Halma

Growing a safer, cleaner, healthier future for everyone, every day.

Halma plc | Annual Report and Accounts 2025

We are a global group of life-saving technology companies. Our companies provide innovative solutions to many of the key problems facing the world today.

Our reporting suite

This report forms part of our 2025 reporting suite.
To learn more about our reports, visit our website:

www.halma.com/sustainability

Sustainability Review
Comprehensive review of sustainability-related progress and results at Halma, including detailed examples of sustainability initiatives in action.

ESG Data Supplement
Quantitative environmental, people and other ESG-related metrics (including SASB reporting).

ESG Data Basis of Preparation
Calculation and reporting methodologies for all environmental data.

Independent Verification Statement
Independent limited verification of Halma's Scope 1 and Scope 2 reported emissions.

Our verification statement will be published in the second half of 2025 and available on www.halma.com

Front cover: Hong-Nga Nguyen, Manufacturing Technician, MST

Contents

Transforming airport operations

BEA's sensor technology is helping to improve the safety and efficiency of Zurich Airport.

Enabling sustainable coastal communities

Deep Trekker's remotely operated vehicles are helping advance scientific research for coastal communities.

Helping people walk again without pain

IZI Medical's devices enable surgeons to conduct minimally-invasive surgery, improving patient outcomes.

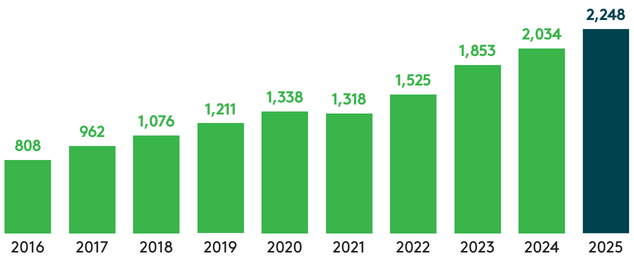
We delivered a strong financial performance, with record revenue and profit and increased returns.

Throughout this Strategic Report, references to profit, unless otherwise qualified, refer to Adjusted[1] Profit before interest and taxation (EBIT), as management's preferred measure of profitability.

→ **See note 3 to the Accounts for alternative performance measures**

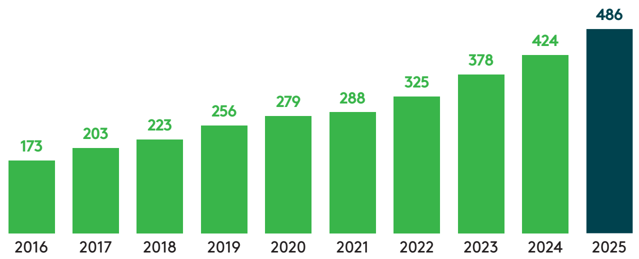
Revenue
+11%

£2,248m



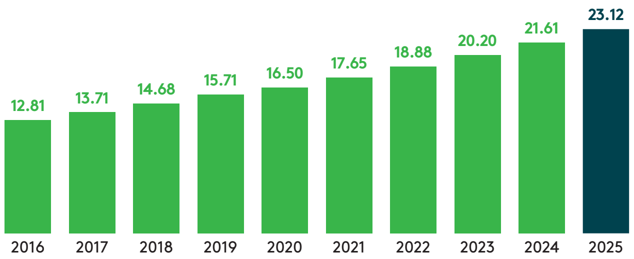
Adjusted[1] EBIT
+15%

£486m



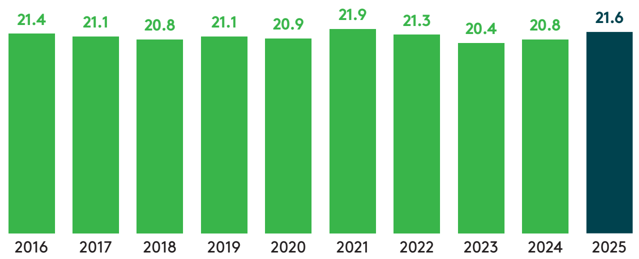
Dividend per share paid and proposed
+7%

23.12p



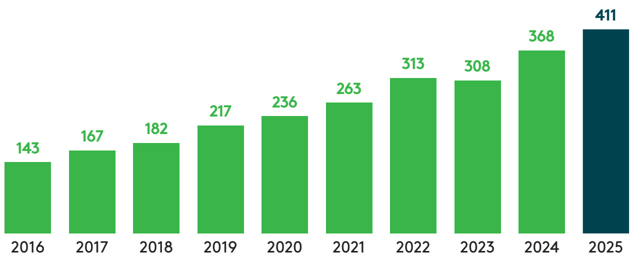
Adjusted[1] EBIT margin
+80 basis points

21.6%



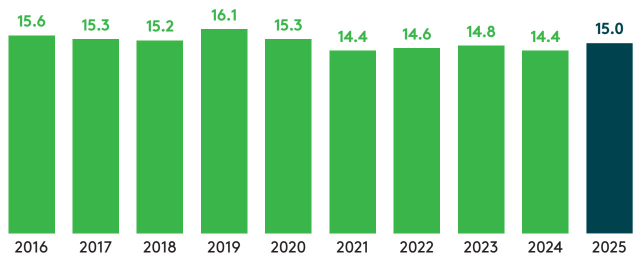
Statutory Profit before Interest and Taxation
+12%

£411m



Return on Total Invested Capital[1]
+60 basis points

15.0%



1 See note 3 to the Accounts for alternative performance measures and reconciliations to statutory measures.

Our purpose drives everything we do and delivers a positive impact on people and planet.

Sectors
- Safety
- Environmental & Analysis
- Healthcare

Monitoring health

Number of diagnostics products supplied each year for cancer, eye health, blood pressure and vital signs monitoring.

>50 million

Making buildings and assets safer

Aggregate area of buildings and critical assets protected by our fire detection products.

>6,000km²

Protecting lives

Number of people protected every day by our gas sensor products.

>300,000

Supporting mothers and babies

Number of births monitored per year, helping caregivers identify and manage trends that could be dangerous to mother and baby during childbirth.

>700,000

Supporting the energy transition

Number of wind turbines protected by supplying over 33,000 fire suppression systems.

>17,000

Conserving water

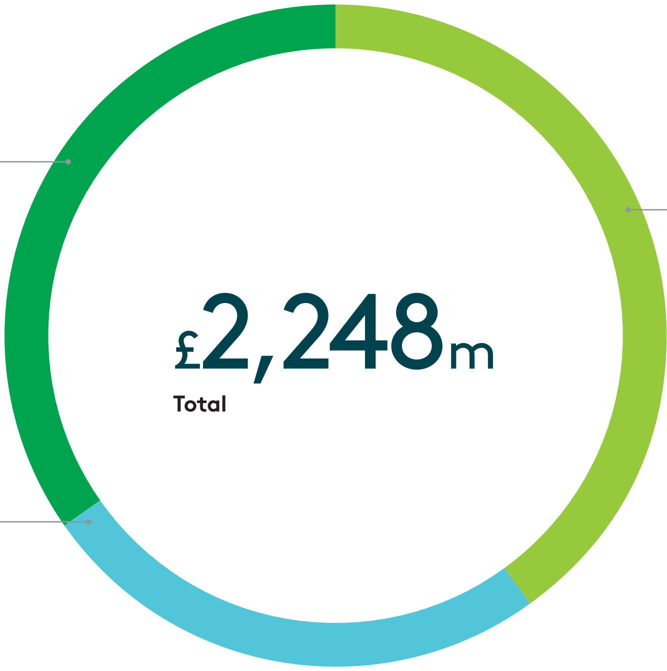
Kilometres of water pipelines monitored by our products.

>110,000km

Please see **www.halma.com** for more information about our companies' impact and pages 54 to 63 for information on how we protect our environment and support our people. The figures on this page are indicative examples and approximate estimates, based on a number of assumptions about usage of our products. See **www.halma.com** for more information.

Our companies are grouped into three sectors: Safety, Environmental & Analysis and Healthcare. They have customers in more than 100 countries and make the world safer, cleaner and healthier for millions of people every day.

Revenue by sector

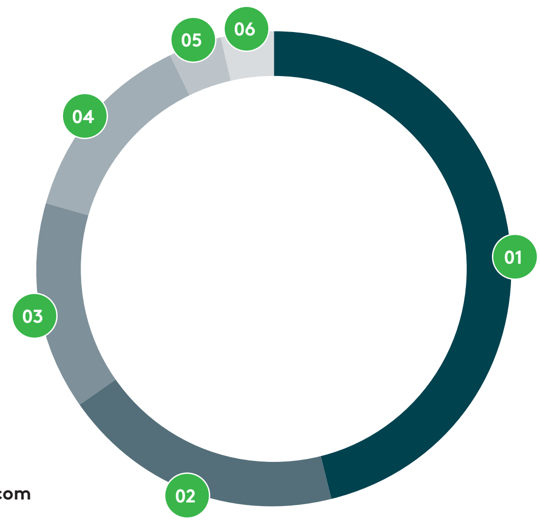


£777m
Environmental & Analysis
35% of revenue

£902m
Safety
40% of revenue

£570m
Healthcare
25% of revenue

Revenue by geography



01. USA 46%
£1,039m

02. Mainland Europe 19%
£431m

03. UK 14%
£316m

04. Asia Pacific 14%
£304m

05. Africa, Near and Middle East 4%
£80m

06. Other countries 3%
£78m

Read where we operate on www.halma.com

Percentages are % of Group revenue.
Sector revenue includes inter-segmental sales.

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.

Read more: 36–39

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.

Read more: 40–43

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.

Read more: 44–47

Sustainable growth and positive impact

Dame Louise Makin
Chair

> "Halma's purpose remains at the heart of everything we do. It guides every decision made by the Board and is the common thread that binds our diverse operating companies as a group.

I am pleased to report that Halma has delivered another successful year. This has been achieved in a business environment which remains volatile and uncertain. The strength of our performance has allowed us to continue to invest, organically and through acquisition, to support sustainable and compounding growth, returns and positive impact in the years ahead.

People are our greatest asset, and these results are a testament to the entrepreneurial spirit of our leadership and the dedication of our colleagues worldwide. On behalf of the Board, I extend my thanks to everyone for their personal contributions in delivering these results.

Halma's purpose of *growing a safer, cleaner, healthier future for everyone, every day* remains at the heart of everything we do. It guides every decision made by the Board and is the common thread that binds our diverse operating companies as a group. Through purpose-driven growth and innovation, we will continue to provide solutions that address some of the biggest challenges facing the world today.

Board changes

This year, we had a notable change in our executive management team with the appointment of a new Chief Financial Officer. In January 2025, Steve Gunning announced his intention to retire from Halma, stepping down as Chief Financial Officer on 31 March 2025. In line with the Nomination Committee's succession plans, we were delighted to announce the appointment of Carole Cran as Steve's successor, effective from 1 April 2025.

Carole had been a non-executive Director at Halma for nine years and served as Audit Committee Chair for most of that period. Her deep understanding of our business model and strategy has ensured a smooth and seamless transition. On behalf of the Board, I would like to thank Steve for his contribution to Halma during his tenure, and for his support with the handover process, and congratulate Carole on her executive appointment.

As part of the Committee's routine succession planning, we began the search for two new non-executive Directors in the final quarter of 2024. In March 2025, we were pleased to announce the appointment of Barbara Thoralfsson as a non-executive Director, effective 16 June 2025. Barbara brings a wealth of international experience from public and private companies, across various sectors. In May 2025, we announced the appointment of Hudson La Force as a non-executive Director, effective 2 June 2025. Hudson has broad industrial and international experience which will complement the existing skills and experience that we have on the Board. I look forward to the contribution that Barbara and Hudson will bring in their roles.

Corporate governance

Our Board recognises the value of good governance in enhancing its effectiveness, and of our Directors staying well informed about the evolving governance landscape. Over the past year, the Board has considered the impact of the UK Corporate Governance Code 2024, which takes effect for Halma from 1 April 2025. Work to define and map the Group's material controls and assurance processes is ongoing. The Audit Committee, on behalf of the Board, will review the output and make recommendations for any strengthening of controls or additional assurance desired, ahead of the revised Code provision 29 coming into force for our financial year commencing on 1 April 2026. The Board will continue to monitor developments around the government's proposed audit and corporate governance reforms.

