5	35	147.9	32	37.6	25.4	25.5
Healthcare	130.6	24	125.6	27	5.0	4.0	0.3
Sector profit³	534.0	100	465.1	100	68.9	14.8	13.0
Central administration costs	(47.7)		(41.1)		(6.6)	(16.2)	
Adjusted¹ earnings before interest and taxation (EBIT)	486.3		424.0		62.3	14.7	12.6
Statutory profit before interest and taxation	411.2		367.9		43.3	11.8	
Net finance expense	(26.9)		(27.6)		0.7	2.5	
Adjusted¹ profit before taxation	459.4		396.4		63.0	15.9	16.3
Statutory profit before taxation	384.3		340.3		44.0	12.9	
Adjusted¹ EBIT margin	21.6%		20.8%				

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. Adjusted¹ profit excludes the amortisation and impairment of acquired intangible assets; acquisition items; restructuring costs and profit or loss on disposal of operations. All of these are included in the statutory figures. Notes 1 and 3 to the Results give further details with the calculation and reconciliation of adjusted figures.

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

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

Increased returns, cash generation and strong financial position

Strong returns on investment is an important component of the Halma model, underpinning further investment in organic growth, supporting value-enhancing acquisitions and funding a progressive dividend to shareholders.

This is demonstrated through our strong cash conversion at 112% (2024: 103%), which was ahead of our KPI target of 90%. This reflected the strength of our growth and margins, combined with good working capital and cash management. Our good working capital performance this year and last has resulted in inventory returning to levels more typical of years pre-COVID pandemic. As a result, we expect cash conversion to be more in line with our KPI target of 90% going forward.

We maintained a high level of Return on Total Invested Capital (ROTIC)², which increased to 15.0% from 14.4% in the prior year. The increase principally reflects strong constant currency profit growth. Our ROTIC² remains well 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 9.8% (2024: 9.7%).

Our financial position remains strong, with gearing (net debt to EBITDA) improving from 1.35 times at the prior year end to 0.97 times at the year end. Net debt (on an IFRS 16 basis which includes lease commitments) decreased by £117.4m to £535.8m (2024: £653.2m).

We have substantial available liquidity with committed facilities in excess of £1.25bn. Our balance sheet strength and available liquidity give us the flexibility and firepower to support our healthy pipeline of potential acquisitions.

Further detail on cash generation and our financial position is given in our Financial review further below.

Cash conversion and net debt

	2025	2024
Cash conversion ²	112%	103%
Closing net debt ²	£(535.8)	£(653.2)m
Net debt ² to EBITDA ²	0.97x	1.35x

Summary

We have delivered a strong financial performance this year, executing well against our key performance indicators. We have driven double-digit revenue and profit growth, underpinned by good momentum in organic growth, and delivering strong cash generation. We have maintained our discipline in the investments we have made to support our future growth while increasing our margins and returns. The combination of these financial indicators is important in ensuring we continue driving compounding growth and strong returns over the medium to long term.

As I embark on my first year as Chief Financial Officer, I am excited to build on our strong foundation and lead the Halma finance team in supporting the business to deliver a future of continued sustainable quality growth, high returns and success. We will achieve this through ensuring we have the best talent, providing actionable analysis and insights to the wider Group, maintaining strong controls, supporting capital allocation and M&A activity, and leveraging the use of new technology, while challenging ourselves to continuously improve.

I would like to thank all my colleagues in Finance for their hard work, which has contributed to another record year for Halma.

Carole Cran

Chief Financial Officer

Financial review

Revenue growth in all regions

Our revenue performance reflected broad-based demand for the Group's products and services, with revenue growth in all regions on a reported basis.

Reported growth rates in each region were impacted to differing extents by acquisitions (net of disposals), and, outside the UK, negative effects from foreign currency translation, given the appreciation of Sterling. On an organic¹ basis, there was strong growth in the USA, our largest sales region and in Asia Pacific. Growth in the UK and Other regions was good, while Mainland Europe declined modestly reflecting the mix of company performances.

Strong growth in the USA

Revenue in the USA increased by 16.0%, and the USA remains our largest revenue destination, accounting for 46% of Group revenue, an increase of two percentage points compared to the prior year. Reported revenue included a 2.1% contribution from acquisitions (net of disposals), and a negative effect of 1.7% from foreign exchange translation. Organic¹ revenue increased 15.6%, reflecting strong growth in the Environmental & Analysis Sector led by exceptional growth in photonics within the Optical Analysis subsector, and reflecting good momentum in the Safety Sector and solid growth in the Healthcare Sector.

Weakness in Mainland Europe

Mainland Europe reported revenue was 2.8% higher and 0.5% lower on an organic¹ basis. Reported revenue included a 5.0% contribution from acquisitions (net of disposals), and a negative effect of 1.7% from foreign exchange translation.

On an organic¹ basis, there was solid growth in the Safety Sector, driven by a good performance in Fire Safety and Public Safety, which was offset by declines in the Environmental & Analysis and Healthcare sectors. The Environmental & Analysis Sector was modestly lower, with good growth in Optical Analysis and Environmental Monitoring offset by weaker trends in Water Analysis and Treatment. The Healthcare Sector was lower, reflecting weakness in Ophthalmology Therapeutics following strong growth in the prior two years.

Good growth in the UK

UK revenue was 7.4% higher, or up 5.9% on an organic¹ basis. Reported revenue included a 1.8% contribution from acquisitions (net of disposals), and a negative effect of 0.3% from foreign exchange translation.

All three sectors grew on an organic¹ basis, led by good growth in the Safety Sector across all subsectors. Growth in the Environmental & Analysis Sector was solid, and modest in the Healthcare Sector.

Strong growth in Asia Pacific

Asia Pacific revenue increased 10.7%, and by 10.2% on an organic¹ basis. All sectors grew on an organic¹ basis, with strong growth in the Safety and Environmental & Analysis sectors and solid growth in the Healthcare Sector. Reported revenue included a 2.5% contribution from acquisitions (net of the impact of disposals), and a negative effect of 2.0% from foreign exchange translation.

In other regions, which represent 7% of Group revenue, revenue was 5.2% higher on a reported basis, and 3.8% higher on an organic¹ basis, reflecting good growth in the Safety and Environmental & Analysis sectors, partially offset by a flat performance in the Healthcare Sector.

Geographic revenue

	2025		2024		Change £m	% Change	% change organic ¹
	£m	% of total	£m	% of total			
United States of America	1,038.6	46	895.3	44	143.3	16.0	15.6
Mainland Europe	431.2	19	419.5	21	11.7	2.8	(0.5)
United Kingdom	315.8	14	294.0	14	21.8	7.4	5.9
Asia Pacific	304.0	14	274.7	14	29.3	10.7	10.2
Africa, Near and Middle East	80.3	4	78.5	4	1.8	2.4	(0.4)
Other countries	78.2	3	72.1	3	6.1	8.6	8.4
Revenue	2,248.1	100	2,034.1	100	214.0	10.5	9.4

First and second half performance

Revenue grew by 13.0% in the first half of the year and by 8.3% in the second half, with second half revenue 9.3% higher than revenue in the first. There was a first half/second half split of 48%/52%, in line with our typical pattern. Organic¹ revenue increased by 9.4%, comprising a 11.5% increase in the first half and growth of 7.5% in the second half. There was a negative effect of 1.6% from currency translation in each of the first and second halves, giving a negative effect of 1.7% for the year as a whole. Acquisitions (net of disposals) had a positive effect of 2.8%, comprising a 3.1% positive effect in the first half and 2.4% in the second half.

Adjusted¹ EBIT increased by 17.2% in the first half and by 12.7% in the second half, reflecting stronger first half performances in the Environmental & Analysis and Safety sectors, partly offset by weaker trends in the Healthcare Sector, as described in the sector reviews. On an organic¹ basis, Adjusted¹ EBIT increased by 14.8% in the first half, and by 10.8% in the second half, resulting in growth of 12.6% for the year. There was a first half/second half Adjusted¹ EBIT split of 46%/54%, broadly in line with our typical 45%/55% pattern.

Central costs increased from £41.1m in 2024 to £47.7m. The increase reflected investment in technology infrastructure and talent to support our future growth. In 2026, we expect central costs to be approximately £53m, the increase reflecting our growth.

Currency effects on reported revenue and 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, 24% in Sterling and 13% 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.

Sterling strengthened on average in the year. This gave rise to a negative currency translation impact of 1.6% on revenue and 2.1% on profit for the full year. Based on the current mix of currency denominated revenue and profit, a 1% movement in the US Dollar relative to Sterling changes revenue by approximately £12m and profit by approximately £3m. Similarly, a 1% movement in the Euro changes revenue by approximately £3m and profit by approximately £0.7m. If Sterling weakens against foreign currencies, this has a positive impact on revenue and profit as overseas earnings are translated into Sterling.

Currency effects

	Weighted average rates used in the income statement			Exchange rates used to translate the Balance sheet	
	First half	2025 Full year	2024 Full year	2025 Year end	2024 Year end
US\$	1.281	1.276	1.257	1.289	1.263
Euro	1.178	1.188	1.159	1.194	1.171

Strong cash generation

Cash generated from operations in the year was £595.7m (2024: £472.2m) and adjusted¹ operating cash flow, was £545.7m (2024: £435.1m) which represented a cash conversion of 112% (2024: 103%) of Adjusted¹ operating profit. This was significantly ahead of our cash conversion KPI target of 90%. Adjusted¹ operating cash flow is defined in note 3 to the Results.

There was a working capital inflow of £29.6m, comprising changes in inventory, receivables and creditors (2024: outflow of £19.2m). As a percentage of revenue, working capital was 17% (2024: 21%), which reflected good underlying working capital management as well as the ongoing reduction of the strategic investment in inventory made in the 2022 and 2023 financial years.

This year's cash flow is shown below. 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 £167.9m (2024: £263.4m), reflecting continued M&A investment. Dividends totalling £83.8m (2024: £78.2m) were paid to shareholders in the year. Taxation paid increased to £103.3m (2024: £87.2m).

Operating cash flow summary

	2025 £m	2024 £m
Operating profit	409.5	367.7
Acquisition items	20.2	7.1
Amortisation and impairment of acquisition related acquired intangible assets	56.9	49.5
Adjusted operating profit	486.6	424.3
Depreciation, impairment and amortisation (excluding acquired intangible assets)	66.5	59.1
Working capital movements	29.6	(19.2)
Capital expenditure net of disposal proceeds	(44.7)	(33.6)
Defined benefit pension plans administration costs less contributions from sponsoring companies	0.4	(3.0)
Other adjustments	7.3	7.5
Adjusted operating cash flow	545.7	435.1
Cash conversion %	112%	103%

Non-operating cash flow and reconciliation to net debt

	2025 £m	2024 £m
Adjusted operating cash flow	545.7	435.1
Tax paid	(103.3)	(87.2)
Acquisition of businesses including cash/debt acquired and fees	(167.9)	(263.4)
Purchase of equity investments	–	(0.3)
Disposal of businesses	5.9	1.6
Net finance costs and arrangement fees (excluding lease interest)	(20.8)	(25.5)
Net lease liabilities additions	(56.5)	(21.5)
Dividends paid	(83.8)	(78.2)
Own shares purchased	(7.9)	(21.1)
Adjustment for cash outflow on share awards not settled by own shares	(3.5)	(5.4)
Effects of foreign exchange	9.5	9.4
Movement in net debt	117.4	(56.5)
Opening net debt	(653.2)	(596.7)
Closing net debt	(535.8)	(653.2)

Net debt to EBITDA

	2025 £m	2024 £m
Adjusted¹ EBIT	486.3	424.0
Depreciation and amortisation (excluding acquired intangible assets)	66.5	59.1
EBITDA	552.8	483.1
Net debt to EBITDA (times)	0.97	1.35

Average debt and interest rates

	2025	2024
Average gross debt (£m)	831.2	765.1
Weighted average interest rate on gross debt	3.65%	3.87%
Average cash balances (£m)	198.9	131.2
Weighted average interest rate on cash	1.67%	0.96%
Average net debt (£m)	632.3	633.9
Weighted average interest rate on net debt	4.27%	4.47%

Substantial funding capacity and liquidity

We have a strong balance sheet and substantial available liquidity. At the year end, our committed facilities totalled £1,250m, based on exchange rates at 31 March 2025. Our long-term funding is principally comprised of US Private Placements and a Revolving Credit Facility.

