

Halma plc

Trading update

Halma, the global group of life-saving technology companies focused on growing a safer, cleaner and healthier future for everyone, every day, today releases its scheduled trading update ahead of its half year end on 30 September 2024.

Further progress in the first half; unchanged guidance for the full year

We have made further progress in the first half of this financial year, in trading conditions which remain varied across our end markets. This reflects the benefits we derive from our Sustainable Growth Model, including the ability of our companies to respond rapidly to changing market conditions, the talent and entrepreneurialism of our people, and the diversity of our portfolio.

Our guidance for the full year to March 2025, for good organic constant currency¹ revenue growth and an Adjusted EBIT margin² of around 21%, remains unchanged from that given in our full year 2024 results announcement in June³.

In the first half of the year, we expect to deliver good organic constant currency¹ revenue growth, supported by Group order intake in the year to date which is ahead of both revenue and the comparable period last year. We expect the Group's Adjusted EBIT margin² to be modestly higher than in the first half of the prior year, consistent with our guidance for the year as a whole. We also expect to deliver a strong cash performance, enabling substantial investments, both organically and in acquisitions, to further expand our opportunities for growth over the medium to longer term.

The appreciation of Sterling is having a negative currency translation effect on the Group's results; we expect this effect to continue in the second half of the year⁴.

Further M&A progress; healthy acquisition pipeline

We made four acquisitions in the first half of this financial year, all in the Safety sector, for a maximum total consideration of approximately £85m. We continue to have a healthy acquisition pipeline across all three sectors.

The acquisitions made in the first half of the year were:

- MK Test Systems Limited, a UK-based company which designs and manufactures safety-critical electrical testing technology, for a consideration of £44m in April. MK Test is a standalone company within the Safety sector;
- G.F.E. - Global Fire Equipment, S.A., a Portuguese designer and manufacturer of fire detection and alarm systems, as a bolt-on for the fire safety company, Ampac, in June. The consideration for GFE was €42.5m (approximately £36m);
- Advantronic, a Spanish manufacturer of control panels and distributor of fire alarm systems, which has strong expertise in wireless technology, as a bolt-on for the fire safety company, Orama, in July. The consideration for Advantronic was €2.3m (approximately £2m);
- RemLive, a UK-based provider of electrical safety products, as a bolt-on for the worker safety company Fortress Safety, in July. The consideration for RemLive was £3.5m.

We continue to actively manage our portfolio of global businesses to ensure that it delivers strong growth and returns and is aligned with our purpose of growing a safer, cleaner, healthier future for everyone, every day. As reported in our Full Year 2024 results, we made one small disposal in the period, of Hydreka SAS, for approximately £7m, net of disposal costs.

Half Year Results

The results for the half year ending 30 September 2024 will be released on Thursday 21 November 2024.

For further information, please contact:

Halma plc

Marc Ronchetti, Group Chief Executive +44 (0)1494 721 111

Steve Gunning, Chief Financial Officer

Charles King, Head of Investor Relations +44 (0) 7776 685 948

Clayton Hirst, Director of Corporate Affairs +44 (0) 7384 796 013

MHP

Oliver Hughes / Rachel Farrington / Ollie Hoare +44 (0)20 3128 8100 / +44 (0)7817 458 804 / halma@mhpgroup.com

Notes:

1. Organic constant currency measures exclude the effect of movements in foreign exchange rates on the translation of revenue and profit into Sterling, as well as acquisitions in the year following completion and disposals.
2. Adjusted EBIT is earnings before interest and tax, and before amortisation and impairment of acquired intangible assets, acquisition items, and profit or loss on disposal of businesses. Adjusted EBIT margin is defined as Adjusted EBIT expressed as a percentage of revenue.
3. The following guidance was given in our Full Year 2024 results announcement in June 2024: "We expect to deliver good organic constant currency¹ revenue growth in the year ahead, and an Adjusted EBIT margin² of around 21%, in the middle of our target range."
4. Sterling has strengthened in the year relative to many currencies, including the US Dollar and Euro. If current exchange rates continue throughout the rest of the current financial year, the currency translation impact on the Group's results is expected to be negative. Based on exchange rates of Sterling/US Dollar 1:1.34 and Sterling/Euro 1:1.20, we would expect approximately a £56m negative revenue effect and approximately a £14m negative profit effect in the 2025 financial year, compared to the 2024 financial year, of which approximately 30% would occur in the first half of the financial year.
5. This Trading Update is based upon unaudited management accounts information. Forward-looking statements have been made by the Directors in good faith using information available up until the date that they approved this statement. Forward-looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

6. A copy of this announcement, together with other information about Halma, may be viewed on its website at www.halma.com.

About Halma

Halma is a global group of life-saving technology companies, focused on growing a safer, cleaner, healthier future for everyone, every day. Its purpose defines the three broad market areas where it operates:

- Safety - Protecting people's safety and the environment as populations grow, and enhancing worker safety.
- Environment - Addressing the impacts of climate change, pollution and waste, protecting life-critical resources and supporting scientific research.
- Health - Meeting the increasing demand for better healthcare as chronic illness rises, driven by growing and ageing populations and lifestyle changes.

Halma employs over 8,000 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 as one of Britain's Most Admired Companies for the past six years.

For more information www.halma.com

=====