Stakeholder engagement

In the first quarter of 2025, I held meetings with a number of our largest shareholders. Stewardship teams and portfolio managers representing around one-fifth of the Company's share capital engaged with me. Topics discussed included executive and non-executive director succession, talent and culture within our operating companies, and there were broader discussions on remuneration and sustainability matters. These conversations continue to be valuable to me and the Board, ensuring we have the opportunity to share information about the Company and, importantly, hear the views of our shareholders and confirm that they do not have any material concerns. Additionally, our institutional investors are in regular dialogue with members of our executive and investor relations team throughout the year, including through meetings held with our Group Chief Executive and Chief Financial Officer immediately after our Full Year and Half Year results.

Employee engagement remains a focus area for the Board. Over the past year, the non-executive Directors increased their operating company visits and focus-group engagement with the wider workforce. They also attended and participated in company events, including panel discussions and networking at our Accelerate Halma conference, held in the US. During my site visits, it was most pleasing to see Halma's Organisational and Cultural Genes embedded within the businesses, and demonstrated through the passionate talent who embrace our core values.

Looking ahead with confidence

Despite the increasingly unpredictable environment, the spirit and determination of our people to succeed is clear and positions us well to face into any challenges ahead. Our success is built on the strength of our talent and our purpose-led strategy to acquire and grow businesses in attractive niche markets. Our focus on capital allocation supports our continued delivery of strong growth, returns and positive impact in varied market conditions. These foundations give me confidence that we will continue to evolve and adapt to sustain our success over the long term.

Dame Louise Makin
Chair

How governance has supported our growth

Information on key areas of governance can be found in these sections.

Sustainable Growth Model
→ Learn more on pages 19–26

Talent & Culture review
→ Learn more on pages 16–18

Board activities
→ Learn more on pages 103–104

Board oversight of our culture
→ Learn more on pages 107–108

Nomination Committee Report
→ Learn more on pages 110–115

Delivering sustainable growth and returns

Marc Ronchetti
Group Chief Executive

> "Our performance reflects the dedication of our people and the strength of our Sustainable Growth Model.

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.

22nd

Consecutive year of record profit

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 (see page 19). 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, on page 17.

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.

Marc at MK Test Systems on one of his regular company visits.

A strong financial performance in varied market conditions

We delivered a strong financial performance this year. Revenue grew by 11% to £2,248m, Adjusted[1] EBIT increased by 15% to £486m, and Adjusted[1] 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 organic[1] revenue and organic[1] Adjusted[1] EBIT growth, of 9% and 13% respectively. This was well ahead of our 5% organic[1] 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.

12%

10 year revenue compound annual growth

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 Adjusted[1] 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 Capital[1] 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%.

12%

10 year profit compound annual growth

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 Accounts.

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 case study on page 60.

Accelerate enabled leaders to connect and share solutions to common problems.

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 on pages 54 to 63.

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 on pages 80 to 91 of this report.

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.

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 organic[1] 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[1] 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 Accounts.

Good growth and returns deliver strong cash generation

Carole Cran
Chief Financial Officer

> "We executed well against our KPIs, delivering good growth and increased returns.

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 Adjusted[1] 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/EBITDA[2].

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 organic[2] 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%.

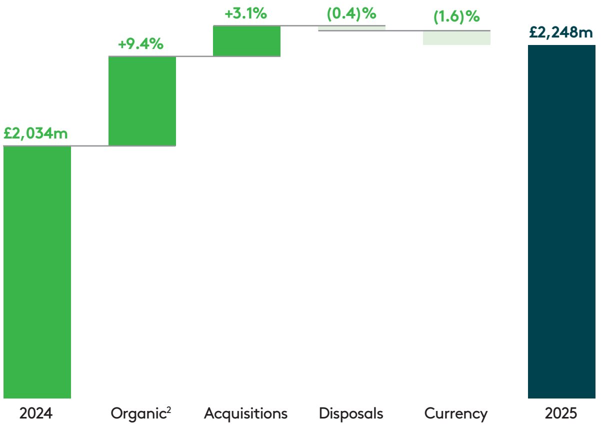
£2,248.1m
Revenue

+10.5%
Revenue growth

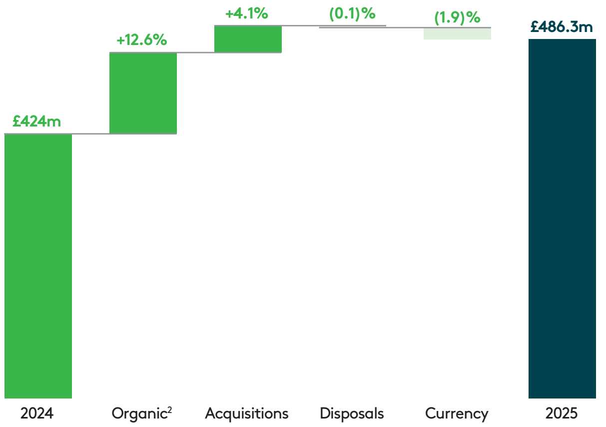
£486.3m
Adjusted[1] EBIT

+14.7%
Adjusted[1] EBIT growth

Revenue bridge (£m)



Adjusted[1] EBIT bridge (£m)



Adjusted[1] EBIT grew 14.7% to £486.3m (2024: £424.0m). Adjusted[1] EBIT growth comprised a 12.6% increase in organic[2] 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 Adjusted[1] EBIT margin to 21.6% (2024: 20.8%). Adjusted[1] 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 Accounts.

Revenue and profit growth in all sectors

All sectors grew revenue on a reported and organic[2] 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 Adjusted[1] profit and an increased sector profit[3] margin. The Environmental & Analysis Sector also delivered strong revenue growth, led by exceptional growth in photonics within Optical Analysis. Adjusted[1] 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. Adjusted[1] 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 on pages 36 to 47 of this Report, and commentary on performance by region is given in the Financial review, later in this Report.

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 on pages 36 to 47 of the Report and details of the acquisitions made in the year are given in note 25 to the Accounts.

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 profit[3] 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 profit[3]	**534.0**	**100**	465.1	100	**68.9**	**14.8**	**13.0**
Central administration costs	**(47.7)**		(41.1)		**(6.6)**	**(16.2)**	
Adjusted[1] 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**	
Adjusted[1] 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**	
Adjusted[1] 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. Adjusted[1] 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 Accounts give further details with the calculation and reconciliation of adjusted figures.
2 See alternative performance measures in note 3 to the Accounts.
3 Sector profit before allocation of adjustments. See note 1 to the Accounts.

Capital allocation and funding priorities

Halma aims to deliver high returns on investment well in excess of our cost of capital. We invest to deliver future earnings growth and strong returns which enable us to achieve this aim on a sustainable basis, and our capital allocation priorities remain as follows:

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

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 ROTIC[2] 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 on pages 32 to 35.

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

Agility and resilience are in our DNA

Jennifer Ward
Chief Talent, Culture and Communications Executive

"Agility and resilience are in our DNA, driving sustainable growth and empowering our leaders to navigate challenges and seize opportunities.

Halma operates a very different business structure to many other large industrial companies. The decisions that we make around structure and people are based on the core belief that agility drives resilience. The agility of our companies and leaders to sense, consider and react effectively to changing dynamics within their markets and technologies is what enables us to provide consistent, long-term sustainable growth through dynamic and evolving market conditions. We have created a scalable business model to protect the individual companies' ability to react with agility, thus providing resilience. There are minimal dependencies on other parts of the organisation, which enable our leaders to make swift decisions and adjust to retain their competitive position in their niche markets.

The role of those of us at the Group level is therefore to ensure that we select the right companies for long-term growth, and ensure that they have leaders who are capable and empowered to continually learn and act with agility to the opportunities that are presented within their markets. These leaders must have the characteristics and abilities to drive growth and build high-performing inclusive cultures.

These qualities give us agility and resilience, and they are baked into our model and run through our DNA at all levels of our organisation. We have distilled the characteristics that we look for in our leaders and in our companies in the diagram on page 17.

Demonstrating our agility and resilience

During the year our leaders demonstrated their agility by navigating ongoing economic pressures and geopolitical crises, adapting to rapid technological changes, managing cybersecurity threats and balancing shifting worker dynamics. Through these challenges, they remained focused on motivating their teams and fostering inclusive workplaces which have allowed us to continue to maintain high engagement in our workforce.

→ **Learn more: 58**

Halma's resilience is significantly bolstered by diverse and high-performing teams with entrepreneurial mindsets. Resilience at Halma is not just about weathering challenges; it is about anticipating them, adjusting quickly, and emerging stronger. To do that effectively, we rely on diverse viewpoints on every team and seek input from all directions to ensure we don't miss a thing.

This interplay between resilience and agile leadership is vital to our thriving culture. Resilience enables the organisation to navigate challenges and swiftly recover from setbacks, while agile leadership ensures that our teams remain adaptable and responsive to change. This dynamic combination helps us to address the challenges and opportunities that lie ahead.

→ **Further detail on our people and culture initiatives and progress against key metrics: 58-61**

Equipping leaders

Recognising the importance of agility, we equip our leaders with tools to identify and respond to workforce shifts. In 2024, we invested in a unified people platform, which has unlocked many advantages including enhancing visibility of open roles throughout the organisation, supporting career mobility, and helping leaders plan for future talent needs.

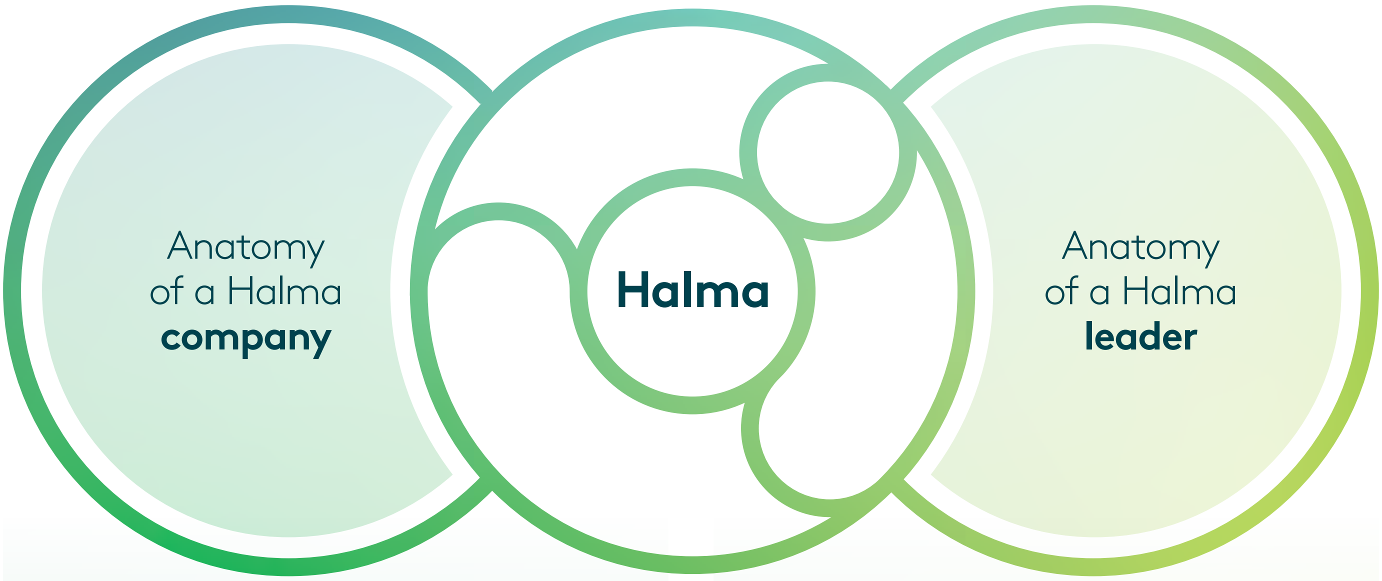
This year we're using a new employee listening platform to measure employee sentiment through our annual global engagement survey. It will also enable leaders to gather ongoing real-time employee feedback throughout an employee's journey. This means leaders can build an accurate picture of the employee experience and get actionable insights to drive a culture of continuous improvement.