As previously reported, in May 2024 we exercised an option on our syndicated revolving credit facility to extend its maturity by one year to May 2029. In addition, in April 2024, we completed a new Private Placement issuance of £336m, consisting of US Dollar and Euro tranches.

These facilities mature progressively over the next ten years. The financial covenants on these facilities are for leverage (net debt/adjusted EBITDA) 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 2025, net debt was £535.8m, including £109.6m of IFRS 16 lease liabilities (net debt at 31 March 2024 was £653.2m), resulting in gearing (net debt to EBITDA¹) at the year end of 0.97 times (2024: 1.35 times).

The net financing cost in the Income Statement of £26.9m was broadly in line with the prior year (2024: £27.6m). We would expect the net financing cost for the 2026 financial year to be approximately £22m, if no further acquisitions were to be made.

Group tax rate higher as expected

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 Adjusted¹ profit before taxation was higher than the prior year at 22.6% (2024: 21.5%), mainly reflecting a change in the forecast mix of UK and US profits.

Based on the latest forecast mix of adjusted profits for the year to 31 March 2026, we currently anticipate the Group effective tax rate to be approximately 22.5% of Adjusted¹ profit before taxation.

The Group was holding a £14.7m corporation tax asset for amounts previously collected by HMRC in respect of the European Commission's (EC) judgement that the UK controlled Finance Company Partial Exemption constituted State Aid. During the period, the European Court of Justice annulled the EC's original decision on appeal by ITV. HMRC have applied the decision to the Group's appeal and have repaid the £14.7m to the Group during the year.

Continued investment for organic growth

As well as our investment in R&D and acquisitions, which are discussed in the CFO review above, we invested £45.6m (2024: £35.2m), principally in plant, equipment and vehicles. The increase reflects investment in manufacturing facilities and automation to support our future growth. We anticipate capital expenditure to be approximately £50m 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 £13.8m (2024: £16.4m), impaired £3.1m (2024: £3.0m) and amortised £10.4m (2024: £9.2m). The asset carrying value after a £0.7m loss (2024: £0.9m loss) relating to foreign exchange was £51.4m (2024: £51.8m).

Lease right-of-use asset additions and remeasurements were £52.5m (2024: £18.6m). This included additions of £3.4m 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 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 Group's continued balance sheet strength and medium-term organic growth.

Adjusted¹ Earnings per Share increased by 14.4% to 94.23p (2024: 82.40p), ahead of our 10% KPI target. Statutory basic earnings per share increased by 10.1% to 78.49p (2024: 71.23p).

The Board is recommending a 7.0% increase in the final dividend to 14.12p per share (2024: 13.20p per share), which together with the 9.00p per share interim dividend gives a total dividend per share of 23.12p (2024: 21.61p), up 7.0% in total, in line with our medium-term organic revenue growth rate.

Dividend cover (the ratio of Adjusted¹ profit after tax to dividends paid and proposed) is 4.07 times (2024: 3.81 times).

The final dividend for the financial year ended March 2025 is subject to approval by shareholders at the Annual General Meeting on 24 July 2025 and, if approved, will be paid on 15 August 2025 to shareholders on the register at 11 July 2025.

Pensions update

On an IAS 19 basis, before deferred taxes, at 31 March 2025 the Group's defined benefit (DB) plans had a net surplus of £2.0m (2024: £30.9m surplus). The movement primarily reflects the purchase of "buy-in" policies which materially match the liabilities of the Group's two UK DB plans, which represented over 95% of consolidated plan liabilities. A benefit of these policies is that they pass certain risks in relation to these plans' liabilities (such as investment return, longevity and inflation) to the insurer.

We do not expect to make any contributions to the UK DB schemes in the 2026 financial year.

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

Safety Sector review

What the sector does

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

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

Fire Safety – covering fire detection products like smoke, heat and CO₂ detectors, fire systems, and specialised fire suppression solutions.

Public Safety – sensors, radars and emergency communication systems that are used in public spaces like elevators, airports, car parks and highways.

Worker Safety – solutions ensure safe access in potentially hazardous industrial environments, keeping workers safe.

Infrastructure & Asset Safety – technologies that ensure the safe management and operation of critical assets, such as pressure valves, leak detection and electrical testing systems.

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 long-term growth of the sector is driven by safety and environmental regulation, and by its customers' focus on reducing safety risks. The sector's growth is further underpinned by long-term global trends, with the most relevant being the changing climate, technological advances 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 minimising energy loss in commercial and industrial buildings.

Our companies are also supporting the drive towards renewable and cleaner energy sources and uses, including through fire suppression in renewable energy facilities, electrical testing of electric vehicles (EVs) and mass transit systems, and increasing the efficiency 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 companies' connected products and solutions are well placed to ensure continued worker safety in 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 to drive public safety and efficiency in cities, which results in growth in areas such as emergency communications.

Sector performance

The Safety Sector delivered another strong year. The performance was broad based with positive revenue growth across all subsectors and geographies and increased profitability.

Revenue of £902.0m (2024: £823.8m) was 9.5% higher than in the prior year. Revenue growth on an organic¹ basis was 7.7%, which was supported by a healthy order book and volume growth across most of our companies. Revenue growth in the first and second half was 11.0% and 8.1% respectively on a reported basis.

We saw revenue growth in all four subsectors and organic¹ revenue growth in three of our four subsectors. Our largest subsector, Fire Safety, grew strongly, reflecting positive trends across Fire companies and a good contribution from Ampac's acquisition of Global Fire Equipment. The Worker Safety subsector also grew strongly, driven by good execution and customer demand for industrial access control solutions, particularly in the USA and Asia Pacific.

Public Safety's growth reflected good demand for sensor technologies across existing and new applications. Infrastructure & Asset Safety saw a mixed performance, with the organic performance reflecting some customer

delays to larger capital projects, while reported performance included a good contribution from the acquisition of MK Test Systems Limited.

There was growth across all of the sector's geographies on both a reported and organic¹ basis, with double-digit revenue growth in the USA, the UK and Asia Pacific. Europe and the other regions also grew well, reflecting broad-based growth across the subsectors as described above.

Profit¹ grew by 13.7% to £217.9m (2024: £191.6m) on a reported basis and increased by 11.6% on an organic¹ basis. Profit¹ margin increased to 24.2% (2024: 23.3%), benefiting from stronger sales growth, favourable product mix and good operational cost control. Profit¹ growth in the first half was 20.2% and 8.1% in the second half, with the first half performance reflecting a lower comparator in the first half of the prior year.

The sector continued to invest in opportunities for future growth through R&D spend and acquisitions. R&D expenditure increased to £50.4m, representing 5.6% of revenue (2024: £45.2m; 5.5% of revenue). There were five acquisitions in the year; one standalone company and four bolt-on acquisitions to existing companies in the sector. MK Test Systems Limited, a UK-based company which designs and manufactures safety-critical electrical testing technology, was acquired in April 2024 for a consideration² of £43m. G.F.E. – Global Fire Equipment, S.A., a Portuguese designer and manufacturer of fire detection and alarm systems, was acquired in June 2024 as a bolt-on for the Fire Safety company, Ampac, for a consideration² of €42m (approximately £35m). In July 2024, the sector made two smaller bolt-on acquisitions, of Advantronic, a Spanish manufacturer of control panels and distributor of fire alarm systems, with strong expertise in wireless technology, as a bolt-on for the Fire Safety company, Orama, for a consideration² of €2m (approximately £2m), and RemLive, a UK-based provider of electrical safety products, as a bolt-on for the Worker Safety company Fortress Safety, for a consideration² of £4m. In November 2024, Safe-Com Wireless LLC, a US-based manufacturer of emergency responder communication enhancement systems was acquired for a maximum total consideration² of US\$10m (approximately £8m), as a bolt-on for the Public Safety company Avire.

Acquisitions had a positive effect of 3.4% on revenue and 3.6% on profit¹. The disposal of FireMate in the prior year had a negative effect of 0.2% on revenue and a positive effect of 0.3% on profit¹. Currency exchange movements had a negative effect of 1.4% on revenue and 1.9% on profit¹.

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

2 The consideration is on a cash- and debt-free basis.

Environmental & Analysis Sector 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, analyse materials in a wide range of applications, and support digital and data capabilities. Their valuable solutions are technically differentiated by high levels of application knowledge, often assisted by digital, optical and optoelectronic expertise, and supported by high levels of customer responsiveness.

They serve a wide variety of end markets and customers. These markets include: 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. Growth in these areas is underpinned by worldwide population growth 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, to enhance data connectivity and analytics, 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 strong revenue growth. Revenue of £776.6m (2024: £658.4m) was 18.0% higher than in the prior year, and up 19.0% on an organic¹ basis.

Sector growth included a very strong performance in the Optical Analysis subsector. This was driven primarily by growth in photonics, and was also supported by a recovery in spectroscopy's performance.

The performance in photonics benefited from increased demand from a long-standing customer, who is a "hyperscaler" technology company. We continued to be successful in scaling our photonics operations to meet this customer's demand for critical solutions that support the ongoing development of its data centre capabilities. This customer accounted for 15% of Group revenue in the year (2024: 12%). In the first half of this year, revenue and profit¹ from photonics were, as already reported in our half year results, similar to the second half of last year. This represented strong growth compared to the first half of last year. In the second half of the year, photonics revenue and profit¹ was ahead of our expectations, albeit growth was at a more modest rate than in the first half given a stronger comparative. Photonics profit¹ margin for the year was similar to the Group's profit¹ margin prior to central administration costs. For the year ahead, while trends in this market remain dynamic, we currently expect further very strong growth in photonics.

Growth in the Optical Analysis subsector was also supported by a significantly stronger performance in spectroscopy, driven by a recovery in selected markets including biopharma, personal electronics and other solutions for OEM customers.

In other subsectors, growth was driven by the Environmental Monitoring subsector, reflecting a strong performance in gas detection and analysis solutions, notably in the USA, driven by a number of larger projects, and growth in new market areas in Asia Pacific. Performance in the Water Analysis & Treatment subsector was mixed: modest growth in water testing and disinfection was more than offset by a decline in water infrastructure, which reflected a slow start to utility companies' capital projects at the start of the new regulatory period in the UK, and challenges in US markets.

By region, the USA accounts for over 60% of the sector's revenue, and reported the highest growth at 27%. This was driven by the exceptional performance in photonics, and was also supported by strong growth

in Environmental Monitoring. Growth was also strong in Asia Pacific, reflecting the recovery in spectroscopy in the Optical Analysis subsector, and good momentum in Environmental Monitoring. There was modest growth in the UK, mainly driven by the recovery in spectroscopy. Revenue in Mainland Europe was flat on an organic¹ basis, with growth in Environmental Monitoring offset by weaker markets in Water Analysis and Treatment, and reported revenue lower as a result of a small disposal in the year.

