

Interviewee: Andrew Williams
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Interview with: Andrew Williams

Ian King

And while it's common to hear complaints about excessive Health & Safety regulations, one FTSE 100 company has found there is good money to be made from ensuring people are kept safe at home and in work and at public places. Well, Halma Products & Services do just that as well as seeking to improve environmental protection and improve the quality of care delivered by healthcare providers. Today it reported a 12.5% rise in half year pre tax profits, to a record £105.8 million. I caught up with its Chief Executive, Andrew Williams, a little earlier.

Andrew Williams

We've got three areas, so, Safety, Healthcare and the Environment and the Environmental businesses, one element of that is focused on water conservation and water quality testing. So, for example, we've got the global leader in water leak detection, a business called HWM, based in South Wales, and what we're finding, and surprisingly, is, for example, the UK water utilities are having to invest a lot to improve and reduce the leakage in their system and as market leader we've got some great technology which helps them do that automatically. So, from the old days, where they'd have to send people out into the streets physically *listening* for leaks, we can now do that automatically by putting hundreds and thousands of sensors under the ground, which automatically will detect where leaks are and transmit that *directly* back to the utilities' HQ.

Ian King

Fire safety is also another important part of the business, has awareness of that grown around the world since the Grenfell Tower disaster?

Andrew Williams

It's a fact of life, unfortunately, although clearly we hear about Grenfell, and what a sort of terrible event that was, these types of events actually are going on across the world and we're a global business and, again, the way we look at those events is, 'What can we learn from that? What are the ways in which we can develop new solutions for the future that can *prevent* or at least mitigate that sort of event happening again?' So, our Fire business; we've got businesses based in the US, in Europe and in Asia Pacific, in fact, we recently acquired a business based in Australia, which dominates the Australia/New Zealand market, and part of the real secret of *their* success, again, is understanding, 'What are the local regulatory demands? How can we develop solutions that fit within that and how can we, basically, give a solution to *prevent* events like Grenfell happening again?'

Ian King

Around a fifth of the business is in mainland Europe, to what extent are you exposed to a no deal Brexit?

Andrew Williams

It's an interesting one. It's certainly being disruptive to our businesses, you know, again, we're a group of small businesses, and you mentioned the Fire businesses, so, for example, one of the things that *they've* had to do is, up until now the product approvals have been EU wide, so they can just get a product approval and it will cover the UK and Europe. Well, clearly, that's going to change and what we've had to do, therefore, is spend time and effort getting our products re-approved to the UK standard, as well as to the EU standard, so that when Brexit happens, *if* Brexit happens, we're in a position to sell into both markets. However, only about 10% of our revenue is going between the EU and the UK and so it is, you could argue,

a relatively small part of the group and one of the things we rely on is our agility, so *because* we have businesses in similar markets on *both* sides of the Channel, if necessary we *could* shift production or manufacturing or our channel to market either side of the EU and the UK, to still have a strong presence in those markets.

Ian King

Does it concern you that the debate around a Brexit deal has been more focused around products rather than services?

Andrew Williams

Well, we're a business predominantly product based but, interestingly enough, increasingly seeing opportunities to be a service based business. I suppose, again, we're relying on the agility of our operating companies to navigate their own way through that. One of the things you quickly recognise when you're selling across the EU is even though there are EU standards, actually the standards in each individual company you can change quite widely and so to some extent we're relying again on that agility point to be able to almost be successful *whatever* gets thrown at us, whether it's product or the service side of things.

Ian King

I mean, you've been in the company for 25 years and CEO for nearly 15 of those, are there a lot of people in Halma that have been *with* the business for an awfully long time?

Andrew Williams

It's interesting, you know, because we as a business have *always* take a long term sustainable growth view, what's interesting is, we've got investors who very much share that long term view and, equally, we've got employees who take that view. I mean, I'm the third CEO in 50 years, our CFO is the third CFO in 50 years, our Chairman is the third Chairman, so it really runs from the top of the organisation right the way down. So, you know, once you're in the Group and you see both the opportunity for growth and almost re-invention of the Group as time goes by, you always feel as if the job's never done and you're at the beginning of the *next* phase of growth, so, you know, it's an exciting business to be in, with still very long term growth potential.

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