Nurturing talent

To help leaders keep up with the fast-paced challenges facing their organisations, we have expanded our leadership development offerings. In 2025, we introduced three new programmes and in the past year we coached over 100 leaders. Additionally, we have a growing number of mentors dedicating time to develop people.

This focus on nurturing talent resulted in eight people being promoted onto company boards this year. This included two Managing Directors who started their career with us as part of our graduate scheme, the Catalyst programme. In the year, we were also pleased to appoint a new Healthcare Sector CFO who was an internal promotion from a company board role.

What we look for in our companies and in our leaders



Each Halma company shares the following common characteristics:

- Aligned with our purpose
- Underpinned by one of our long-term growth drivers
- Operates in a global niche with high barriers to entry
- Knows its market intimately
- Close to its customers
- High margin products, not commoditised
- Low capital intensity
- Cash generative
- Ambition and capability to grow
- Strong cultural fit

Each leader shares the following common characteristics:

- Purpose driven
- High intellect
- High EQ and ability to build followership
- Agile learner
- Holds self and others accountable
- Entrepreneurial
- Sound judgement
- Diverse thinker
- Curious, not content with status quo
- Builds trust and develops networks
- High ambition and low ego
- Just be a good person

Enabling collaboration and connection

Collaboration, networking, and peer learning are integral to supporting our leaders' agility and enabling us all to go faster together. We host a biennial Accelerate leadership conference, which convenes all Managing Directors of Halma companies and their boards, along with the Executive Board, plc Board, sector boards, and senior leaders within our Group. This year's conference was designed by a group of Managing Directors, featuring numerous sessions led by talented people across our businesses, reinforcing the importance we place on learning from each other.

Our six functional networks are another way to strengthen the links between our leaders and exchange best practices. Each is led by a Divisional Chief Executive or Halma leader and meets regularly to discuss topics that matter to them and their development. In April 2024, Operations leaders convened for a two-day event in the US joined by external subject matter experts. Additionally, the inaugural Digital Solutions Summit brought together almost 40 Technical Directors from across the Group in both the US and UK. In 2025, the Marketing Network is expanding to include all companies, fostering an inclusive and collaborative community for marketeers. One of the resulting focus areas will be supporting marketing talent through career development initiatives, helping us nurture future leaders.

A group of Vice Presidents and Directors convened for the High Performance Leadership Programme in May 2025.

Building diverse and inclusive businesses

Building diverse and inclusive businesses is an active pursuit at Halma. It is fundamental to achieving our purpose and we also know that Diversity, Equity & Inclusion (DEI) significantly contributes to organisational agility and resilience. Bringing together a wider range of perspectives, skills and experiences enables us to spot innovative solutions more quickly, make better decisions and create a more adaptable workforce capable of navigating challenges more effectively. We have continued to benefit from our DEI commitment across all levels of the organisation and our Group results have reflected the increasing diversity of our portfolio and people.

We are pleased to have made further progress towards achieving 40% to 60% gender balance on our company boards. Female representation rose from 31% to 33% this year. Since 2020, this metric has increased by 14 percentage points, reflecting our commitment to diverse sourcing, inclusive hiring, and linking progress to senior leaders' bonuses. Women represent 26% of our Managing Directors and 35% of those holding Vice President positions. Further illustrating our efforts on gender diversity, as at 31 March 2025, women represented 50% of the plc Board, 60% of the Executive Board and 33% of Divisional Chief Executives. Overall, women make up 48% of our senior leaders.

We are proud of our progress in building a more diverse workforce. However, we understand that true inclusion is essential for fostering a positive culture. I am pleased that our businesses continue to focus on creating an environment where everyone feels valued, respected, and their contributions are acknowledged.

→ **Learn more about our diversity, equity and inclusion efforts: 58-61**

Agile leadership for exceptional times

In today's volatile environment, the need for agile leadership, both within the organisation and in the broader business environment, has never been more critical. By empowering our leaders with the tools and support they need, cultivating a culture of collaboration, and promoting diversity, equity and inclusion, we are well-equipped to strengthen our resilience and continue to thrive in these exceptional times.

Jennifer Ward
Chief Talent, Culture and Communications Executive

Our Sustainable Growth Model

We deliver sustainable growth, consistently high returns and positive impact.

Each of the elements of our Sustainable Growth Model creates a self-reinforcing system that gives us the resources and flexibility to address new opportunities and challenges.

It is the combination and interdependency of all of them that enables us to deliver value over the long term for all our stakeholders.

01 Our purpose
→ Read more: 20

02 Our DNA
→ Read more: 21

03 Our markets
→ Read more: 22

04 Our growth strategy
→ Read more: 23

05 Our business model
→ Read more: 24

06 Our investment proposition
→ Read more: 26

01 Our purpose

We are a global group of life-saving technology companies, driven by a clear purpose: to grow a safer, cleaner, healthier future for everyone, every day.

We acquire companies that make the world safer, cleaner and healthier and then help them to grow so they have an even greater positive impact on people and planet.

Each of our companies is focused on a global niche market that is aligned with our purpose. This is how we identify them to become part of our Group and we then help them to grow, amplifying the benefit they have on society.

Our purpose drives every decision we make. It determines the markets we operate in, the companies we buy, and the people we hire, and we measure the impact our companies have against our purpose.

Find out more information on our website **www.halma.com**

Our purpose drives our business in three ways:

It drives our markets

We are an organisation built for growth. Our purpose keeps us focused on markets where we can have the most beneficial impact on society while delivering strong growth over the short and long term: safety, the environment and healthcare. We buy and grow companies in these markets so they can help us deliver our purpose.

→ **Read more about our markets: 22**

It drives our M&A

How does a potential acquisition help us deliver our purpose? This is the first question we ask when we are thinking about buying a company. If a company doesn't help us fulfil our purpose, we won't consider it. We also review our portfolio on a regular basis to ensure our companies remain aligned with our purpose.

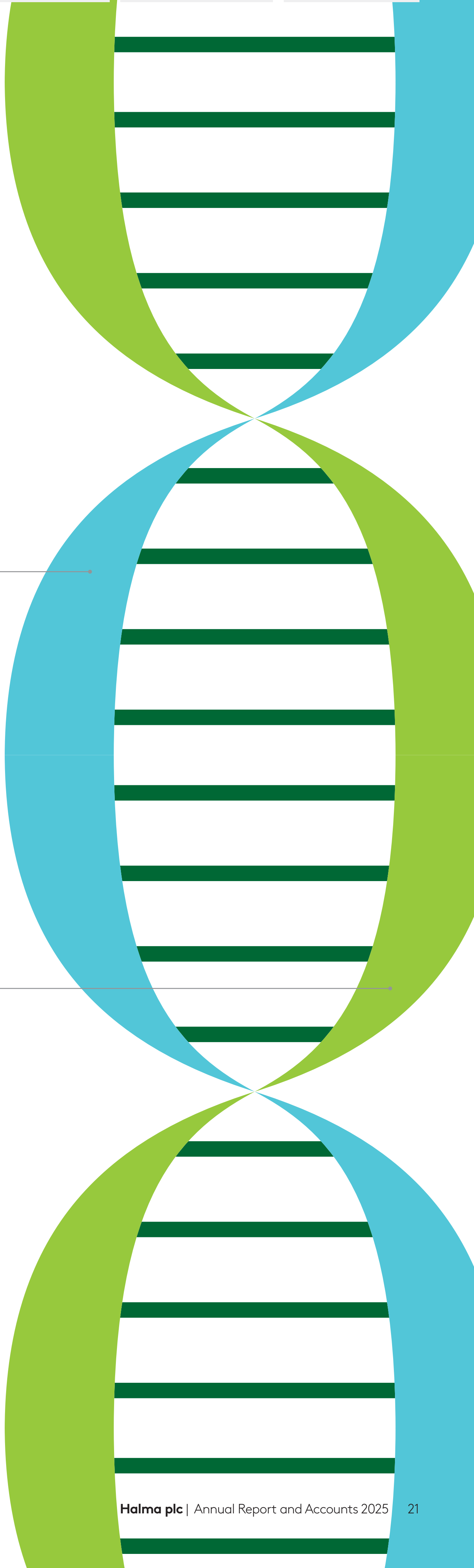
It drives our talent

Our purpose helps us attract people who are passionate about helping us fulfil our purpose. Every job interview leads with purpose to ensure that everyone who works with us is focused on achieving it.

→ **Read more about our Talent & Culture: 16**

02 Our DNA

Halma's DNA runs through our business at all levels. It embodies the core elements of our organisation and culture that are inextricably linked to enable our success. Even though we continuously adapt to a changing world, these core elements remain constant.



Halma Organisational Genes

These core elements of our business structure have proved themselves to be fundamental drivers in delivering consistent, long-term growth. They describe what we will protect while we continuously transform ourselves.

- Purpose drives us
- Agility is everything
- We bet on talent
- We are global niche specialists
- We invest for the future
- We are structured for growth

Halma Cultural Genes

These are the unique cultural and behavioural principles that we require, protect and leverage to effectively optimise our organisational genes and deliver our purpose.

- Live the purpose
- Embrace the adventure
- Be an entrepreneur
- Say yes, and...
- Just be a good person

Find out more about each element of our DNA on our website **www.halma.com**

03 Our markets

We operate in three broad market areas, safety, the environment and healthcare, which are defined by our purpose.

Our companies operate in niches within these broad market areas. Each of these niches has a high exposure to long-term growth drivers.

These growth drivers reflect demographic trends, including ageing and urbanising populations, increasing demands on infrastructure and natural resources, and growing sustainability-related opportunities.

They are expected to persist over the long term and reflect fundamental global challenges.

In each of these areas, growth is underpinned by **increasing safety, health and environmental regulation**, as governments and regulators demand higher standards in response to these challenges.

We operate in more than 20 countries, with major operations in the UK, Mainland Europe, the USA and Asia Pacific, and supply customers in over 100 countries, through a variety of routes to market, from direct sales to third-party distribution.

We have a diverse customer base, ranging from small businesses to Original Equipment Manufacturers (OEMs), who operate in a wide variety of sectors, including commercial and public buildings, utilities, healthcare, science, the environment, process industries, and energy and resources. Further details on our customers are given in the individual sector reviews on pages 36 to 47 of this report.

→ **See Safety Sector review: 36-39**

→ **See Environmental & Analysis Sector review: 40-43**

→ **See Healthcare Sector review: 44-47**

A growing need to improve the safety and efficiency of vital industry and infrastructure

A growing need to safeguard people as they live and work in increasingly crowded spaces. Similarly, increasing automation and complexity in industrial processes means that there is more need to protect workers in these hazardous environments.

68%

The proportion of the global population that will live in urban areas by 2050[1]

Increasing demand for better healthcare

As people live longer and the prevalence of chronic health conditions increases. Increasing demand by healthcare providers for safer and more efficient diagnostic and treatment methods as innovation presents new options for prevention, diagnosis and treatment, and as aspirations to improve efficiency and the standard of care increase.

2.1bn

The number of people who will be aged 60 years and older by 2050[2]

The growing need to protect life-critical natural resources

As they are increasingly threatened by scarcity, pollution and increasing demands from factors such as population growth and climate change.

2.4bn

The number of people who live in water-stressed countries with ageing water networks[3]

Global efforts to address climate change, waste and pollution

As these impacts become more severe and as populations are increasingly affected.

9/10

The number of people who breathe unhealthy air, causing nearly seven million premature deaths every year[4]

1 https://population.un.org/wup/assets/WUP2018-PressRelease.pdf
2 https://www.who.int/news-room/fact-sheets/detail/ageing-and-health
3 https://unstats.un.org/sdgs/report/2023/Goal-06/
4 https://www.who.int/news/item/25-03-2014-7-million-premature-deaths-annually-linked-to-air-pollution

04 Our growth strategy

Our growth strategy is to acquire small to medium-sized companies that are aligned with our purpose, and to grow them over the long term. Through this growth strategy, we aspire to double our earnings every five years while maintaining high returns.