Profit¹ grew by 25.4% to £185.5m (2024: £147.9m), and by 25.5% on an organic¹ basis. Profit¹ margin increased by 140 basis points to 23.9% (2024: 22.5%). This reflected the sector's strong revenue momentum, as well as the recovery in the higher margin spectroscopy businesses, the non-recurrence of the prior year's one-off system implementation and restructuring costs, and strong cost discipline across the sector. These benefits were partly offset by a lower gross margin primarily as a result of changes to product mix. R&D expenditure increased to £28.4m (2024: £27.4m). This represented 3.7% of revenue, lower than the 4.2% in 2024 with the change reflecting the strong revenue growth in photonics which has relatively lower R&D requirements, with R&D investment in other sector companies remaining at a healthy level.

The sector made one acquisition in the year, of Hathorn Corporation, a Canadian designer and manufacturer of plumbing and drainage inspection cameras as a bolt-on for our Environmental & Analysis company, Minicam, for CA\$44m (approximately £24m)². The sector also made one small disposal in the year, of Hydreka SAS, for approximately €7m (£5.9m), net of disposal costs.

Acquisitions (net of disposal) contributed 0.6% to revenue growth in the year, and 1.7% to profit¹. Currency exchange movements had a negative effect of 1.6% on revenue and 1.8% on profit¹.

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

² The consideration is on a cash- and debt-free basis.

Healthcare Sector 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; surgical instruments to assist with interventional radiology and oncology; retraction systems and electrosurgical devices for surgical procedures; and synthetic bone grafts for clinical applications.

The sector has an increasing 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 critical fluidic components for diagnostic and analytical instruments, and sensor technologies to track healthcare facility assets, increase efficiency, and support patient and staff safety.

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).

The sector's long term growth drivers

The sector's long term growth is supported by demographic trends, technological innovation, improvements in standards of care, health equity and increased efficiency.

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 Organisation 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, bone replacement, 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, including remotely through telemedicine. They 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 Assessment & Analytics 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 data¹. Our company PeriGen provides AI powered algorithms to prevent complications during childbirth, whilst Rovers, a recent acquisition, provides sample collection devices for cervical cancer screening.

Sector performance

The Healthcare Sector delivered a resilient performance in 2025, given the continued subdued background in the healthcare market, albeit one that showed improvement as the year progressed.

Revenue increased by 3.2% to £570.4m (2024: £552.9m). On an organic² basis, revenue was 0.3% higher in the year, which comprised a decline of (2.5)% in the first half, and growth of 2.9% in the second half. There was revenue growth on an organic² basis in all three subsectors in the second half of the year.

By subsector, there was modest organic² revenue growth in Healthcare Assessment & Analytics, which reflected growth in the majority of companies and improved momentum in the second half of the year. There were strong performances in communications & software systems, driven by the need for greater efficiency in healthcare facilities, and in perinatal care as healthcare providers seek to deliver improved outcomes for mothers and babies, while ophthalmology assessment delivered modest revenue growth. These positive trends were, however, mostly offset by a delayed recovery in patient assessment.

Performance in the Therapeutic Solutions subsector was mixed, but also improved in the second half of the year. Strong revenue growth in a number of surgical and respiratory device companies was offset by a decline in ophthalmology therapeutics in Europe, which reflected the comparison with a very strong performance over the past two years, and delays to OEM customer product launches and destocking. Growth on a reported basis was driven by a good contribution from recent acquisitions.

Having experienced a significant slowdown in 2024, the smaller Life Sciences subsector delivered good growth in the 2025 financial year, thanks to improving conditions in its end markets, notably in the second half of the year.

Performance by geography reflected the subsector trends described above, with good growth in the sector's largest region, the USA, and in Asia Pacific, partly offset by a decline in Mainland Europe principally driven by ophthalmology therapeutics. There was modest growth in the UK, and in other regions.

Profit² of £130.6m was 4.0% higher than in the prior year (2024: £125.6m), and 0.3% higher on an organic² basis. This reflected a strong recovery in profitability in the second half of the year, driven by the operating leverage from improved revenue growth, resulting in profit² growing 18.2% in the second half. Profit² margin increased by 20 basis points to 22.9% (2024: 22.7%) in the year, with the effect of a stronger gross margin as a result of positive product mix effects. R&D expenditure was £29.7m, representing 5.2% of revenue (2024: £30.9m; 5.6% of revenue; restated) reflecting continued good levels of investment in new product development.

The sector made one acquisition during the year. Lamidey Noury Medical, a manufacturer of advanced electrosurgical and associated energy devices used in minimally invasive urology, gynaecology, and general surgery, was acquired in November 2024 for a consideration of €50m (£41m), on a cash- and debt-free basis.

Acquisitions had a positive effect of 4.5% on revenue and 5.4% on profit². Currency exchange movements had a negative effect of 1.6% on revenue and 1.7% on profit².

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

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

Risk management and principal risks

01. Talent and Diversity		
<p>Risk Owner: Chief Talent, Culture and Communications Executive</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: High</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Open</p>	<p>Risk and impact 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>Risk evolution The inherent risk score increased from high to very high due to potential higher impact from succession planning in our growing larger companies. However, this area has been a clear focus, and succession planning has been strengthened across larger businesses, helping to mitigate the inherent risk.</p> <p>As a result, the overall residual risk level remains consistent with the prior year.</p>	<p>How do we manage the risk? We have robust recruitment processes in place to attract top talent, including our Catalyst programme to develop graduates for future leadership roles. The Group also supports Sectors and Companies in identifying diverse candidates for board-level positions.</p> <p>A defined competency and potential model guides the selection and assessment of leaders, focusing on alignment with Halma's Cultural DNA and key technical skills such as sustainability, digital, legal, and finance. Tailored onboarding plans are provided for company board-level roles and above.</p> <p>Senior Management reward structures are aligned with companies, sectors, and Group strategic priorities, including DEI targets. Packages are periodically reviewed to ensure competitiveness, market alignment, and support for long-term growth.</p> <p>An Annual Performance and Development Review process is in place for sector and Executive Board members. The Nomination Committee reviews succession and development plans annually.</p> <p>A strategic review of sector board and company leadership talent is performed annually to identify and develop future leaders, including through development programmes, to ensure that we have highly effective and motivated leaders to deliver our strategy.</p> <p>An annual employee engagement survey provides insight into sentiment and alignment with strategy, helping to ensure clarity of purpose and continuous improvement across the organisation.</p>
02. Innovation		
<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: High</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Seeking</p>	<p>Risk and impact 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>Risk evolution Risk remains consistent with the prior year. However, the risk description was broadened, from being narrowly focused on "products" only, to the wider concept of innovation which includes "solutions and business model innovation".</p>	<p>How do we manage the risk? Regular strategic and financial reviews ensure alignment with niche-focused growth and resilience. Lessons from past performance guide decisions, with a focus on niche clarity and risk mitigation through portfolio diversity.</p> <p>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 focus on niche positioning and balance between new product development and continuous innovation.</p> <p>Ongoing R&D investment is tracked via Board-level KPIs. IP is protected where it adds value. Sectors review R&D budgets and project pipelines through structured processes, including Capitalised Development Costs (CDCs) stage-gate reviews.</p> <p>Sector-led M&A support innovation and R&D.</p> <p>Focus on attracting and retaining talent to drive innovation, IP protection, and niche leadership, including strategic marketing expertise.</p> <p>The Group Tech team and a functional network of companies' technical leaders share best practices and offer guidance on emerging tech and digital trends.</p>

03. Economic and Geopolitical Uncertainty

<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Medium</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Cautious</p>	<p>Risk and impact 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>Risk evolution 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>How do we manage the risk? 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"> Regular monitoring and assessment of emerging trends and potential risks and opportunities relating to economic or geopolitical uncertainties. Monitoring of end market exposure and changes in key end markets due to macroeconomic factors. Review of financial KPIs for early warning signs, with half-yearly assessments of goodwill and asset valuations. <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. The companies have robust credit management processes in place and operations, cash deposits and sources of funding in uncertain regions are kept to a minimum.</p> <p>The Group provides continuous support to company boards and Divisional Chief Executives (DCEs) to navigate geopolitical changes. Halma's financial strength and availability of pooled resources in the Group can be deployed, if needed, to further mitigate the risk.</p>
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04. Cyber and IT Interruption

<p>Risk Owner: Chief Technology Officer</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Medium</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Averse</p>	<p>Risk and impact Inability to operate IT systems or connected devices due to internal or third-party failure (eg in managing ERP changes or Digital Transformation Programmes), or cyber-attack, resulting in business interruption, loss of information, and/or financial and reputational damage.</p> <p>Risk evolution 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.</p>	<p>How do we manage the risk? A group-wide IT framework is in place, regularly reviewed, and includes cyber risk policies, procedures, and guidance. All employees are required to comply with the IT Acceptable Use Policy and complete regular online IT awareness training. 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 (including documented and tested disaster recovery plans for key systems and infrastructure) every six months through the Internal Control Certification process. These controls are periodically and independently tested by the Internal Audit & Assurance Team.</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.</p> <p>The Group Tech 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, e-mail scanning, penetration testing, vulnerability management, and a 24x7 security operation centre to monitor and respond to cyber incidents.</p> <p>Group-wide Incident Management and Crisis Plans are in place, with access to global external cyber expertise should an attack occur.</p>
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05. Acquisitions and Portfolio management

<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Medium</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Open</p>	<p>Risk and impact 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>Risk evolution No significant changes in risk factors have been identified at both inherent and residual risk levels during the year. However, the risk description has been updated to capture the “portfolio management” element which is a key component of our acquisition strategy. 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>How do we manage the risk? 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.</p> <p>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&A Directors. Their deep market expertise, combined with internal and external insights, builds a high-quality acquisition funnel.</p> <p>Talent is incentivised across both organic and inorganic growth, reinforcing our agile and values-led culture.</p> <p>Our risk-based M&A process includes thorough due diligence, standardised tools, and structured integration plans focused on innovation and value creation.</p> <p>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>
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06. Production interruption

