

A summary of the shareholder questions received ahead of the 2020 AGM, along with the Company's response, is set out below.

1. Mergers & Acquisitions activity

While we have not completed any acquisitions in the first half of the financial year ending 31 March 2021, Halma does plan to resume M&A activity during the second half.

In each of the financial years ending 31 March 2019 and 31 March 2020, only one disposal of a business was conducted.

2. Gearing (net debt to EBITDA)

Given the underlying cash generative nature of Halma (low capital and high returns), combined with overhead actions taken in the first quarter of the financial year ending 31 March 2021 (in addition to the relative resilience in the Q1 trading as outlined in our Annual Results Announcement) we expect to, at the very least, maintain our cash position in the first half of the year.

If there is no M&A activity in the second half of the year, we would further reduce gearing at the end of the financial year. Our gearing target is below 2x and as at 31 March 2020, gearing was at 1.1x.

3. Goodwill and other intangible assets

Assuming that there is no further M&A activity, intangible assets will reduce by the financial year ending 31 March 2021 given that they amortise over their useful life. Goodwill is not subject to amortisation but an impairment review is completed at each period end.