Portfolio & Performance

We actively manage our portfolio of companies by investing in acquisitions in niches adjacent to our existing operations which offer new opportunities for growth, and through mergers and disposals where market conditions change. This ensures that our portfolio can sustain strong growth and returns over the long term, and that it maintains a high degree of resilience given its diversity.

Business Model

We are structured for growth. Our simple and self-sustaining financial model enables continuous investment in our growth strategy. Our companies' growth is supported by access to expertise from the Group to give our companies a competitive edge in their markets.

→ See Our business model: 24

Transparent Incentives

We set clear, challenging targets each year and reward our people for delivering sustainable growth and returns, as well as supporting our people and protecting the environment.

→ See Our business model: 24

Growth Markets

We look for companies that operate in high value niches that we know well, within the broad market areas of safety, the environment, and healthcare. These niches have global potential and a high exposure to our long-term growth drivers.

→ See Our markets: 22

Talent & Culture

We bet on talent. Our decentralised model requires exceptional leaders who are empowered and accountable to set strategy, create a high-performing culture, and grow their own business.

→ See Talent & Culture review: 16

Continuous Investment

We continually invest in our business and our people to maintain strong positions in our markets. The highly cash generative nature of our companies allows us to fund this investment, both to support organic growth and drive growth through acquisitions.

→ See Our business model: 24

05 Our business model

Our business model delivers strong performance in both the near term, and sustainable, compounding growth and returns over the longer term.

It combines a scalable organisational model, which enables us to continue growing both organically and through acquisitions, with a simple and self-sustaining financial model, which supports investment in our growth strategy.

1 We are structured for growth

Our decentralised structure is simple and lean with only three layers – companies, sectors and Group teams – all three of which are aligned and rewarded on driving sustainable growth and returns. This gives us agility, enabling faster decision-making and reduced bureaucracy.

Our companies
Each company has autonomy to drive entrepreneurial growth strategies in its niche markets. It has its own board of directors which drives accountability for performance and good governance.

Our sectors
Our sector teams are the vital connection between our companies and the Group teams. They drive our M&A, review organic growth and portfolio performance, and oversee the sector's capital and talent allocation. They promote internal networks and collaboration between companies.

Group teams
Group teams oversee the overall strategy, including allocation of Group capital and talent. They set our risk appetite and ensure compliance and good governance and provide our companies with access to expertise through small central teams to help them grow and sustain high returns.

2 We acquire purpose-aligned companies

We look to acquire and invest in high quality companies in global market niches that are aligned with our purpose and which have long-term growth drivers. We then ensure they have the best talent to enable their growth.

The qualities we look for when acquiring companies:

- Aligned with our purpose
- Underpinned by long-term growth drivers
- In a global niche with high barriers to entry
- Intimate knowledge of their market
- Close to their customers
- High margins and returns
- Low capital intensity
- Ambition and capability to grow
- Strong cultural fit

→ **Read more about the anatomy of a Halma company and a Halma leader: 17**

3 We support our companies with access to expertise

Our small Group teams provide a range of expertise to support our companies as and when they need it, helping to accelerate their growth strategies. This expertise includes:

- Providing access to world-class talent
- Leadership development programmes
- Acquisition teams to source and execute deals
- Legal, risk and financial support
- Digital and technology expertise
- Brand and communications expertise
- Sustainability expertise
- Supply chain expertise
- Access to a network of peers
- Global employee benefits
- International hubs to expand market reach

4

We have a self-sustaining financial model

We have a sustainable financial model. Strong organic growth and cash generation allows us to continuously reinvest in future growth and acquisitions as well as increasing dividends to investors each year.

We aim to deliver:

- Strong growth
- Healthy margins
- High returns
- Strong cash generation
- Continued investment
- Modest balance sheet leverage
- A growing dividend

Read more about our investment proposition: 26

5

We measure our achievements and reward performance

We measure our achievements through financial and non-financial key performance indicators (KPIs), through customer satisfaction and the delivery of shareholder value.

Setting challenging targets

We aspire to double our earnings every five years while maintaining high returns, and set targets for our growth, returns, cash generation and investment KPIs. We work hard to ensure that we have the right culture, talent and diversity and set challenging targets for employee engagement, health and safety, training and sustainability.

Closely monitoring performance

We closely monitor our companies' performance, strategic plans and forecasts. Twice a year, each company certifies its compliance with minimum controls for finance, legal and IT; this is complemented by independent peer reviews of financial performance, and internal and external audits.

Rewarding our people

We reward our leaders for delivering superior and sustainable growth and returns, also holding them accountable for delivering our strategy and complying with control frameworks. Short-term incentives based on Economic Value Added (EVA) (profit growth, adjusted for a charge for the use of any capital) are balanced by longer-term incentives in the form of Halma shares.

06 Our investment proposition

We believe that our Sustainable Growth Model enables us to deliver superior and sustainable growth and returns for our investors.

22 years
Consecutive years of record levels of profit

46 years
Consecutive years of dividend growth of 5% or more

+2,291%
TSR[1] over the last 20 years
FTSE 100, +270%
NASDAQ Composite Index, +765%

We set challenging targets:

1

We aim for the combination of organic and acquisition growth to exceed an average of 10% pa over the long term. We aspire to double our earnings every five years, while maintaining high returns and a conservative risk appetite.

2

We aim to deliver high levels of performance and, as a result, create superior and sustainable shareholder value.

We achieve this through:

Our purpose
Our purpose motivates us to make a positive difference to people's lives worldwide.

→ **Read more: 20**

Long-term growth drivers
Our purpose gives us exciting opportunities for growth in a diverse range of markets, which have resilient, long-term growth drivers and high levels of defensibility.

Investing for the future
We pursue these opportunities through investment in our products, services and people to drive organic growth, and by expanding into adjacent markets through acquisitions.

Portfolio and performance
We actively manage our portfolio of businesses to ensure we can sustain strong growth and returns over the long term.

We set ourselves challenging targets, and use a range of key performance indicators, to measure the performance and success of our business.

→ **Read more: 27-31**

Strong track record of delivery

We have a strong track record of delivering superior growth and high returns, well above our cost of capital, driven by the positive difference we make to people's lives, in line with our purpose.

We support our continued strong growth and high returns by substantial investment, both organically and through acquisitions, while maintaining a clear risk appetite (see page 70 of this report) and modest balance sheet leverage.

Our 10 year track record

Strong growth	High returns	Continued investment	Strong financial position
12.0% Revenue CAGR[2]	**21.1%** Average Adjusted[3] EBIT margin	**5.2%** Average annual R&D as a % of revenue	**92%** Average cash conversion[3]
11.7% Adjusted EPS CAGR[2]	**15.1%** Average Return on Total Invested Capital[3]	**>£1.6bn** Total acquisition spend	**1.0x** Average leverage (net debt[3]/EBITDA[3])

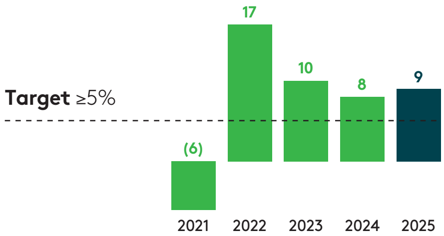
1 Total Shareholder Return (TSR) to 31 March 2025.
2 Compound annual growth rate (CAGR) is the annualised rate of growth across the period. For further detail see the Summary 2016 to 2025 on pages 242-243.
3 See alternative performance measures in note 3 to the Accounts.

We have a range of key performance indicators (KPIs) that we use to measure the performance and success of our business.

A number of financial KPIs are alternative performance measures. See note 3 to the Accounts for reconciliations.

Organic revenue growth (%)
(constant currency)

Performance 9.4%



Strategic focus

Through careful selection of our market niches and targeted strategic investment, we aim to achieve organic growth in excess of our blended market growth rate, broadly matching revenue and profit growth in the medium term.

Comment

Organic revenue growth at constant currency was above our target at 9.4%, principally reflecting growth in the Safety and Environmental & Analysis Sectors. Organic constant currency revenue growth over the last five years (which includes the impact of the COVID pandemic in 2021) has averaged 7.9%, ahead of our target.

Definition

Organic revenue growth is calculated at constant currency and measures the change in revenue achieved in the current year compared with the prior year from continuing Group operations.

The effect of acquisitions and disposals made during the current or prior financial year has been eliminated.

Target

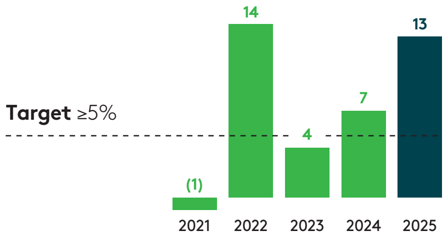
The Board has established a long-term organic revenue growth target of at least 5% pa, slightly above the blended long-term average growth rate of our markets.

Remuneration linkage

Organic revenue drives earnings growth which contributes to the Economic Value Added (EVA) performance. This forms the basis of the annual bonus plan for Group, sector and company boards, requiring consistent annual and longer-term growth with disciplined financial management. See the Annual Remuneration Report for details of the EVA calculation.

Organic profit growth (%)
(constant currency)

Performance 12.6%



Strategic focus

Through careful selection of our market niches and strategic investment, we aim to achieve organic growth in excess of our blended market growth rate, broadly matching revenue and profit growth in the medium term.

Comment

Organic profit growth at constant currency was ahead of our target at 12.6%, principally reflecting growth in the Safety and Environmental & Analysis Sectors. Organic profit growth over the last five years (which includes the impact of the COVID pandemic in 2021) has averaged 7.2%, ahead of our target.

Definition

Organic profit growth is the change in Adjusted EBIT achieved in the current year calculated at constant currency compared with the prior year from continuing Group operations.

The effect of acquisitions and disposals made during the current or prior financial year has been eliminated.

Target

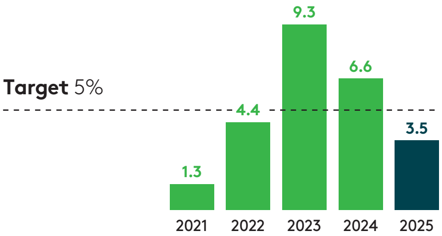
The Board has established a long-term organic profit growth target of at least 5% pa, slightly above the blended long-term average growth rate of our markets.

Remuneration linkage

Growth in organic profit is a key element of the EVA performance which forms the basis of the annual bonus plan for Group, sector and company boards, requiring consistent annual and longer-term growth. See the Annual Remuneration Report for details of the EVA calculation.