<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: High</p> <p>Residual risk level: Medium</p> <p>Residual risk change: + Increase</p> <p>Risk rating adjusted to reflect broadened scope which now includes all causes of production interruption.</p> <p>Risk appetite: Averse</p>	<p>Risk and impact 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>Risk evolution This principal risk was previously focused on “Natural Hazard, including climate change”. However, it has been broadened to “Production Interruption” to cover potential disruptions to our operations and supply chains due to both climate-related and non-climate-related causes. The inherent and residual risk rating and the risk ownership were adjusted accordingly.</p>	<p>How do we manage the risk? Halma’s diversified portfolio, combined with its companies operating across varied geographies and end 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.</p> <p>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.</p> <p>The Group also maintains crisis communication protocols and property and business interruption insurance to help mitigate potential impacts.</p> <p>Climate-related risks and opportunities are reviewed through established governance processes, and we continue to support our companies in strengthening supply chain resilience.</p>
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07. Organic Growth		
<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Open</p>	<p>Risk and impact Failing to deliver desired organic growth, resulting in missed expected strategic growth targets and erosion of shareholder value.</p> <p>Risk evolution 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>How do we manage the risk? Halma has a clear Group strategy to drive growth through the organic expansion of its companies, supported by the Halma Growth Enablers and the Halma DNA. Remuneration of companies' Board directors and above is aligned with profit growth to reinforce this objective.</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. Talent development remains a key enabler of successful execution.</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. Potential new partnerships and investments are comprehensively assessed for future organic growth prospects.</p> <p>At Group level, the annual strategic plan, budget, and monthly 12-month rolling forecast provide visibility into the delivery of the organic growth strategy, enabling financial discipline and performance monitoring. The Executive Board holds regular meetings with DCEs to align on strategy and execution.</p>
08. Non-compliance with Laws and Regulations		
<p>Risk Owner: Group General Counsel</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Averse</p>	<p>Risk and impact 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 & Corruption, Sanctions and Export Controls, Data Protection, Competition, Environmental and Health & Safety.</p> <p>Risk evolution 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>How do we manage the risk? A comprehensive legal compliance framework is in place and regularly reviewed. It includes the Halma Code of Conduct, Group policies, procedures, guidance, and training, outlining our compliance and regulatory expectations and providing resources and support to facilitate compliance. All employees are required to confirm they have read and understood the Code of Conduct.</p> <p>The Group Legal & Compliance Team advises on legal and regulatory developments relevant to Halma as a listed company. Together with external legal advisors, 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 every six months through the Internal Control Certification process, with independent testing carried out by the Internal Audit & Assurance Team. A whistleblowing hotline is available to employees and third parties, with all reports independently investigated.</p> <p>Each company's board is responsible for complying with relevant laws and managing legal risks, including emerging legislation. Legal claims and litigation risks are reported to the Group every six months, with the General Counsel overseeing material legal issues. These are reviewed quarterly by the Board, and the Audit Committee receives regular updates on compliance insights and process effectiveness.</p> <p>Appropriate Group insurance coverage is maintained, and a crisis management plan is in place to manage reputational risk.</p>

09. Business Model and its Communication

<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: High</p> <p>Residual risk level: Low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Cautious</p>	<p>Risk and impact 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>Risk evolution 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>How do we manage the risk? 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>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. 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>
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10. Product Failure or Non-compliance

<p>Risk Owner: Group Chief Executive</p> <p>Inherent risk level: High</p> <p>Residual risk level: Low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Averse</p>	<p>Risk and impact 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>Risk evolution 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>How do we manage the risk? 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"> • Rigorous product development and testing procedures. • Clear requirements for suppliers to ensure safety and quality. • Incoming product quality checks. • Monitoring of defects and warranty returns. • Product traceability systems. • ISO 9001 certification, where applicable. • Quality and compliance assessments during acquisition due diligence. • Ensuring employees are appropriately trained in quality-related skills. <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>
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11. Liquidity		
<p>Risk Owner: Chief Financial Officer</p> <p>Inherent risk level: Very high</p> <p>Residual risk level: Low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Averse</p>	<p>Risk and impact Inadequacy of the Group's cash/funding resources to support its activities or there is a breach of funding terms.</p> <p>Risk evolution Due to the strength of Halma's cash-generation model and the tight controls over liquidity, the residual risk remains low, in line with the prior year. In order to support future business growth, this year the Group has extended the life of our £550m RCF by a further one year to May 2029 and have completed a new Private Placement of £336m, increasing debt facility headroom.</p>	<p>How do we manage the risk? A clear liquidity management strategy is a core pillar of the Halma financial model.</p> <p>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 cash position are monitored regularly through the review of the 12-month rolling forecast, the three years 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>
12. Financial and Reporting Controls		
<p>Risk Owner: Chief Financial Officer</p> <p>Inherent risk level: High</p> <p>Residual risk level: Very low</p> <p>Residual risk change: = No change</p> <p>Risk appetite: Averse</p>	<p>Risk and impact 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>Risk evolution The scope of this risk was broadened from "financial controls" to "financial & reporting controls" to better reflect the Group's obligation to report qualitatively and quantitatively. In line with the prior year, no significant risk factors have been identified at both inherent and residual risk levels during the year.</p>	<p>How do we manage the risk? Group policies, procedures, and guidance set out the Group's requirements for both financial and reporting controls. Each company confirms the effectiveness of its most critical controls (including segregation of duties, delegation of authority, and financial account reconciliations) every six months through the Internal Control Certification process. These controls are also periodically and independently tested by the Internal Audit & Assurance Team.</p> <p>Sector and Group finance teams carry out regular reviews of financial reporting and related outputs. In addition, six-monthly peer reviews of reported results for each company provide an independent challenge and support greater consistency and rigour in reporting across the Group.</p> <p>We provide ongoing training to finance personnel, including the finance teams of newly acquired companies, on Halma's policies and its financial and reporting control framework.</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 and supports the effectiveness of the financial and reporting control environment at every level of the Group.</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 2025, 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 £1,250m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2025 amounts to £511m. In May 2024 the last of the two one-year extension options drawn under the RCF was exercised which now matures in May 2029. During April 2024, the Group also entered into, and drew down, a new note Purchase Agreement which provided access to loan notes totalling £328m. 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 31 March 2026, 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 out 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 a downside scenario 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 2026 and 31 March 2027 with further assumptions applied for the year ending 31 March 2028. The base case reflects the latest forecasts and strategic plans of the business.

In reviewing the Company's viability, the Board has identified the following factors which they believe support their assessment:

1	2	3	4	5
The Group operates in diverse and relatively non-cyclical markets.	There is considerable financial capacity under current facilities and the ability to raise further funds if required.	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.	There is a strong culture of local responsibility and accountability with a robust governance and control framework.	An ethical approach to business is set from the top and flows throughout our business.

In undertaking the downside scenario modelling, the principal risks considered were an impact to organic growth and/or from continuing economic and geopolitical uncertainty. This is reflected through reducing revenue and gross margin and increasing overheads resulting in an average reduction in profit before tax of £250m or 45% per annum. In addition, a one-off charge of £25m has been applied which could reflect litigation, production or Cyber and IT interruption. These risks are partially offset by a reduction in discretionary capital and acquisition spend. In both scenarios, the effect on the Group's KPIs and borrowing covenants was considered, along with any mitigating factors.

Based on this assessment, the Board confirm that they have 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 2028.

Responsibility Statement of the Directors on the Annual Report and Accounts 2025

The responsibility statement below has been prepared in connection with the Company's full Annual Report and Accounts for the year to 31 March 2025. Certain parts thereof are not included within these Results.

Each of the Directors, whose names and functions in the Annual Report and Accounts 2025 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 12 June 2025.

Marc Ronchetti
Group Chief Executive

Carole Cran
Chief Financial Officer

Results for the year to 31 March 2025

Consolidated Income Statement

		Year ended 31 March 2025			Year ended 31 March 2024		
	Notes	Adjusted* £m	Adjustments* (note 1) £m	Total £m	Adjusted* £m	Adjustments* (note 1) £m	Total £m
Continuing operations							
Revenue	1	2,248.1	–	2,248.1	2,034.1	–	2,034.1
Operating profit		486.6	(77.1)	409.5	424.3	(56.6)	367.7
Share of loss of associate		(0.3)	(1.0)	(1.3)	(0.3)	–	(0.3)
Profit on disposal of operations	9	–	3.0	3.0	–	0.5	0.5
Profit before interest and taxation		486.3	(75.1)	411.2	424.0	(56.1)	367.9
Finance income	4	6.4	–	6.4	3.1	–	3.1
Finance expense	5	(33.3)	–	(33.3)	(30.7)	–	(30.7)
Profit before taxation		459.4	(75.1)	384.3	396.4	(56.1)	340.3
Taxation	6	(103.6)	15.7	(87.9)	(85.4)	13.9	(71.5)
Profit for the year	1	355.8	(59.4)	296.4	311.0	(42.2)	268.8
Attributable to:							
Owners of the parent				296.4			268.8
Non-controlling interests				–			–
Earnings per share	2						
From continuing operations							
Basic		94.23p		78.49p	82.40p		71.23p
Diluted				78.14p			70.96p
Dividends in respect of the year	7						
Paid and proposed (£m)				87.3			81.5
Paid and proposed per share				23.12p			21.61p

* 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 2025 £m	Year ended 31 March 2024 £m
Profit for the year		296.4	268.8
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Actuarial losses on defined benefit pension plans		(30.0)	(12.0)
Tax relating to components of other comprehensive income that will not be reclassified	6	7.4	3.0
Unrealised losses in the fair value of equity investments at fair value through other comprehensive income		(6.0)	(1.2)
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Effective portion of gains/(losses) in fair value of cash flow hedges		1.7	(2.1)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	6	(0.1)	0.2
Exchange losses on translation of foreign operations and net investment hedge		(36.7)	(36.0)
Exchange loss on translation of foreign operations recycled to income statement on disposal	9	(1.1)	–
Other comprehensive expense for the year		(64.8)	(48.1)
Total comprehensive income for the year		231.6	220.7
Attributable to:			
Owners of the parent		231.6	220.7
Non-controlling interests		–	–

The exchange losses of £36.7m (2024: losses of £36.0m) includes gains of £11.3m (2024: gains of £13.2m) which relate to net investment hedges.

Consolidated Balance Sheet

	Notes	31 March 2025 £m	31 March 2024 £m
Non-current assets			
Goodwill		1,263.3	1,211.0
Other intangible assets		576.0	569.0
Property, plant and equipment		283.2	236.8
Interest in associates and other investments		12.5	19.8
Retirement benefit asset		4.0	32.0
Tax receivable	11	–	14.7
Deferred tax asset		4.4	4.9
		2,143.4	2,088.2
Current assets			
Inventories		300.3	304.8
Trade and other receivables		485.9	460.9
Tax receivable		14.7	2.6
Cash and bank balances		313.2	142.7
Derivative financial instruments		1.1	0.7
		1,115.2	911.7
Total assets		3,258.6	2,999.9
Current liabilities			
Trade and other payables		343.3	296.5
Borrowings		35.6	0.3
Lease liabilities		23.1	19.5
Provisions		44.5	35.0
Tax liabilities		10.5	18.2
Derivative financial instruments		0.8	2.6
		457.8	372.1
Net current assets		657.4	539.6
Non-current liabilities			
Borrowings		703.8	711.9
Lease liabilities		86.5	64.2
Retirement benefit obligations		2.0	1.1
Trade and other payables		24.5	23.9
Provisions		11.2	10.7
Deferred tax liabilities		73.4	79.5
		901.4	891.3
Total liabilities		1,359.2	1,263.4
Net assets		1,899.4	1,736.5
Equity			
Share capital		38.0	38.0
Share premium account		23.6	23.6
Own shares		(46.9)	(58.0)
Capital redemption reserve		0.2	0.2
Hedging reserve		0.3	(1.3)
Translation reserve		88.5	126.3
Other reserves		3.3	3.2
Retained earnings		1,792.4	1,604.5
Equity attributable to owners of the parent		1,899.4	1,736.5
Non-controlling interests		–	–
Total equity		1,899.4	1,736.5

The financial statements of Halma plc, company number 00040932, were approved by the Board of Directors on 12 June 2025.

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
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
	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 2023	38.0	23.6	(46.1)	0.2	0.6	162.3	4.4	1,415.8	0.1	1,598.9
Profit for the year	–	–	–	–	–	–	–	268.8	–	268.8
Other comprehensive income and expense	–	–	–	–	(1.9)	(36.0)	(1.2)	(9.0)	–	(48.1)
Total comprehensive income and expense	–	–	–	–	(1.9)	(36.0)	(1.2)	259.8	–	220.7
Dividends paid	–	–	–	–	–	–	–	(78.2)	–	(78.2)
Share-based payment charge	–	–	–	–	–	–	–	21.4	–	21.4
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	0.6	–	0.6
Excess tax deductions related to share-based payments on vested awards	–	–	–	–	–	–	–	(0.1)	–	(0.1)
Purchase of own shares	–	–	(19.7)	–	–	–	–	(1.4)	–	(21.1)
Performance share plan awards vested	–	–	7.8	–	–	–	–	(13.2)	–	(5.4)
Non-controlling interest disposed	–	–	–	–	–	–	–	(0.2)	(0.1)	(0.3)
At 31 March 2024	38.0	23.6	(58.0)	0.2	(1.3)	126.3	3.2	1,604.5	–	1,736.5

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 £50.2m (2024: £58.2m).