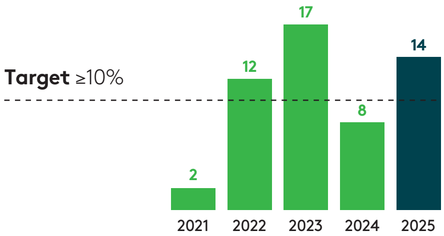
Acquisition profit growth (%)

Performance 3.5%



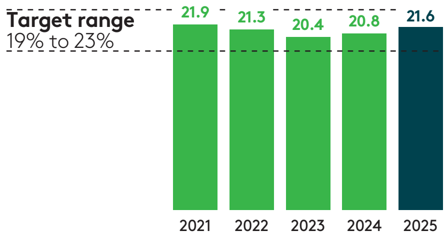
EPS growth (%)
(adjusted earnings per share)

Performance 14.4%



Adjusted EBIT margin (%)

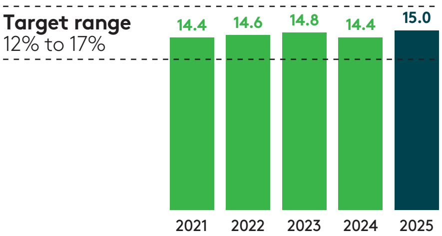
Performance 21.6%



	Acquisition profit growth (%)	EPS growth (%)	Adjusted EBIT margin (%)
Strategic focus	We buy companies with business and market characteristics similar to those of existing Halma operations. Acquired businesses have to be a good fit with our operating culture and strategy in addition to being value enhancing financially.	The measure of how successful we are in growing our business organically and by acquisition coupled with strong financial disciplines, including those related to tax and capital allocation, is captured in the Group's adjusted earnings per share.	We choose to operate in market niches which are capable of delivering growth and high returns. The ability to sustain these returns is a result of maintaining strong market and product positions sustained by continuing product and process innovation.
Comment	Acquisition profit growth was 3.5% (2.1% including financing costs), below our target, which reflected the lower spend on acquisitions in the year, compared to the prior year. We completed seven acquisitions in 2025 for a maximum total consideration of £157m. Acquisition profit growth over the last five years (which includes the impact of the COVID pandemic in 2021) has averaged 5.9%. We have a healthy pipeline of M&A opportunities.	Growth in adjusted earnings per share was ahead of our target at 14.4%. Growth in adjusted earnings per share over the past five years (which includes the impact of the COVID pandemic in 2021) has averaged 10.5%, slightly above our target.	Our Adjusted EBIT margin increased by 80 basis points to 21.6%. This primarily reflected a strong performance in the Safety and Environmental & Analysis Sectors.
Definition	Acquisition profit growth measures the annualised profit from acquisitions made in the year, measured at the date of acquisition, expressed as a percentage of prior year profit. We report this key performance indicator excluding financing costs, given our sustainable financial model, which allows us to make substantial investments in acquisitions while maintaining modest levels of financial leverage. We have also reported the indicator including financing costs, as above.	Adjusted earnings per share is calculated as earnings from continuing operations attributable to owners of the parent before adjustments (as outlined in note 2 on page 182) and the associated taxation thereon, divided by the weighted average number of shares in issue during the year (net of shares purchased by the Group and held as own shares).	Adjusted EBIT margin is defined as Adjusted EBIT from continuing operations expressed as a percentage of revenue from continuing operations.
Target	Acquisitions must meet our demanding criteria and we continue to have a strong pipeline of opportunities to meet our minimum 5% growth target.	We aim for the combination of organic and acquisition growth to exceed an average of 10% pa over the long term. The Directors consider that adjusted earnings represent a more consistent measure of underlying performance than statutory earnings.	We aim to achieve an Adjusted EBIT margin within a range of 19-23%.
Remuneration linkage	Growth in acquired profit is the second key element of the EVA performance which forms the basis of the annual bonus plan for Group, sector and company boards, requiring consistent annual and longer-term growth.	EPS provides a clear link to the aims of the business growth strategy. It is a key financial driver for our business and provides a clear line of sight for our executives. EPS growth is 50% of the performance condition attaching to the Executive Share Plan.	Adjusted EBIT margin is a measure of the value our customers place on our solutions and of our operational efficiency. High profitability supports the generation of high economic value and cash generation. We choose a range in order to maintain a balance between short-term performance and longer-term growth.

ROTIC (%)
(Return on Total Invested Capital)

Performance 15.0%



Strategic focus

We choose to invest in high return on capital businesses operating in markets which are capable of delivering growth and high returns. The ability to sustain growth and high returns is a result of maintaining strong market and product positions sustained by continuing product and process innovation.

Comment

ROTIC was 15.0%, remaining ahead of our target and substantially above our Weighted Average Cost of Capital, which is estimated to be 9.8% (2024: 9.7%). The change compared to the prior year principally reflected the high level of constant currency profit growth delivered in the year.

Definition

ROTIC is defined as the post-tax return from continuing operations before adjustments (as outlined on page 183) and the associated taxation thereon, as a percentage of average Total Invested Capital.

Target

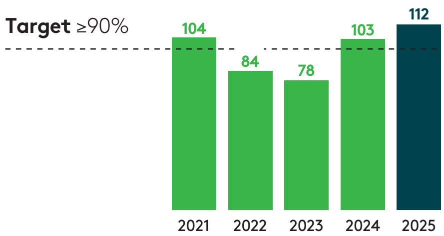
A range of 12% to 17% is considered representative of the Board's expectations over the long term to ensure a good balance between growth, investment and returns.

Remuneration linkage

ROTIC performance, averaged over three financial years, is 50% of the performance condition attaching to the Executive Share Plan.

Cash generation (%)

Performance 112%



Strategic focus

Strong cash generation provides the Group with freedom to pursue its strategic goals of investment in organic growth, acquisitions and progressive dividends without becoming highly leveraged. Our decentralised structure ensures that cash management is controlled at the individual company level and then transferred to the central treasury function.

Comment

Our cash conversion was strong and increased to 112%, well ahead of our target. This 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.

Definition

Cash generation is calculated using adjusted operating cash flow as a percentage of adjusted operating profit.

Target

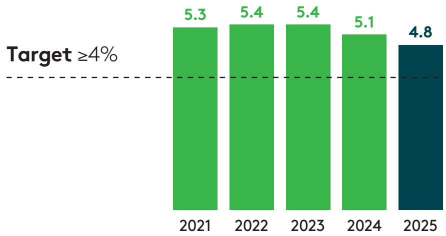
The goal of Group cash inflow exceeding 90% of profit has relevance at all levels of the organisation and aligns management action with Group needs. We ensure that strong internal cash flow and availability of external funding underpin our strategic goals of organic growth, acquisitions and progressive dividends.

Remuneration linkage

Strong cash generation is closely correlated with high return on capital which is a key component of our EVA bonus plan and our ROTIC Executive Share Plan vesting measure.

Research and development (%)
(% of revenue)

Performance[1] 4.8%



Strategic focus

We have maintained high levels of research and development (R&D) investment and spending on innovation. The successful introduction of new products is a key contributor to the Group's ability to build competitive advantage and grow organically.

Comment

Total R&D spend remained well above our KPI target at 4.8% of revenue (2024: 5.1%, restated). In absolute terms, R&D expenditure in the year increased by £4.6m to £108.4m. This increasing investment reflected our companies' confidence in the growth prospects of their respective markets. In the medium term we expect R&D expenditure to continue to increase broadly in line with revenue growth.

Definition

Total R&D expenditure in the financial year (both that expensed and capitalised) as a percentage of revenue from continuing operations.

Target

New products contribute strongly to organic growth, maintaining high returns and building strong market positions.

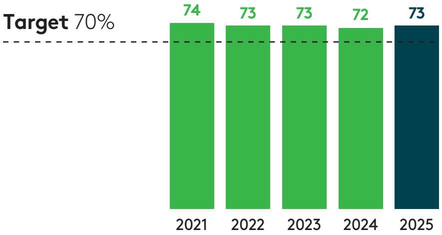
The 4% minimum investment target is appropriate to the mix of product life cycles and technologies within Halma.

Remuneration linkage

Successful R&D investment is a key component of sustaining strong growth and returns which, in turn, help to drive EVA, EPS and ROTIC – all key elements of our annual bonus and longer term incentive plans.

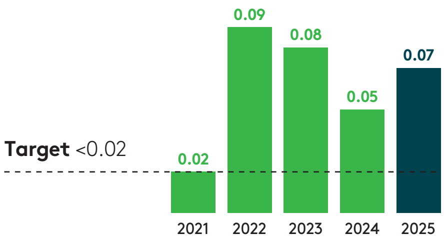
Employee engagement (%)

Performance[2] **73%**



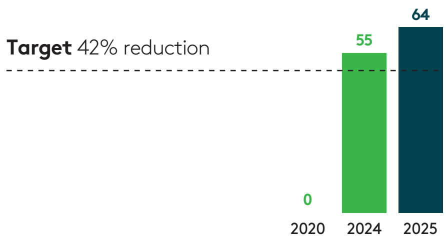
Health & Safety
(accident frequency rate)

Performance **0.07**



Climate Change (%)
(reduction in Scope 1 & 2 emissions from 2020 baseline)

Performance **64%**



Strategic focus

Halma conducts an annual survey of its employees to assess engagement across the Group. This provides visibility of engagement at the Group, sector and company levels.

Health and safety is a top priority for the Group. Halma collects details of its worldwide reported health and safety incidents and encourages all Group companies to seek continuous improvement in their health and safety records and culture.

As part of our sustainability pillar of protecting our environment, reducing our own emissions is a key focus area for the Group as a whole and for each of our companies.

Comment

The baseline for our target was established in 2017 when we ran our first global employee engagement survey with Mercer. This year we used a new platform and were pleased to see the employee engagement score remain strong, achieving a 1% increase from last year (see footnote).

The Health & Safety AFR performance this year was 0.07 (2024: 0.05) representing an increase against last year. We continue to promote the importance of health and safety and review all reported incidents. There are no specific underlying patterns which cause concern.

Scope 1 & 2 emissions have reduced by 64% since 2020, further exceeding our target, largely as a result of increasing renewable energy, alongside energy efficiency initiatives and other operational improvements.

In order to support our 2050 Scope 3 Net Zero target we have set an interim target to reduce total Scope 3 emissions intensity by 66% by 2035.

Definition

The engagement of employees as measured through an externally facilitated survey over nine dimensions: engagement, empowerment, accountability, collaboration and teamwork, communication, development, ethics and fair treatment, innovation and leadership.

The year-to-date Accident Frequency Rate (AFR) is the total number of reportable[3] incidents in the period divided by the number of hours worked in that period by employees (including temporary staff and any overtime) multiplied by 100,000 hours (representing the estimated number of working hours in an employee's work lifetime). The AFR figure represents an indication of how many incidents employees will have in their working lives.

The total reduction in global Scope 1 & 2 greenhouse gas emissions compared to our 2020 baseline (as adjusted for acquisitions and disposals), with Scope 2 measured using a market-based approach that takes account of contractual instruments for renewable electricity. Full details of our definition and measurement are set out in our Basis of Preparation at **www.halma.com**.

Target

Our target remains to match or beat the (rebased) baseline achieved in 2017 of 70% engagement.

The target is set at the lowest rate we have achieved as a Group and was re-set at <0.02 in 2021.

The Group is targeting Net Zero Scope 1 & 2 emissions by 2040. Our interim target for 2030, set in line with a 1.5 degree trajectory, is to reduce Scope 1 & 2 emissions 42% from our 2020 baseline.

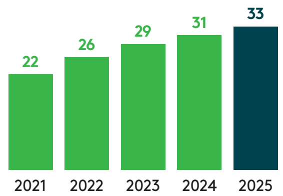
Remuneration linkage

During FY25, 5% of the maximum opportunity of our annual bonus plan was related to achievement of an energy productivity target. This applied to the annual bonus for the Executive Directors and other senior leaders in the business. This target was exceeded this year and will no longer form part of Executive Remuneration from FY26. See page 126 of the Remuneration Committee Chair's letter for additional details on this change.

Diversity, Equity and Inclusion (%)
(company board gender balance)

Performance 33%

Target 40%



Strategic focus
To ensure ongoing agility and innovation, diversity, equity and inclusion is a key focus area. Following our success in increasing gender diversity at the Halma plc and Executive Boards, our current target is to increase gender diversity on our portfolio company boards.

Comment
This year we have 33%[4] women on portfolio company boards, increasing from 31% last year. This is an improvement we are proud of and we continue our work to achieve our ambition for all boards to be within a 40–60% gender balanced range by 31 March 2030. See page 58 of the Support our people section for more details on this.

Definition
The total number of board members who are women as a proportion of the total number of Halma portfolio company board directors (181 company directors as at 31 March 2025).

Target
Halma company boards are to be within a 40–60% gender balance range by 31 March 2030.

Remuneration linkage
5% of the maximum opportunity of our annual bonus plan is related to the achievement of a target which reflects our wider ambition of achieving 40-60% gender balance on our company boards. This applies to the Executive Directors and other senior leaders in the business. We did not meet the target this year as outlined on page 133 in the Annual Remuneration Report.

1 R&D expenditure has been restated for 2022, 2023 and 2024. See Summary 2016 to 2025 on page 242.
2 The new engagement platform uses a different method to calculate engagement. To ensure comparability of data, our historical engagement scores (including the 2017 baseline, which forms our KPI) have been recalculated.
3 Specified major injury incidents and reportable incidents which result in more than three working days lost.
4 This includes directors of the companies that have been in the portfolio for longer than three years as at 31 March 2025.

Our Financial review is divided into two parts. This second part gives further detail on our financial performance and position, including on our performance by region.

Please refer to the Chief Financial Officer's review on pages 12 to 15 for commentary on the key financial metrics for the Group: revenue, profit, cash generation, capital allocation, organic and inorganic investment and returns.

Details of the performance of our individual sectors is given in each of the sector reviews, on pages 36 to 47 of this Report.

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 organic[1] 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. Organic[1] 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 organic[1] 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 organic[1] 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 organic[1] 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 organic[1] 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 organic[1] basis. All sectors grew on an organic[1] 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 organic[1] 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				
	£m	% of total	£m	% of total	Change £m	% Change	% change organic[1]
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**
	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. Organic[1] 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.

Adjusted[1] 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 organic[1] basis, Adjusted[1] 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 Adjusted[1] 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 adjusted[1] operating cash flow, was £545.7m (2024: £435.1m) which represented a cash conversion of 112% (2024: 103%) of Adjusted[1] operating profit. This was significantly ahead of our cash conversion KPI target of 90%. Adjusted[1] operating cash flow is defined in note 3 to the Accounts.

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
Adjusted[1] 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. Details are given in note 27 to the Accounts.

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 EBITDA[1]) 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 Adjusted[1] 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 Adjusted[1] 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 on page 14, 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.

Adjusted[1] 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 Adjusted[1] 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. Details are given in note 29 to the Accounts.

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 Accounts.

Safety

Safety Sector companies protect people, assets and infrastructure in commercial, industrial and public spaces. Our innovative technologies play a critical role in reducing safety risks in hazardous situations, increasing efficiency and helping create a safer and more sustainable future for everyone.

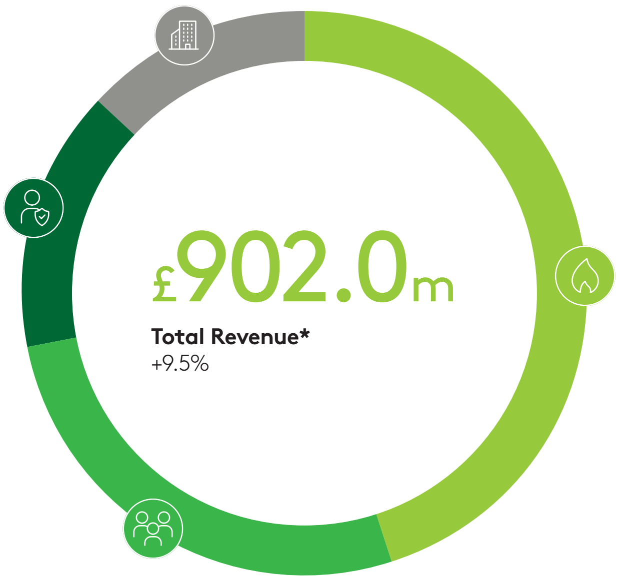
Our markets

Fire Safety
Solutions that detect, mitigate and suppress the effects of fires, protecting people and assets.

Worker Safety
Solutions that protect people in hazardous work environments.

Public Safety
Technologies that safeguard the public by preventing and protecting people against a variety of risks.

Infrastructure & Asset Safety
Technologies that ensure the safe management and operation of critical assets.



* includes inter-segmental sales

Summary

- Strong revenue and profit growth
- Revenue growth across all subsectors and geographic regions
- Profit[1] margin increased
- Five acquisitions completed in the year

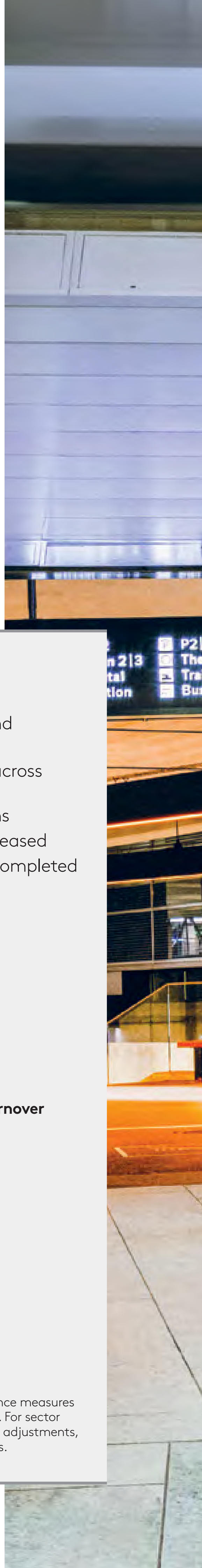
£217.9m

Adjusted profit[1]
+13.7%

40%

Sector % of Group turnover

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



Transforming airport operations

With over 31 million passengers in 2024, Zurich Airport relies on its 4,500 automatic doors to ensure the smooth and safe flow of people travelling through the airport. Zurich Airport has enjoyed seamless operation of its automatic doors since integrating BEA's sensing solutions.

Automatic doors are crucial for managing the immense passenger volume in airports. Equipped with motion sensors, these doors detect approaching individuals, opening automatically to reduce congestion at entry and exit points. They also promote energy efficiency by speeding up door closing times and filtering out traffic passing across the door to avoid unnecessary openings.

BEA is a leading manufacturer of sensing solutions for automatic door systems and sensors are installed at around 80% of airports across Europe. Its newest product, Orascan, uses advanced laser and radar technology to detect the presence and movement of people accurately, regardless of the environment or door type, making installation straightforward. In total, 18 major European airports are already equipped with Orascan, and 16 more are expected in the coming months.

BEA started working with Zurich Airport over 20 years ago. Together, they exchange ideas and conduct field tests on new products, leading to innovative solutions that can be installed at airports. Due to their longstanding relationship, Zurich Airport was one of the first test sites when developing the Orascan.

> **"BEA sensors at Zurich Airport have improved reliability which ensures seamless operation and enhances the passenger experience.**
>
> **Karsten Junghanss**
> Project Manager at Zurich Airport

Scan here for more information, and read the full story online

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 CO_2 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.

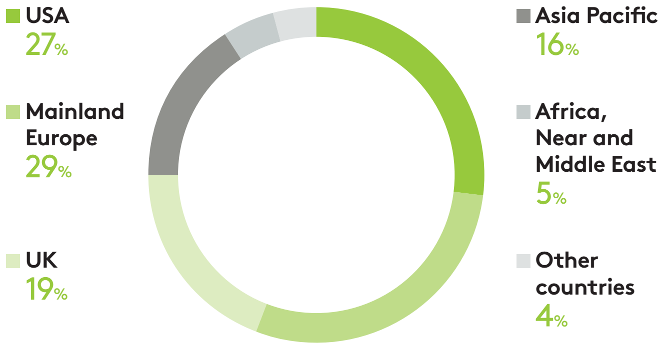
The sector's long-term growth drivers

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.

Revenue by destination



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 organic[1] 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 organic[1] 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 organic[1] 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.

Profit[1] grew by 13.7% to £217.9m (2024: £191.6m) on a reported basis and increased by 11.6% on an organic[1] basis. Profit[1] margin increased to 24.2% (2024: 23.3%), benefiting from stronger sales growth, favourable product mix and good operational cost control. Profit[1] 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 consideration[2] 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 consideration[2] 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 consideration[2] 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 consideration[2] 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 consideration[2] 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 profit[1]. 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 profit[1]. Currency exchange movements had a negative effect of 1.4% on revenue and 1.9% on profit[1].

1 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.
2 The consideration is on a cash- and debt-free basis.

Adding new capabilities

MK TEST SYSTEMS

Acquisition case study: MK Test Systems

Increasing electrification and ever more complex electrical systems are creating exciting new opportunities for the Safety Sector. The intricate electrical cabling that goes into all types of transport vehicles and electrical installations needs to be rigorously tested to ensure it is safe. Following the acquisition of WEETECH in 2022, Halma's Safety Sector expanded its presence in the power and energy testing market in May 2024 by acquiring MK Test Systems.

MK Test Systems has been designing automatic test equipment for the world's most demanding industries since 1992. It manufactures safety-critical electrical testing technology used in transportation industries. Based in Wellington, UK, its products ensure the safety and integrity of the electrical systems in aeroplanes, trains and other vehicles, protecting workers and passengers. MK Test Systems further enhances Halma's capabilities in energy safety and brings new opportunities for growth, driven by increasing safety regulation and the need to protect high value assets.

Nigel Mungombe
Test Engineer, MK Test Systems

Environmental & Analysis

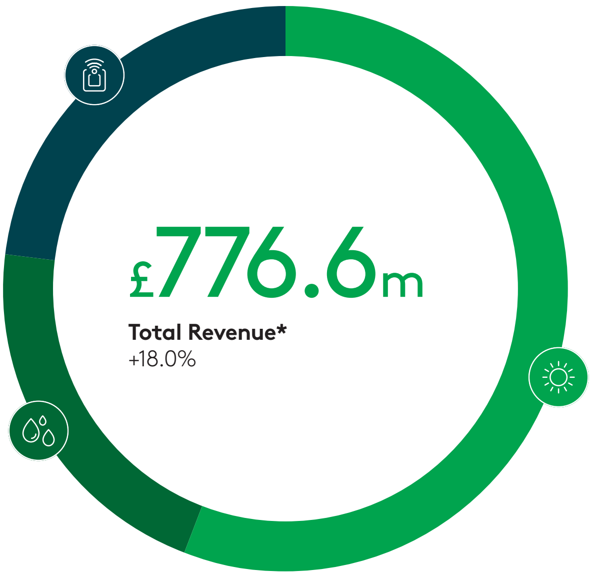
Our Environmental & Analysis Sector companies provide technologies that monitor the environment, ensure the quality and availability of life-critical resources, and are used in materials analysis and optoelectronic applications.

Our markets

Optical Analysis
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.

Environmental Monitoring
Technologies that detect hazardous gases, analyse air quality, gases and water to monitor environmental quality and ensure that resource infrastructure operates efficiently.



* includes inter-segmental sales

Summary

- Strong revenue and profit growth
- Substantial increase in margin
- Strong Optical Analysis performance driven by photonics growth and improved spectroscopy performance
- One acquisition completed in the year

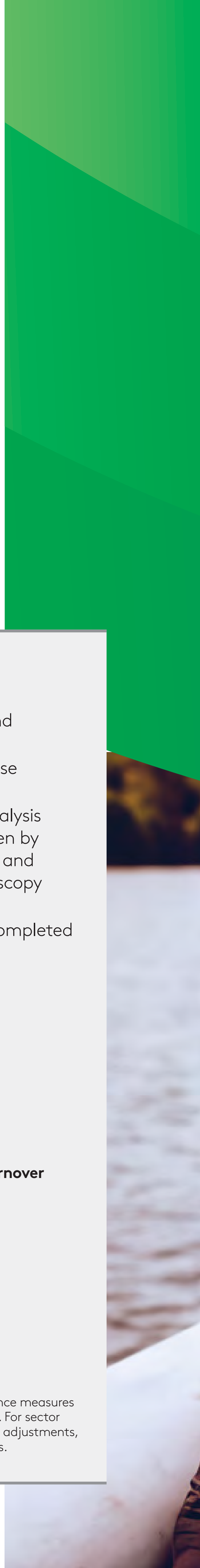
£185.5m

Adjusted profit[1]
+25.4%

35%

Sector % of Group turnover

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



Enabling sustainable coastal communities

Marine ecosystems around the world are under pressure from rising sea levels, stronger storms and shifting weather patterns—threats that are increasingly visible in places like Newfoundland and Labrador's west coast in Canada.

The Gros Morne region, a UNESCO World Heritage Site, is home to seven coastal communities that have relied on the ocean for generations. As climate change alters the health of its eelgrass beds, saltmarshes, and other marine habitats, local communities are looking for new ways to understand and safeguard their environment.