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 £9.3m (2024: £20.7m). 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	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Net cash inflow from operating activities	10	492.4	385.0
Cash flows from investing activities			
Purchase of property, plant and equipment – owned assets		(43.8)	(32.8)
Purchase of computer software		(1.1)	(2.0)
Purchase of other intangibles		(0.7)	(0.4)
Proceeds from sale of property, plant and equipment and capitalised development costs		0.9	1.6
Development costs capitalised		(13.8)	(16.4)
Interest received		4.9	1.2
Acquisition of businesses, net of cash acquired	8	(116.2)	(238.8)
Disposal of business, net of cash disposed	9	5.9	1.6
Purchase of equity investments		–	(0.3)
Net cash used in investing activities		(163.9)	(286.3)
Cash flows from financing activities			
Dividends paid		(83.8)	(78.2)
Purchase of shares for settlement of employee share arrangements		(7.9)	(21.1)
Interest paid		(28.9)	(29.6)
Loan arrangement fees		(1.4)	(0.3)
Proceeds from bank borrowings	10	38.9	513.2
Repayment of bank borrowings	10	(337.0)	(465.7)
Repayment of acquired debt on acquisition	10	(46.6)	(17.1)
Drawdown of loan notes	10	335.8	–
Repayment of lease liabilities, net of interest		(24.2)	(20.9)
Net cash used in financing activities		(155.1)	(119.7)
Increase/(decrease) in cash and cash equivalents	10	173.4	(21.0)
Cash and cash equivalents brought forward		142.4	168.5
Exchange adjustments		(3.1)	(5.1)
Cash and cash equivalents carried forward	10	312.7	142.4
	Notes	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash and cash equivalents		173.4	(21.0)
Net cash outflow/(inflow) from bank borrowings and loan notes	10	8.9	(30.4)
Net debt acquired	10	(46.7)	(17.1)
Lease liabilities additions and accretion of interest		(54.1)	(18.3)
Lease liabilities acquired net of disposal		(2.4)	(3.2)
Lease liabilities and interest repaid		28.8	24.1
Exchange adjustments		9.5	9.4
Decrease/(increase) in net debt		117.4	(56.5)
Net debt brought forward		(653.2)	(596.7)
Net debt carried forward		(535.8)	(653.2)

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 2025. The financial information for the year ended 31 March 2024 is derived from the statutory accounts from that year. The report of the auditors on the statutory accounts for the year ended 31 March 2025 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 2025 and 31 March 2024, 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 2025

There are no new standards and interpretations adopted for the first time in 2025.

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 IAS 1 – Non-current liabilities with covenants
- Amendment to IAS 16 – Leases on sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier finance
- Amendment to IAS 21 – Lack of Exchangeability (not yet endorsed)
- IFRS 18 – Presentation and disclosures in financial statements

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. Management is currently assessing the detailed implications of applying the standard on the Group's consolidated financial statements. The Group will adopt the new standard for the year ended 31 March 2028 and as retrospective application is required the comparative information for the year ended 31 March 2027 will be restated.

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 Return on Capital Employed (ROCE), Organic growth, Adjusted EBIT/EBITDA, Adjusted profit and earnings per share measures, net debt, cash conversion and Adjusted operating cash flow 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 2025, 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 £1,250m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2025 amounts to £511m. In May 2024 the last of the two one-year extension options drawn under the RCF was exercised which now matures in May 2029. During April 2024 the Group also entered into, and drew down, a new note Purchase Agreement which provided access to loan notes totalling £328m. 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 31

March 2026, 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 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. 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.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable may be accounted for as either:

- a) 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
- b) 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.

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

Goodwill is recognised as an intangible asset in the Consolidated Balance Sheet. Goodwill therefore includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills. Negative goodwill arising on acquisitions would be recognised directly in the Consolidated Income Statement.

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

As permitted by IFRS 1, the Group elected not to apply IFRS 3 'Business Combinations' to acquisitions prior to 4 April 2004 in its consolidated accounts. As a result, the net book value of goodwill recognised as an intangible asset under UK GAAP at 3 April 2004 was brought forward unadjusted as the cost of goodwill recognised under IFRS at 4 April 2004 subject to impairment testing on that date; and goodwill that was written off to reserves prior to 28 March 1998 under UK GAAP will not be taken into account in determining the profit or loss on disposal or closure of previously acquired businesses from 4 April 2004 onwards.

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 which 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 solvency 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 the expense relates to.

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 March 2025 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.

Recoverability of non-current taxation assets

In the prior year, determining the recoverability of tax assets required management's judgement in assessing the amounts paid in relation to group financing partial exemption applicable to UK controlled foreign companies as a result of the decision by the European Commission that this constituted state aid. Management's assessment was that this represented a contingent liability and that the £14.7m paid to HM Revenue & Customs (HMRC) in previous years should be within non-current assets on the Consolidated Balance Sheet. This was repaid in March 2025.

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. Further details on intangible assets are disclosed in the Annual Report and Accounts 2025.

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. 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. Details of the estimates made in calculating the defined benefit asset/obligation, including sensitivity analysis, are disclosed in the Annual Report and Accounts 2025.

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 2025, 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.

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 of 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, mitigate and suppress the effects of fires, protecting people and assets; Public Safety technologies that safeguard the public by preventing and protecting people against a variety of risks; 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. 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 are used in materials analysis and optoelectronic applications. Markets include: Optical Analysis which provides world-class optical, optoelectronic and spectral imaging systems that use light in a wide variety of industrial, digital 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 technologies that detect hazardous gases, analyse air quality, gases and water to monitor environmental quality and ensure that resource infrastructure operates efficiently. 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 diagnosis and treatment of patient conditions, and the provision of improved healthcare through data analysis. Markets include: Healthcare Assessment & Analytics which provides components, devices and systems that provide valuable information and analytics so providers can better understand patient health and make decisions across the continuum of care; Therapeutic Solutions technologies, materials and solutions that enable treatment across key clinical specialties; and Life Sciences technologies and solutions to enable in-vitro diagnostic systems and accelerate life-science discoveries and development. 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.

Segment revenue disaggregation

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)
Revenue for the year	1,038.6	431.2	315.8	304.0	80.3	78.2	2,248.1

Year ended 31 March 2024
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	219.4	240.2	156.8	129.8	46.4	31.2	823.8
Environmental & Analysis	387.8	73.1	89.7	76.0	17.5	14.3	658.4
Healthcare	288.1	106.2	48.5	68.9	14.6	26.6	552.9
Inter-segmental sales	–	–	(1.0)	–	–	–	(1.0)
Revenue for the year	895.3	419.5	294.0	274.7	78.5	72.1	2,034.1

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 £125.8m (2024: £113.3m).

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	332.6	444.0	776.6
Healthcare	80.3	490.1	570.4
Inter-segmental sales	–	(0.9)	(0.9)
Revenue for the year	423.6	1,824.5	2,248.1

Year ended 31 March 2024

	Revenue recognised over time £m	Revenue recognised at a point in time £m	Total Revenue £m
Safety	8.0	815.8	823.8
Environmental & Analysis	238.0	420.4	658.4
Healthcare	70.4	482.5	552.9
Inter-segmental sales	–	(1.0)	(1.0)
Revenue for the year	316.4	1,717.7	2,034.1

	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

	Year ended 31 March 2024			
	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	817.8	6.0	–	823.8
Environmental & Analysis	649.9	8.5	–	658.4
Healthcare	535.5	17.3	0.1	552.9
Inter-segmental sales	(1.0)	–	–	(1.0)
Revenue for the year	2,002.2	31.8	0.1	2,034.1

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 2025 Total £m	Recognised < 1 year £m	Recognised 1-2 years £m	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	–	–	–	–
Total	69.3	49.2	8.5	11.6

	Aggregate transaction price allocated to unsatisfied performance obligations			
	31 March 2024 Total £m	Recognised < 1 year £m	Recognised 1-2 years £m	Recognised > 2 years £m
Safety	14.8	5.6	3.5	5.7
Environmental & Analysis	18.1	8.6	3.4	6.1
Healthcare	21.0	20.6	0.4	–
Inter-segmental sales	–	–	–	–
Total	53.9	34.8	7.3	11.8

Segment results

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Segment profit before allocation of adjustments*		
Safety	217.9	191.6
Environmental & Analysis	185.5	147.9
Healthcare	130.6	125.6
	534.0	465.1
Segment profit after allocation of adjustments*		
Safety	192.1	170.2
Environmental & Analysis	174.8	138.0
Healthcare	92.0	100.8
Segment profit	458.9	409.0
Central administration costs	(47.7)	(41.1)
Group profit before interest and taxation	411.2	367.9
Net finance expense	(26.9)	(27.6)
Group profit before taxation	384.3	340.3
Taxation	(87.9)	(71.5)
Profit for the year	296.4	268.8

* 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.

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:

Year ended 31 March 2025							
	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 and impairment of associate (note 9) £m	Total £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)
Total Segment & Group	(56.9)	(8.3)	(5.3)	(6.6)	(77.1)	2.0	(75.1)

The transaction costs in Safety, related to the acquisitions of Jam Topco Limited (MK Test), G.F.E. – Global Fire Equipment – Montagem de Equipamento Electrónico S.A. (Global Fire Equipment), Remlive Limited (Remlive), Advantronic Systems, S.L. (Advantronic) and Safe-com Wireless LLC (Safe-com) in the current year. In Environmental & Analysis, they relate to the acquisition of Hathorn Corporation Inc (Hathorn) in the current year and Ziegler Electronic Devices GmbH (ZED) which was acquired in a prior year. In Healthcare, they related to the acquisitions of Lamidey Noury Médical (Lamidey) in the current 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 Visual Imaging Resourcing LLC, 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.

During the year, in Environmental & Analysis, Hydreka S.A.S. was disposed of for a profit of £3.0m and an impairment of investment in associate assets was recognised for OneThird B.V. of £1.0m.

Year ended 31 March 2024

	Amortisation and impairment of acquired intangible assets £m	Acquisition items			Total amortisation charge and acquisition items £m	Disposals of operations and restructuring £m	Total £m
		Transaction costs £m	Adjustments to contingent consideration £m	Release of fair value adjustments to inventory £m			
Safety	(19.5)	(0.9)	–	(1.5)	(21.9)	0.5	(21.4)
Environmental & Analysis	(11.6)	(1.3)	4.0	(1.0)	(9.9)	–	(9.9)
Healthcare	(18.4)	(2.4)	(0.1)	(3.9)	(24.8)	–	(24.8)
Total Segment & Group	(49.5)	(4.6)	3.9	(6.4)	(56.6)	0.5	(56.1)

The transaction costs arose mainly on the acquisitions during the year. In Safety, they related to the acquisition of Lazer Safe in the year, FirePro in the previous year and MK Test that was purchased in April 2024. In Environmental & Analysis, they related to the acquisition of Sewertronics, Alpha Instrumatics (Alpha), Visual Imaging Resourcing (VIR) and Ziegler Electronic Devices (ZED). In Healthcare, they related to the acquisition of TeDan, AprioMed AB and Rovers in the year, plus Infinite Leap and Visiometrics in previous years.