> "Using Deep Trekker's ROVs allows us to research and protect marine habitats in ways that were previously impossible.
>
> **Rebecca Brushett**
> Founder, Atlantic Healthy Oceans Initiative

Atlantic Healthy Oceans Initiative (AHOI), based in Norris Point, Newfoundland is leading this effort. Using one of Deep Trekker's remotely operated vehicles (ROV), AHOI explores deep, glacier-carved fjords that have Arctic-like temperatures and reach depths of nearly 300 metres – areas inaccessible to divers. Equipped with advanced cameras, sonar, and lasers, the ROV allows researchers to map the ocean floor and monitor the ecosystem's health.

This collaboration blends local knowledge with advanced technology, enabling safe, precise and non-invasive research. The data collected supports sustainable fishing, tourism and conservation – key pillars of the local economy. It also helps communities adapt to climate change and promote responsible economic practices.

Scan here for more information, and read the full story online

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.

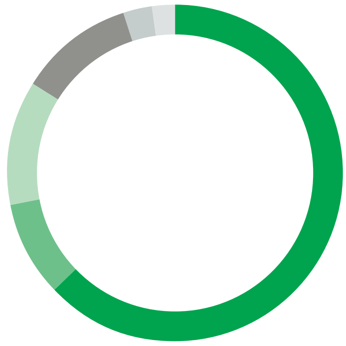
The sector's long-term growth drivers

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.

Revenue by destination



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 organic[1] 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 profit[1] 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 profit[1] was ahead of our expectations, albeit growth was at a more modest rate than in the first half given a stronger comparative. Photonics profit[1] margin for the year was similar to the Group's profit[1] 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 organic[1] 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.

Profit[1] grew by 25.4% to £185.5m (2024: £147.9m), and by 25.5% on an organic[1] basis. Profit[1] 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 profit[1]. Currency exchange movements had a negative effect of 1.6% on revenue and 1.8% on profit[1].

1 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.
2 The consideration is on a cash- and debt-free basis.

Accelerating growth

HATHORN INSPECTION CAMERAS

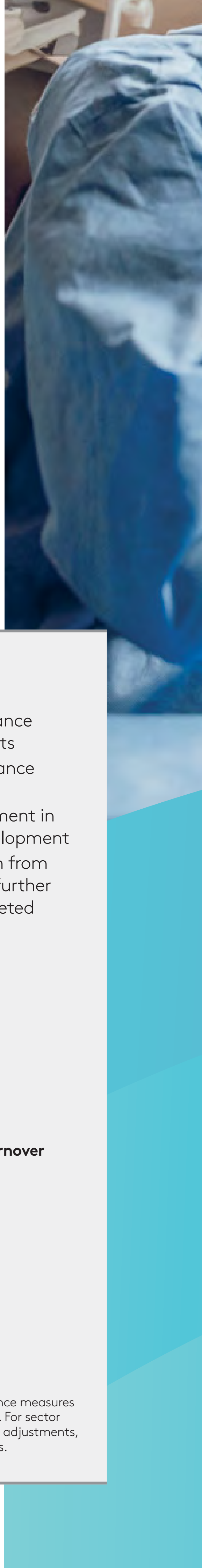
Acquisition case study: Hathorn & Minicam

Minicam is a leading provider of pipeline inspection, maintenance and rehabilitation products for the wastewater industry, including remote-controlled robots that detect blockages, and systems for fixing pipes without needing to dig a trench. It has a strong market presence in the UK and Europe, and as part of its strategy to accelerate its growth in North America, in October 2024 it acquired Hathorn, based in Canada, to expand its market reach.

Hathorn makes plumbing and drainage inspection cameras that are complementary to Minicam's existing product range, and aligned with its strategy of providing customers with easy to use, robust and reliable inspection products combined with excellent service and support. The acquisition of Hathorn expands Minicam's North American market presence, enhances its product offerings and service capabilities, and provides the opportunity to accelerate its growth in a key target market.

Healthcare

Our Healthcare Sector companies' technologies and digital solutions 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.

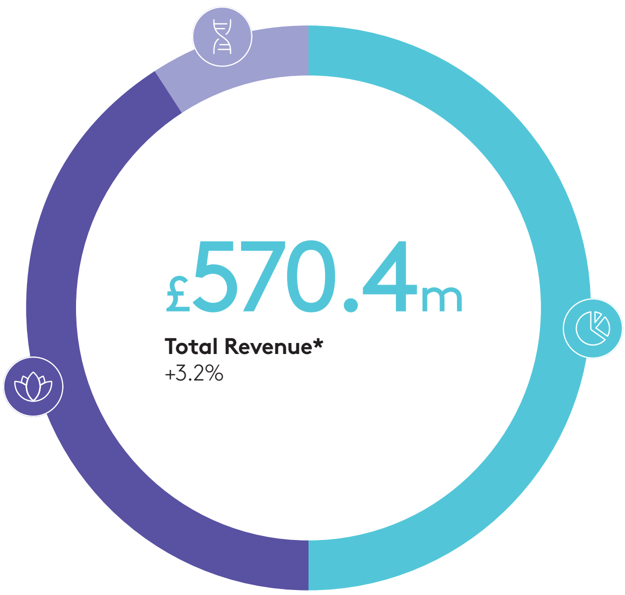


Our markets

Healthcare Assessment & Analytics
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.

Life Sciences
Technologies and solutions to enable in-vitro diagnostic systems and accelerate life-science discoveries and development.



* includes inter-segmental sales

Summary

- Resilient performance in subdued markets
- Stronger performance in second half
- Continued investment in new product development
- Good contribution from acquisitions; one further acquisition completed in the year

£130.6m

Adjusted profit[1]
+4.0%

25%

Sector % of Group turnover

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

Helping people walk again without pain

As people live longer, chronic health conditions increasingly impact their quality of life. Vertebral compression fractures, caused by osteoporosis or injury, pose a significant health concern for elderly individuals, especially women. These fractures are common, with 40% of women experiencing them by age 80.

Ageing leads to bone density loss, making bones prone to breaks. Elderly individuals are more likely to experience falls, raising the risk of vertebral compression fractures. This results in severe pain, reduced mobility, and a decline in daily activities, significantly impacting quality of life. Women with these fractures have a 15% higher mortality rate due to other health problems from reduced mobility.

> **"Minimally invasive surgery using IZI Medical devices can help elderly patients with vertebral compression fractures walk again without pain.**
>
> **Dr Ajay Antony**
> Interventional pain physician, The Orthopaedic Institute

IZI Medical develops devices for minimally invasive testing and surgery, including a curved needle for pinpoint access to the spine and a unique bone cement for fixing fractures with tracking beads for precise placement.

Dr. Ajay Antony, interventional pain physician at The Orthopaedic Institute, specialises in using IZI's technology for treating vertebral compression fractures. This minimally invasive approach enables targeted surgery, reduces complications, and improves recovery times, allowing elderly patients to return home the same day.

The collaboration with IZI Medical has been instrumental in providing support and technical components for these procedures. This partnership has improved patient outcomes, with many experiencing significant pain relief and improved function shortly after the procedure.

Scan here for more information, and read the full story online

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).

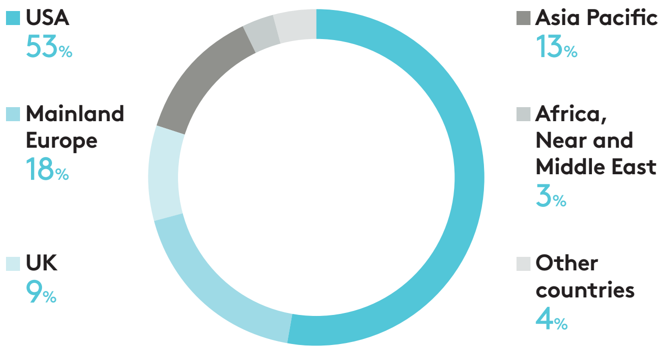
The sector's long term growth drivers

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

Revenue by destination



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 data[1]. 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 organic[2] 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 organic[2] basis in all three subsectors in the second half of the year.

By subsector, there was modest organic[2] 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.

Profit[2] of £130.6m was 4.0% higher than in the prior year (2024: £125.6m), and 0.3% higher on an organic[2] 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 profit[2] growing 18.2% in the second half. Profit[2] 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[3]) 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 profit[2]. Currency exchange movements had a negative effect of 1.6% on revenue and 1.7% on profit[2].

1 Closing the Women's Health Gap, World Economic Forum insight report, January 2024.
2 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.
3 See Summary 2016 to 2025 on pages 242-243 for further detail.

Expanding market niche

LAMIDEY NOURY MEDICAL

Acquisition case study: Lamidey Noury

Long-term growth in healthcare is being driven by ageing populations and the consequent higher incidence of chronic disease, technological innovations and the need for healthcare providers to increase efficiency to address growing demand. Minimally invasive procedures offer shorter recovery times, lower risks and better outcomes for patients, while helping healthcare providers to improve their efficiency and treat more patients.

Halma acquired Lamidey Noury in November 2024 to add to its therapeutic product capabilities. Lamidey Noury, based in Paris, France, is a leading provider of innovative, high-quality electrosurgical solutions, focusing on urological and gynaecological procedures, that improve surgical outcomes and enhance efficiency. Their devices allow for more precise and controlled interventions, therefore offering shorter patient recovery times and reducing the risk of complications.

Stakeholder engagement

Maintaining strong stakeholder relationships is essential to Halma's long-term sustainable growth and the fulfilment of our purpose.

Our people

Developing, attracting and retaining high quality talent is a key driver of our success and delivery of our strategy. We strive to build leadership teams that are diverse, effective and engaged.

What matters to them

- Fair pay, terms and conditions
- Inclusive, diverse and supportive environment
- Opportunity for development and progression
- Workforce policies
- Collaboration and engagement across the Group

Further links:

→ **Talent & Culture Review on page 16**
→ **Sustainability on page 54**
→ **Board engagement with employees on page 109**
→ **Remuneration Report on page 123**

How we engage

We foster an open and collaborative environment, which ensures regular communication and engagement across our Group of over 9,000 employees. At a Group level, we engage with our employees through a number of mechanisms, including, but not limited to, regular hybrid townhalls, our Group intranet and the annual employee engagement survey. Leaders of our companies are regularly updated and brought into conversations regarding key strategic topics and financial performance, which they then share with their own teams.

At the company level, engagement with employees is through company newsletters; regular townhalls; digital platforms, including intranet sites; employee pulse checks; employee forums; wellbeing initiatives; and organised social events.

Our Board members highly value opportunities to engage with colleagues, both directly and indirectly, and consider the interests of our employees when making decisions.

Outcomes and actions in the year

- Executive and non-executive Directors attended 32 company site visits, meeting with a diverse range of colleagues.
- Introduction of a new platform to measure employee sentiment through an annual engagement survey and pulse checks throughout the year.
- Achieved an 83% response rate and 73% overall engagement rate for our annual employee engagement survey.
- Through the Employee Assistance Programme in the US, Europe, China and India, we have supported employees in exploring topics such as mental health.
- Launch of a unified people platform, Workday, which enhances the employee experience, supports career mobility, and helps leaders plan for future talent needs.
- Introduction of three new leadership programmes, with 100 leaders coached this year.
- More of our companies added flexible work options for better work-life balance.

Our companies

Our decentralised model places our companies close to their end markets, under the management of their own board of directors, which empowers entrepreneurial action. Our companies are vital to the success of our growth strategies – collectively delivering our organic growth and through selective asset and bolt-on acquisitions, deliver inorganic growth.

What matters to them

- Collaboration and interconnectivity
- Operational and financial performance
- Access to central expertise, skills and other resources
- R&D investment
- Talent development
- International expansion

Further links:

→ **Business reviews on page 36**

→ **Halma at a glance on page 4**

How we engage

Our Board members engage and communicate with our companies through business reporting, site visits, presentations and events, which ensures alignment of the development and performance of the companies with Halma's growth strategy and culture.

The Board regularly receives sector and company updates directly or via the Group Chief Executive and sector presentations are scheduled into Halma's annual Board agenda.