The £3.9m adjustment to contingent consideration comprised a credit of £4.0m in Environmental & Analysis arising from changes in the estimates of the payables for Sewertronics and Alpha and a £0.1m charge in Healthcare comprised changes in estimates for Spreo and IZI.

The £6.4m release of fair value adjustments to inventory related to WEETECH, Thermocable, FirePro and Lazer Safe in Safety; VIR in Environmental & Analysis; and IZI, AprioMed AB, TeDan, Rovers and Alpha in Healthcare. All amounts have been released in relation to IZI, WEETECH, Thermocable, FirePro, Lazer Safe, VIR and Alpha.

Other segment information

	Depreciation, amortisation and impairment	
	31 March 2025 £m	31 March 2024 £m
Safety	37.2	35.9
Environmental & Analysis	21.8	21.6
Healthcare	33.4	30.0
Total Segment additions/depreciation, amortisation and impairment	92.4	87.5
Unallocated	32.0	21.1
Total Group	124.4	108.6

During the year impairment losses of £3.2m were recognised on property, plant and equipment and other intangible assets, of which £1.1m was recognised in Safety, £0.4m was recognised in Environmental & Analysis and £1.7m was recognised in Healthcare (2024: £3.2m comprising £1.0m in Safety, £0.3m in Environmental & Analysis and £1.9m in Healthcare). Impairment losses 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 15% (2024: 12%) of the Group's total revenue for the year ended 31 March 2025. No other single customer (2024: 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 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:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	Year ended 31 March 2025 pence	Year ended 31 March 2024 pence
Earnings from continuing operations attributable to owners of the parent	296.4	268.8	78.49	71.23
Amortisation and impairment of acquired intangible assets (after tax)	42.9	37.4	11.39	9.89
Acquisition transaction costs (after tax)	8.2	4.3	2.16	1.15
Adjustments to contingent consideration (after tax)	5.3	(3.9)	1.39	(1.04)
Release of fair value adjustments to inventory (after tax)	5.0	4.9	1.33	1.31
Impairment of associate	1.0	–	0.26	–
Disposal of operations and restructuring (after tax)	(3.0)	(0.5)	(0.79)	(0.14)
Adjusted earnings attributable to owners of the parent	355.8	311.0	94.23	82.40
Weighted average number of shares in issue for basic earnings per share, million	377.6	377.3		

Diluted earnings per share

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	Year ended 31 March 2025 pence	Year ended 31 March 2024 pence
Earnings from continuing operations attributable to owners of the parent	296.4	268.8	78.14	70.96
Weighted average number of shares in issue for basic earnings per share, million	377.6	377.3		
Dilutive potential shares – share awards, million	1.6	1.4		
Weighted average number of shares in issue for diluted earnings per share, million	379.2	378.7		

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 Return on Total Invested Capital (ROTIC), Return on Capital Employed (ROCE), Organic growth, net debt, Adjusted operating profit, Adjusted profit before interest and taxation (Adjusted EBIT), cash conversion and Adjusted operating cash flow.

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

Return on Total Invested Capital

	31 March 2025 £m	31 March 2024 £m
Profit after tax	296.4	268.8
Adjustments ¹	59.4	42.2
Adjusted profit after tax¹	355.8	311.0
Total equity	1,899.4	1,736.5
Less net retirement benefit assets	(2.0)	(30.9)
Deferred tax liabilities on retirement benefits	0.6	7.9
Cumulative fair value adjustments on equity investments through other comprehensive income	(3.3)	(3.2)
Cumulative amortisation and impairment of acquired intangible assets	505.9	458.2
Historical adjustments to goodwill ²	89.5	89.5
Total Invested Capital	2,490.1	2,258.0
Average Total Invested Capital³	2,374.1	2,165.9
Return on Total Invested Capital (ROTIC)⁴	15.0%	14.4%

Return on Capital Employed

	31 March 2025 £m	31 March 2024 £m
Profit before tax	384.3	340.3
Adjustments ¹	75.1	56.1
Net finance costs	26.9	27.6
Lease interest	(4.6)	(3.2)
Adjusted operating profit¹ after share of results of associates and lease interest	481.7	420.8
Computer software costs within other intangible assets	3.2	3.3
Capitalised development costs within other intangible assets	51.4	51.8
Other intangibles within other intangible assets	3.0	3.5
Property, plant and equipment	283.2	236.8
Inventories	300.3	304.8
Trade and other receivables	485.9	460.9
Current trade and other payables	(343.3)	(296.5)
Current lease liabilities	(23.1)	(19.5)
Current provisions	(44.5)	(35.0)
Net tax receivable/(payable)	4.2	(0.9)
Non-current trade and other payables	(24.5)	(23.9)
Non-current provisions	(11.2)	(10.7)
Non-current lease liabilities	(86.5)	(64.2)
Add back contingent purchase consideration	27.0	29.2
Capital Employed	625.1	639.6
Average Capital Employed³	632.4	617.4
Return on Capital Employed (ROCE)⁴	76.2%	68.2%

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 ROTIC and 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 2023 Total Invested Capital and Capital Employed balances were £2,073.8 and £595.2m respectively.

4 The ROTIC and 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.

Organic growth

Organic growth measures the change in revenue and 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 profit before taxation;
- in the following year, removing the revenue and 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 profit before taxation.

Constant currency excludes the effects of currency movements. The current year's revenue and 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 2025 £m	Year ended 31 March 2024 £m	% growth contribution
Organic at constant currency ("organic")	2,216.2	2,026.7	9.4%
Acquired and disposed revenue	63.6	7.4	2.7%
Constant currency adjustment	(31.7)		(1.6)%
Continuing operations – reported	2,248.1	2,034.1	10.5%

	Adjusted* profit before interest and taxation			Adjusted* profit before taxation		
	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution
Organic at constant currency ("organic")	477.2	423.7	12.6%	460.6	396.1	16.3%
Acquired and disposed profit	17.2	0.3	4.0%	6.9	0.3	1.7%
Constant currency adjustment	(8.1)		(1.9)%	(8.1)		(2.1)%
Continuing operations – reported	486.3	424.0	14.7%	459.4	396.4	15.9%

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 2025 £m	Year ended 31 March 2024 £m	% growth contribution	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution
Organic at constant currency ("organic")	886.3	822.6	7.7%	214.5	192.1	11.6%
Acquired and disposed revenue/profit	27.7	1.2	3.2%	6.9	(0.5)	3.9%
Constant currency adjustment	(12.0)		(1.4)%	(3.5)		(1.8)%
Continuing operations – reported	902.0	823.8	9.5%	217.9	191.6	13.7%

Environmental & Analysis

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution
Organic at constant currency ("organic")	776.3	652.2	19.0%	184.6	147.1	25.5%
Acquired and disposed revenue/profit	11.1	6.2	0.6%	3.5	0.8	1.7%
Constant currency adjustment	(10.8)		(1.6)%	(2.6)		(1.8)%
Continuing operations – reported	776.6	658.4	18.0%	185.5	147.9	25.4%

Healthcare

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	% growth contribution
Organic at constant currency ("organic")	554.5	552.9	0.3%	125.9	125.6	0.3%
Acquired and disposed revenue/profit	24.9	–	4.5%	6.8	–	5.4%
Constant currency adjustment	(9.0)		(1.6)%	(2.1)		(1.7)%
Continuing operations – reported	570.4	552.9	3.2%	130.6	125.6	4.0%

* 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 2025 £m	Year ended 31 March 2024 £m
Profit before interest and taxation (EBIT)	411.2	367.9
Add back:		
Acquisition items (note 1)	20.2	7.1
Profit on disposal of operations and impairment of associate (note 1)	(2.0)	(0.5)
Amortisation and impairment of acquired intangible assets (note 1)	56.9	49.5
Adjusted profit before interest and taxation (Adjusted EBIT)	486.3	424.0
Depreciation, impairment and amortisation (excluding acquired intangible assets)	66.5	59.1
EBITDA	552.8	483.1

Adjusted operating profit

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Operating profit	409.5	367.7
Add back:		
Acquisition items (note 1)	20.2	7.1
Amortisation and impairment of acquired intangible assets (note 1)	56.9	49.5
Adjusted operating profit	486.6	424.3

Adjusted operating cash flow

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Net cash from operating activities (note 10)	492.4	385.0
Add:		
Net acquisition costs paid	4.9	6.0
Taxes paid	103.3	87.2
Proceeds from sale of property, plant and equipment and capitalised development costs	0.9	1.6
Share awards vested not settled by own shares	3.5	5.4
Deferred consideration paid in excess of payable estimated on acquisition	0.1	1.5
Less:		
Purchase of property, plant and equipment (excluding Right of use assets)	(43.8)	(32.8)
Purchase of computer software and other intangibles	(1.8)	(2.4)
Development costs capitalised	(13.8)	(16.4)
Adjusted operating cash flow	545.7	435.1
Cash conversion % (adjusted operating cash flow/adjusted operating profit)	112%	103%

4 Finance income

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Interest receivable	4.9	1.2
Net interest credit on pension plan assets	1.5	1.9
	6.4	3.1

5 Finance expense

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Interest payable on borrowings	27.9	26.1
Interest payable on lease obligations	4.6	3.2
Amortisation of finance costs	0.5	0.9
Other interest payable	0.2	0.3
Fair value movement on derivative financial instruments	0.1	0.2
	33.3	30.7

6 Taxation

Recognised in the Consolidated Income Statement

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Current tax		
UK corporation tax at 25% (2024: 25%)	25.9	22.8
Overseas taxation	81.2	67.3
Adjustments in respect of prior years	(3.7)	(0.2)
Total current tax charge	103.4	89.9
Deferred tax		
Origination and reversal of timing differences	(18.3)	(19.2)
Adjustments in respect of prior years	2.8	0.8
Total deferred tax credit	(15.5)	(18.4)
Total tax charge recognised in the Consolidated Income Statement	87.9	71.5
Reconciliation of the effective tax rate:		
Profit before tax	384.3	340.3
Tax at the UK corporation tax rate of 25% (2024: 25%)	96.1	85.1
Overseas tax rate differences	(6.3)	(6.2)
Tax incentives, exemptions and credits (including patent box, R&D and High-Tech status)	(9.4)	(9.6)
Permanent differences	8.4	1.6
Adjustments in respect of prior years	(0.9)	0.6
Total tax charge recognised in the Consolidated Income Statement	87.9	71.5
Effective tax rate	22.9%	21.0%
	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Adjusted* profit before tax	459.4	396.4
Total tax charge on adjusted* profit	103.6	85.4
Effective tax rate	22.6%	21.5%

* 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 a new 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 2025 of the constituent entities in the Group.

There are a limited number of jurisdictions where the transitional safe harbour relief may not apply and the Pillar Two ETR may be below 15%. However, the Pillar Two income taxes exposure 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 2025 £m	Year ended 31 March 2024 £m
Current tax		
Retirement benefits	–	(0.9)
Deferred tax		
Retirement benefits	(7.4)	(2.1)
Effective portion of changes in fair value of cash flow hedges	0.1	(0.2)
	(7.3)	(3.2)

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 2025 £m	Year ended 31 March 2024 £m
Current tax		
Excess tax deductions related to share-based payments on vested awards	(0.9)	0.1
Deferred tax		
Change in estimated excess tax deductions related to share-based payments	(0.8)	(0.6)
	(1.7)	(0.5)

7 Dividends

	Per ordinary share		Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
	Year ended 31 March 2025 pence	Year ended 31 March 2024 pence		
Amounts recognised as distributions to shareholders in the year				
Final dividend for the year ended 31 March 2024 (31 March 2023)	13.20	12.34	49.8	46.5
Interim dividend for the year ended 31 March 2025 (31 March 2024)	9.00	8.41	34.0	31.7
	22.20	20.75	83.8	78.2
Dividends declared in respect of the year				
Interim dividend for the year ended 31 March 2025 (31 March 2024)	9.00	8.41	34.0	31.7
Proposed final dividend for the year ended 31 March 2025 (31 March 2024)	14.12	13.20	53.3	49.8
	23.12	21.61	87.3	81.5

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 24 July 2025 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.

During the year ended 31 March 2025, the Group made seven acquisitions namely:

- Jam Topco Limited (MK Test);
- G.F.E. – Global Fire Equipment – Montagem de Equipamento Electrónico S.A. (GFE);
- Remlive Limited (Remlive);
- Advantronic Systems, S.L. (Advantronic);
- Hathorn Corporation Inc. (Hathorn);
- Safe-com Wireless LLC (Safe-com); and
- Lamidey Noury Médical S.A. (Lamidey).

Set out on the following pages are summaries of the assets acquired and liabilities assumed and the purchase consideration of:

- a) the total of acquisitions;
- b) Jam Topco Limited (MK Test);
- c) G.F.E. – Global Fire Equipment – Montagem de Equipamento Electrónico S.A. (GFE);
- d) Hathorn Corporation Inc. (Hathorn);
- e) Safe-com Wireless LLC (Safe-com);
- f) Lamidey Noury Médical S.A. (Lamidey);
- g) other acquisitions; and
- h) adjustments arising on prior year acquisitions.

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). The acquisitions contributed £31.2m of revenue and £6.3m of profit after tax for year ended 31 March 2025.

If these acquisitions had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £17.2m and £3.4m higher respectively.

As at the date of approval of the financial statements the accounting for MK Test is final. The accounting for all other current year acquisitions is provisional, relating to the 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.

a) Total of acquisitions

	Total £m
Non-current assets	
Intangible assets	75.2
Property, plant and equipment	11.0
Deferred tax	0.1
Current assets	
Inventories	14.0
Trade and other receivables	13.0
Corporation tax asset	0.3
Cash and cash equivalents	10.5
Total assets	124.1
Current liabilities	
Payables	(12.5)
Borrowings	(46.7)
Lease liabilities	(0.5)
Provisions	(0.2)
Corporation tax liabilities	(0.4)
Non-current liabilities	
Payables	(0.2)
Lease liabilities	(2.7)
Provisions	(0.1)
Deferred tax liabilities	(18.6)
Total liabilities	(81.9)
Net assets of businesses acquired	42.2
Initial cash consideration paid	115.5
Other adjustments to consideration	1.0
Other amounts to be paid	0.7
Contingent purchase consideration including retentions estimated to be paid	3.3
Total consideration	120.5
Total goodwill	78.3

Total goodwill of £78.3m comprises £72.7m relating to current year acquisitions and £5.6m relating to adjustments to prior year acquisitions within 12 months of the acquisition date, including Rovers Medical Devices B.V. and the Tedan Group.

Analysis of cash outflow in the Consolidated Cash Flow Statement

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Initial cash consideration paid	115.5	247.7
Cash acquired on acquisitions	(10.5)	(8.3)
Initial cash consideration adjustments paid/(received) on current year acquisitions	1.0	(2.0)
Contingent consideration paid	10.3	2.9
Net cash outflow relating to acquisitions	116.3	240.3
Included in cash flows from operating activities	0.1	1.5
Included in cash flows from investing activities	116.2	238.8

Other adjustments to consideration are primarily adjustments for acquired working capital once balances are fully reconciled, forming part of the contractual payment mechanisms.

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

b) Jam Topco Limited (MK Test)

	£m
Non-current assets	
Intangible assets	26.1
Property, plant and equipment	0.8
Current assets	
Inventories	1.8
Trade and other receivables	5.1
Corporation tax asset	0.3
Cash and cash equivalents	1.7
Total assets	35.8
Current liabilities	
Payables	(5.2)
Borrowings	(38.0)
Non-current liabilities	
Lease liabilities	(0.5)
Deferred tax liabilities	(6.5)
Total liabilities	(50.2)
Net assets of business acquired	(14.4)
Initial cash consideration paid	6.3
Other adjustments to consideration	0.3
Other amounts to be paid	0.3
Total consideration	6.9
Total goodwill	21.3

On 30 April 2024, the Group acquired the entire share capital of Jam Topco Limited and its subsidiaries Jam Bidco Limited, MK Test Group Limited, MK Test Systems Ltd, MK Test Holdings Limited and MK Test Systems America Inc.

The group ('MK Test') was acquired for a total consideration of £6.9m. Initial consideration comprised the cash and debt free purchase price of £42.6m, plus cash acquired of £1.7m less debt acquired of £38.0m. Additional amounts determined in respect of working capital adjustments amounted to £0.3m and amounts to be paid to the sellers of £0.3m. The debt acquired of £38.0m was settled immediately post-acquisition. There is no contingent consideration payable.

Founded in 1990 and headquartered in Wellington, Somerset, UK, MK Test designs and manufactures safety-critical electrical testing technology. Its products are used globally to test the integrity of high voltage electrical systems in aerospace, rail and commercial EV industries. MK Test continues to run under its own management team and has become part of the Group's Safety Sector.

On acquisition, acquired intangibles were recognised relating to customer related intangibles £19.2m; trade name £2.2m and technology related intangibles £4.7m.

The residual goodwill of £21.3m represents:

- a) the technical expertise of the acquired workforce;
- b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
- c) the ability to exploit the Group's existing customer base.

MK Test contributed £11.6m of revenue and £2.9m of profit after tax for the 11-month period ended 31 March 2025. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £0.9m higher and £0.2m lower respectively.

Acquisition costs totalling £0.9m were recorded in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

c) G.F.E. – Global Fire Equipment – Montagem de Equipamento Electrónico S.A. (GFE)

£m

Non-current assets	
Intangible assets	13.8
Property, plant and equipment	4.3
Current assets	
Inventories	6.5
Trade and other receivables	2.9
Cash and cash equivalents	5.5
Total assets	33.0
Current liabilities	
Payables	(2.8)
Borrowings	(5.2)
Lease liabilities	(0.1)
Provisions	(0.1)
Non-current liabilities	
Deferred tax liabilities	(2.7)
Total liabilities	(10.9)
Net assets of business acquired	22.1
Initial cash consideration paid	35.2
Other adjustments to consideration	(0.6)
Other amounts paid	0.4
Contingent purchase consideration including retentions estimated to be paid	0.5
Total consideration	35.5
Total goodwill	13.4

On 26 June 2024, the Group acquired the entire share capital of GFE and its subsidiaries GFE TEC, Createch S.A. and Nibble Engenharia Lda.

The group ('GFE') was acquired for a total estimated consideration of €42.0m (£35.5m). The initial consideration comprised the cash and debt free purchase price of €41.3m (£34.9m), plus cash acquired of €6.5m (£5.5m) less debt acquired of €6.1m (£5.2m). Other adjustments relating to working capital amounted to €0.7m (£0.6m). The debt acquired of £5.2m was settled immediately post-acquisition. Retention amounts due on acquisition amounted to €1.1m (£0.9m). Of this balance, £0.4m was paid by period end and the remaining balance is recorded as contingent purchase consideration including retentions estimated to be paid.

Based in Faro, Portugal, GFE designs and manufactures high-quality fire detection and alarm systems. GFE was bought as a bolt-on for the Group's Ampac businesses and so joins the Safety Sector.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £8.4m, trade name of £2.0m and technology related intangibles of £3.4m.

The residual goodwill of £13.4m represents:

- a) the technical expertise of the acquired workforce;
- b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
- c) the ability to exploit the Group's existing customer base.

GFE contributed £9.4m of revenue and £1.7m of profit after tax for the nine month period ended 31 March 2025. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue would have been £3.0m higher and profit after tax would have been £0.4m higher.

Acquisition costs totalling £0.8m were recognised in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

d) Hathorn Corporation Inc. (Hathorn)

	£m
Non-current assets	
Intangible assets	14.3
Property, plant and equipment	1.2
Current assets	
Inventories	0.5
Trade and other receivables	0.7
Cash and cash equivalents	0.8
Total assets	17.5
Current liabilities	
Payables	(0.7)
Borrowings	(3.4)
Lease liabilities	(0.2)
Non-current liabilities	
Lease liabilities	(0.6)
Provisions	(0.1)
Deferred tax liabilities	(3.8)
Total liabilities	(8.8)
Net assets of business acquired	8.7
Initial cash consideration paid	21.8
Other adjustments to consideration	(0.1)
Total consideration	21.7
Total goodwill	13.0

On 1 October 2024, the Group acquired the entire share capital of Hathorn Corporation Inc. and its subsidiaries Reliable Drain Cameras and Repair Inc.

The group ('Hathorn') was acquired for a total estimated consideration of CA\$39.0m (£21.7m). The initial consideration comprised the cash and debt free purchase price of CA\$43.6m (£24.4m) plus cash of CA\$1.4m (£0.8m) less debt of CA\$6.0m (£3.4m). Other adjustments relating to working capital amounted to CA\$0.1m (£0.1m). The debt acquired of CA\$6.0m (£3.4m) was settled immediately post-acquisition. There is no contingent consideration payable.

Based in Ontario, Canada, Hathorn specialise in the design and manufacture of pipeline inspection products for the wastewater market. Hathorn was bought as a bolt-on for the Minicam Group and so joins the Environmental & Analysis Sector.

On acquisition, acquired intangibles were recognised relating to customer relationships of £8.1m, trade name of £2.5m, and technology related intangibles of £3.7m.

The residual goodwill of £13.0m represents:

- a) the technical expertise of the acquired workforce;
- b) the opportunity to leverage this expertise across some of Halma's businesses through future technologies; and
- c) the ability to exploit the Group's existing customer base.

Hathorn contributed £2.4m of revenue and £0.2m of loss after tax for the six months ended 31 March 2025 including a provision for restructuring the business of £1.1m. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £2.6m higher and £0.7m higher respectively.

Acquisition costs totalling £0.2m were recorded in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

e) Safe-com Wireless LLC (Safe-com)

	£m
Non-current assets	
Intangible assets	3.2
Current assets	
Inventories	0.2
Trade and other receivables	0.4
Total assets	3.8
Current liabilities	
Payables	(0.3)
Provisions	(0.1)
Non-current liabilities	
Deferred tax liabilities	(0.8)
Total liabilities	(1.2)
Net assets of business acquired	2.6
Initial cash consideration paid	5.4
Contingent purchase consideration including retentions estimated to be paid	2.4
Total consideration	7.8
Total goodwill	5.2

On 18 November 2024, the Group acquired the entire share capital of Safe-com Wireless LLC ('Safe-com').

The company was acquired for a total estimated consideration of US\$9.9m (£7.8m). The initial consideration comprised the cash and debt free purchase price of US\$6.8m (£5.4m). Maximum contingent consideration of US\$3.2m (£2.5m) is payable dependent on profits achieved in the year to March 2026, with the possibility of the seller choosing to defer and base the consideration on the 12 months ending 31 March 2027. The amount of deferred purchase consideration recognized is US\$3.0m (£2.3m) and represents the fair value of the estimated amounts payable recognised on acquisition and is due for settlement over the next two years. The remaining US\$0.2m (£0.1m) relates to retention amounts due.

Based in New Jersey, USA, Safe-com designs and manufactures emergency responder enhancement systems. Safe-com was bought as a bolt-on for the Group's Avire business and so joins the Safety Sector.

On acquisition, acquired intangibles were recognised relating to customer related intangibles £1.1m; and technology related intangibles £2.1m.

The residual goodwill of £5.2m represents:

- a) the technical expertise of the acquired workforce;
- b) the opportunity to leverage this expertise across some of Halma's businesses through future technologies; and
- c) the ability to exploit the Group's existing customer base.

Safe-com contributed £0.6m of revenue and £0.1m of profit after tax for the four month period to 31 March 2025. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £1.4m higher and £0.2m higher respectively.

Acquisition costs totalling £0.2m were recorded in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

f) Lamidey Noury Médical S.A. (Lamidey)

£m

Non-current assets	
Intangible assets	24.7
Property, plant and equipment	4.1
Current assets	
Inventories	4.1
Trade and other receivables	2.4
Cash and cash equivalents	2.1
Total assets	37.4
Current liabilities	
Payables	(2.8)
Corporation tax liabilities	(0.3)
Lease liabilities	(0.2)
Borrowings	(0.1)
Non-current liabilities	
Payables	(0.2)
Lease liabilities	(1.5)
Deferred tax liabilities	(6.5)
Total liabilities	(11.6)
Net assets of business acquired	25.8
Initial cash consideration paid	41.8
Other adjustments to consideration	1.0
Total consideration	42.8
Total goodwill	17.0

On 15 November 2024, the Group acquired the entire share capital of Lamidey Noury Médical S.A. and its subsidiaries Medical Micro Mecanique, Chirurgie Innovation and Medical Vision.

The group ('Lamidey') was acquired for a total estimated consideration of €51.2m (£42.8m). The initial consideration comprised the cash and debt free purchase price of €47.6m (£39.8m), plus cash acquired of €2.4m (£2.1m), less debt of €0.1m (£0.1m). Other adjustments relating to working capital amounted to €1.1m (£1.0m). There is no contingent consideration payable.

Based in Paris, France, Lamidey is renowned for its excellence in designing and producing electrosurgical instruments. These instruments, widely adopted by healthcare professionals worldwide, are used for cutting tissue and controlling bleeding during operations, thereby improving patient outcomes and operational efficiencies. Lamidey has joined the Group's Healthcare Sector, led by its current management team.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £8.4m, trade name of £2.1m and technology related intangibles of £14.2m.

The residual goodwill of £17.0m represents:

- a) the technical expertise of the acquired workforce;
- b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
- c) the ability to exploit the Group's existing customer base.

Lamidey contributed £4.5m of revenue and £1.3m of profit after tax for the four month period ended 31 March 2025. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue would have been £8.1m higher and profit after tax would have been £2.6m higher.

Acquisition costs totalling £0.5m were recognised in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

g) Other acquisitions

	£m
Non-current assets	
Intangible assets	2.0
Property, plant and equipment	0.1
Current assets	
Inventories	1.2
Trade and other receivables	1.0
Cash and cash equivalents	0.4
Total assets	4.7
Current liabilities	
Payables	(0.9)
Corporation tax liabilities	(0.1)
Non-current liabilities	
Lease liabilities	(0.1)
Deferred tax liabilities	(0.6)
Total liabilities	(1.7)
Net assets of business acquired	3.0
Initial cash consideration paid	5.0
Other adjustments to consideration	0.4
Contingent purchase consideration including retentions estimated to be paid	0.4
Total consideration	5.8
Total goodwill	2.8

On 10 July 2024, the Group acquired the entire share capital of Remlive Limited ('Remlive'), a UK based company, which designs and manufactures electrical safety warning indicators, for a total estimated consideration of £3.6m.

On 29 July 2024, the Group acquired the entire share capital of Advantronic Systems, S.L. ('Advantronic') for a total consideration of €2.6m (£2.2m). Based in Madrid, Spain, Advantronic manufactures control panels, distributes fire alarm systems and has strong expertise in wireless technology.

In respect of these acquisitions, the excess of fair value of the assets acquired is represented by customer related intangibles of £0.4m, trade names of £0.4m and technology related intangibles of £1.2m, with residual goodwill arising of £2.8m.

These acquisitions contributed £2.7m of revenue and £0.5m of profit after tax for the year ended 31 March 2025. If these acquisitions had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £1.2m higher and £0.3m lower respectively.

Acquisition costs totalling £0.2m were recorded in the Consolidated Income Statement.

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

h) Adjustments arising on prior year acquisitions

	£m
Non-current assets	
Intangible assets	(8.9)
Property, plant and equipment	0.5
Deferred tax asset	0.1
Current assets	
Inventories	(0.3)
Trade and other receivables	0.5
Total assets	(8.1)
Current liabilities	
Payables	0.2
Non-current liabilities	
Deferred tax liabilities	2.3
Total liabilities	2.5
Net adjustment to assets of businesses acquired in prior year	(5.6)
Adjustment to goodwill	5.6

In finalising the acquisition accounting for the prior year acquisition of the Tedan Group, an adjustment of £0.6m was made to increase property, plant and equipment, an increase of £0.5m to receivables, a reduction of £0.2m to inventories and a reduction of £0.1m was made to payables.

In finalising the acquisition accounting for the prior year acquisition of Rovers Medical Devices B.V., an adjustment was made to reduce the valuation of acquired intangible assets by £8.9m. An adjustment to reduce property, plant and equipment of £0.1m, increase deferred tax asset by £0.1m and reduce inventories by £0.1m. Other adjustments included a reduction to payables by £0.1m and a reduction of £2.3m to deferred tax liability.

Overall these adjustments resulted in a corresponding increase in goodwill of £5.6m. 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 31 May 2024, the Group disposed of Hydreka S.A.S. including its subsidiary, Enoveo S.A.S., to a third party for proceeds of €8.8m (£7.5m). This transaction resulted in the recognition of a gain in the Consolidated Income Statement as follows:

	Total £m
Proceeds of disposal	7.5
Less: net assets on disposal	(3.2)
Less: allocation of goodwill disposed	(2.0)
Less: costs of disposal	(0.4)
Add: translation reserve recycled to profit and loss	1.1
Profit on disposal	3.0

Cash received on disposal of operations of €7.0m (£5.9m) comprised proceeds of €8.8m (£7.5m), less amounts to be received of €0.3m (£0.3m), net of cash disposed of €1.4m (£1.2m).

10 Notes to the Consolidated Cash Flow Statement

Notes to the Consolidated Cash Flow Statement						Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Reconciliation of profit from operations to net cash inflow from operating activities:							
Profit on continuing operations before finance income and expense, share of results of associate and profit on disposal of operations						409.5	367.7
Non-cash (loss)/gain on hedging instruments						(0.6)	0.4
Depreciation and impairment of property, plant and equipment						51.0	44.4
Amortisation and impairment of computer software						1.3	1.8
Amortisation of capitalised development costs and other intangibles						11.1	9.9
Impairment of capitalised development costs						3.1	3.0
Amortisation of acquired intangible assets						56.9	49.5
Share-based payment expense in excess of amounts paid						21.9	16.9
Defined benefit pension plans administration cost less contributions from sponsoring companies						0.4	(3.0)
Profit on sale of property, plant and equipment, capitalised development costs and computer software						(0.2)	(0.2)
Operating cash flows before movement in working capital						554.4	490.4
Decrease in inventories						12.3	19.6
Increase in receivables						(20.9)	(46.4)
Increase in payables and provisions						44.7	13.8
Increase/(reduction) to estimate and exchange difference on contingent consideration payable less amounts paid in excess of payable estimated on acquisition						5.2	(5.2)
Cash generated from operations						595.7	472.2
Taxation paid						(103.3)	(87.2)
Net cash inflow from operating activities						492.4	385.0
						Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Analysis of cash and cash equivalents							
Cash and bank balances						313.2	142.7
Overdrafts (included in current borrowings)						(0.5)	(0.3)
Cash and cash equivalents						312.7	142.4
	31 March 2024 £m	Cash flow £m	Net cash/(debt) acquired £m	Net cash/(debt) disposed £m	Additions and reclassifications £m	Exchange adjustments £m	31 March 2025 £m
Analysis of net debt							
Cash and bank balances	142.7	164.3	10.5	(1.2)	–	(3.1)	313.2
Overdrafts	(0.3)	(0.2)	–	–	–	–	(0.5)
Cash and cash equivalents	142.4	164.1	10.5	(1.2)	–	(3.1)	312.7
Loan notes falling due within one year	–	(35.0)	(0.1)	–	–	–	(35.1)
Loan notes falling due after more than one year	(370.9)	(300.8)	–	–	–	11.8	(659.9)
Bank loans falling due within one year	–	46.6	(46.6)	–	–	–	–
Bank loans falling due after more than one year	(341.0)	298.1	–	–	–	(1.0)	(43.9)
Lease liabilities	(83.7)	28.8	(3.2)	0.8	(54.1)	1.8	(109.6)
Total net debt	(653.2)	201.8	(39.4)	(0.4)	(54.1)	9.5	(535.8)

The net increase in cash and cash equivalents of £173.4m comprised net cash inflow of £164.1m and net cash acquired and disposed of £9.3m.

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	Leases £m	Overdraft £m	Total liabilities from financing activities £m	Trade and other payables falling due within one year £m
At 1 April 2023	677.3	87.9	1.0	766.2	280.7
Cash flows from financing activities	30.4	(24.1)	–	6.3	(26.4)
Acquisition/disposal of subsidiaries	17.1	3.2	–	20.3	6.9
Exchange adjustments	(12.9)	(1.6)	(0.1)	(14.6)	(4.8)
Other changes**	–	18.3	(0.6)	17.7	40.1
At 31 March 2024	711.9	83.7	0.3	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**	–	54.1	0.2	54.3	72.0
At 31 March 2025	738.9	109.6	0.5	849.0	343.3

* 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.

11 Contingent liabilities

Group financing exemptions applicable to UK controlled foreign companies

On 2 April 2019, the European Commission (EC) published its final decision that the UK controlled Foreign Company Partial Exemption (FCPE) constitutes State Aid. As previously reported, the Group has benefited from the FCPE, which amounts to £15.4m of tax for the period from 1 April 2013 to 31 December 2018. Appeals had been made by the UK Government, the Group and other UK-based groups to annul the EC decision. On 8 June 2022, the EU General Court delivered its decision in favour of the EC. In August 2022, the UK Government appealed this decision. On 19 September 2024, the European Court of Justice annulled the EC's original decision and found in favour of ITV and HMRC that the UK CFC legislation did not contravene EU State Aid rules. This judgement is now final.

In January 2021, the Group received a Charging Notice from HM Revenue & Customs (HMRC) for £13.9m assessed for the period from 1 April 2016 to 31 December 2018. The Group had appealed against the notice but, as there was no right of postponement, the amount charged was paid in full in February 2021 with a further £0.8m of interest paid in May 2021. HMRC have applied the decision to the Group's appeal and have repaid the £14.7m to the Group during the year.

Other 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

There were no known material non-adjusting events which occurred between the end of the reporting period and prior to the authorisation of these financial statements on 12 June 2025.

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 2025.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages and salaries	13.7	12.5
Pension costs	–	–
Share-based payment charge	7.7	5.0
	21.4	17.5

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.