Outcomes and actions in the year

- Accelerate Halma conference held in October 2024 (see page 50 for further details).
- Supported the development of our companies' products via our Functional Networks, which enables collaboration, interconnectivity and allows our companies to leverage their experiences and knowledge from one another. Operations leaders held a two-day event in April 2024 and a Digital Solutions Summit brought together almost 40 technical directors in March 2025 to look at digital innovation trends and the use of technology in real-world use cases.
- Continued M&A activity, providing companies with access to new products, know-how and end markets.
- Ongoing legal entity rationalisation programme offering expertise and support for companies wishing to participate.

Customers

Our customers play a pivotal role in the fulfilment of our purpose by delivering our products and services to the end market where they serve to protect and improve the quality of life.

What matters to them

- Innovative solutions
- Competitive pricing
- Long-term relationships
- Stable supply chain
- Service and support levels

Further links:

→ **Business reviews on page 36**

→ **Non-financial & sustainability information statement on page 64**

How we engage

As a highly decentralised business our companies work closely with their customers, which fosters close partnerships and promotes open two-way communication and dialogue.

Our Divisional Chief Executives (DCEs) engage with our major customers to ensure that we offer and develop innovative solutions using our technology and deep application knowledge.

Outcomes and actions in the year

- Investment in our digital growth programmes to explore new ways of providing value to customers through digital products.
- An increasing number of our customers are engaging with our companies on sustainability matters via a variety of channels, including through sustainability performance surveys.

Accelerate Halma 2024

In October 2024, we held our Accelerate Halma conference in Phoenix, Arizona, bringing together 350 colleagues across the business, including the Board, Executive Board, senior Group employees and company board members.

Accelerate Halma offered opportunities for engagement, collaboration, and learning. Designed by leaders from Halma companies, the event featured plenary presentations, panel discussions, workshops, and learning sessions, all under the theme "Embrace the Adventure", one of Halma's cultural genes. We also participated in local community outreach activities.

> "I'm impressed by the people that I've met and the innovation we have. I can collaborate with different leaders, not only at Accelerate, but throughout the year. It's incredible how our companies are having such a positive impact on the world.
>
> **Aurélie Paul,** Managing Director, Sentric Safety Group

Our non-executive Directors hosted a breakfast event with leaders from across the Group and contributed to panel discussions, sharing the benefits of their experience.

Following the conference, an anonymous evaluation showed the event's success in providing a better understanding of the Group, building connections, and sharing insights valuable for daily operations.

Suppliers

Developing strong relationships with our suppliers is key to the operational success of our business and ensures that we have agility to develop new and market competitive solutions to meet our customers' needs, who play an essential role in ensuring the sustainable growth of the Group.

What matters to them

- Fair payment practices
- General terms and conditions of business
- Social, ethical and environmental impacts
- Long-term partnerships

Further links:

→ **Sustainability on page 54**

→ **Non-financial & sustainability information statement on page 64**

How we engage

As a highly decentralised business, our companies determine their supply chain and own the relationship with their suppliers, and work closely with them to ensure that they can continue to deliver the best products and services for their customers and have the infrastructure in place to respond to market developments. In addition, our DCEs engage with key suppliers, reporting back to the Board periodically on significant supplier contracts and arrangements, and the Board maintains oversight of potential significant supply chain issues and mitigations.

Our Halma Strength in Numbers (HSIN) team provides a strategic purchasing function to our companies, offering collective economies of scale and introduction of new vendors to serve a specific business need. The HSIN team engages with key suppliers to develop proposals and present options to our companies.

Our companies regularly engage with their principal suppliers, including conducting audits, and encourage them to operate with the high ethical standards that are set out in our Code of Conduct. The Board annually reviews and approves our Modern Slavery Act statement.

Many of our companies have also been engaging with their suppliers on sustainability matters. We expect increased sustainability-related supplier engagement from our companies as they start identifying and executing on their Scope 3 decarbonisation actions.

Outcomes and actions in the year

- Additional companies, as part of our bottom-up decarbonisation planning process, have started to prioritise suppliers for engagement based on actual or potential Scope 3 reduction opportunities.
- Multiple individual operating companies are developing or executing supplier due diligence processes. A sustainable supply chain working group has been set up with several of our largest companies with the intent to develop common frameworks.
- We continue to enable access to Ecovadis as a platform to support our companies to gain a better understanding of supplier sustainability risk and maturity.
- A policy review process has been initiated to upgrade our supplier-related policy suite over time in line with best practice for social and ethical due diligence expectations.

Acquisition prospects and business partners

A key aspect of our sustainable growth strategy is achieved through acquisitions and our companies and sector M&A teams work continuously to build relationships with businesses that could become an acquisition prospect or a strategic business partner.

What matters to them

- Financial performance
- R&D investment
- Collaboration and interconnectivity
- Delivery of initiatives
- Mergers and acquisitions
- International expansion
- Cultural and ethical fit and alignment with our purpose

Further links:

→ **Strategic Report on page 2**

→ **Business reviews on page 36**

How we engage

Our Executive Directors are in dialogue with our business partners and may meet with management at potential acquisition targets as part of the due diligence process.

The Board receives reports on the M&A pipeline at every scheduled meeting, which allows for considered discussion and facilitates their decision-making process. Any acquisitions exceeding £10 million consideration are approved by the Board.

Outcomes and actions in the year

- Completed seven purpose-aligned acquisitions across our three sectors throughout the year.
- Increased investment in central M&A team.

Society and community

We have a duty to conduct business in a responsible and sustainable way that aligns with our purpose, our organisational and cultural genes, and supports the communities in which we operate.

What matters to them

- Environmental and social impact
- Improving quality of life
- Protecting people

Further links:

→ **Sustainability on page 54**

→ **Non-financial & sustainability information statement on page 64**

How we engage

The Directors regularly review our portfolio to consider how our companies and their products align with our purpose.

The Sustainability team engages with stakeholders on sustainability issues and reports to the Board on these matters.

At a more local level, our companies undertake a range of initiatives with their local communities to provide engagement and positive impact.

Outcomes and actions in the year

- Our companies regularly support their communities through tailored initiatives.
- Launch of the Impact the Future Fund. This new initiative sees our companies choose local non-profit partners and apply for annual grants to support causes they care about. They must offer support through technology, people, or skills and show they can build long-term relationships. 75% of our companies and Hubs in China and India are participating this year with the potential to positively impact many communities globally. Read more on page 60.

Investors and debt holders

Investors and debt holders provide the financial liquidity we require to operate and continue our sustainable growth, and are key beneficiaries in the value that we create. As investors in our business, we are committed to transparent and open engagement with them.

What matters to them

- Strategy and implementation
- Operational and financial performance
- Capital structure, liquidity, capital allocation and dividend policy
- Risk management
- M&A
- Talent and succession planning
- Environmental, social and governance matters
- Company culture

Further links:

→ **Our investment proposition on page 26**
→ **Business review on page 36**
→ **KPIs on page 27**
→ **Board oversight of our culture on page 107**

How we engage

The Board recognises the value of engaging with all of our investors and debt holders and gaining a diverse selection of shareholder and stakeholder views from a range of geographies. We maintain an annual programme of investor publications and key engagement initiatives, and the Directors meet investors on a regular basis, principally through investor roadshows, investor events and the Annual General Meeting.

The Chair is accessible to shareholders and will invite the Company's largest equity shareholders to meet to discuss Company strategy, direction and any other significant matters. The Senior Independent Director provides an alternative channel for shareholders to raise concerns, independent of executive management and the Chair.

The Head of Investor Relations, Head of Sustainability, the Company Secretary and Group Treasurer maintain an ongoing dialogue with shareholders, investor bodies, financial analysts and our lenders regarding financial, operational, risk and environmental, social and governance issues, and provide regular reports to the Board on these interactions.

Outcomes and actions in the year

- Held 330 investor meetings, engaging with investors in the UK, Continental Europe, North America and Asia. These were attended by a broad range of senior Halma management, including the Group Chief Executive, Chief Financial Officer and members of the Executive Board.
- Held our first investor webinar on 'How we do M&A', featuring three speakers from our Executive and Sector Boards and moderated by our Head of Investor Relations. This was followed by a live Q&A session from the online audience of around 260 attendees. The webcast is archived in the investor section of our website.
- Held roadshows focused on smaller investors and private client brokers, including in person meetings in regional UK cities, and a webinar focused on the private investor audience.
- Held a series of meetings between our Chair, Dame Louise Makin, and major shareholders, covering approximately 20% of our share capital. Key discussion topics included Board succession, Board composition and skills, Group culture, and talent management.
- Held our Annual General Meeting in July 2024, allowing for face to face interaction between Board members and retail shareholders.

Section 172 statement

The Directors take their responsibilities to stakeholders seriously and considers stakeholder views in Board discussions and the decision-making process. In addition to having regard to the interests of stakeholders, Directors also consider the impact of the Group's activities on the communities within which it operates, the environment, and the Group's reputation.

The Directors act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Companies Act 2006. For more information in support of this statement, see 'Section 172 and decision-making' on page 105.

Our approach to sustainability

Sustainability reporting suite

Beyond this sustainability section, further data on other environmental, social and governance topics, plus more detailed examples of our companies' progress are available in our sustainability reporting suite.

Read more about our Sustainability Review, ESG Data Supplement and ESG Data Basis of Preparation at **www.halma.com/sustainability**

Our verification statement will be published in the second half of 2025 and available on **www.halma.com**

Sustainability for growth

At Halma, sustainability has always been at the core of our purpose-driven strategy for growth.

Our sustainable growth is anchored in our continued focus on acquiring and growing companies in safety, environmental and healthcare markets that are addressing real-world problems enabling their customers to provide safer environments, protect life-critical resources, and deliver better healthcare.

The agility of our companies means they can be quick to respond to the demands of their customers, evolving their products and services to address sustainability-related opportunities and challenges over time.

Doing more good

Our three-pillar approach starts with **driving growth in sustainability**. We believe that continuing to encourage our companies to identify and pursue sustainability-related opportunities to grow their products and markets will allow us to accelerate our progress and broaden the benefits that our companies already enable through their products and services.

This pillar is embedded in our operations whereby all companies are required to consider potential sustainability-related revenue and profit growth opportunities as part of their annual strategic planning cycle – prioritising these where possible. These could include, for example, growing into new markets aligned with the energy transition, or increasing ability to access healthcare via technology. At the same time, our companies are also required to consider and include strategic sustainability-related risks in their risk registers to ensure they are protecting their future growth potential.

The sectors support this strategic planning process, connect Halma companies to better respond to opportunities, and pursue sustainability-related opportunities through M&A where relevant.

While doing less harm

At the same time, we recognise that our growth has potentially negative impacts on people and planet – and managing and improving this impact is the focus of our second and third sustainability pillars.

Our second sustainability pillar is driven by our purpose and cultural DNA – **to support our people** as we grow – our employees, suppliers and the communities we operate in. Within this pillar, our key focus area is diversity, equity and inclusion within our operations.

Our third pillar – **to protect our environment** – is vitally important to Halma, not only because it is the right thing to do, but also as it will support our future growth. Priority focus areas include sustainable product design and reducing our carbon emissions.

To drive these two pillars, we require our companies to maintain a Sustainability Action Plan (SAP) which is reviewed and updated at least annually. These plans contain goals and actions set by each company to manage their impacts on the environment and people. Our sectors are responsible for monitoring and challenging the SAP ambition and progress of our larger and higher impact companies. The Group function supports the companies by creating resources, networks and education to enable companies to share best practice, support each other and access subject matter expertise where relevant.

Our three sustainability pillars

We drive growth in sustainability by:
- Seeking organic and acquisition growth opportunities driven by our purpose, long-term growth drivers and evolving sustainability demands that aim to increase and broaden the benefits enabled by our products and services.

→ **Read more: 56**

We support our people by:
- Improving the lives of employees, suppliers and community members.
- Focus areas: diversity, equity and inclusion.

→ **Read more: 58**

We protect our environment by:
- Reducing our environmental footprint in our operations and wider value chains.
- Focus areas: reducing greenhouse gas emissions and sustainable design.

→ **Read more: 62**

Board and Executive level sustainability governance

At Group level, our Board is ultimately responsible for our Sustainable Growth Model, which has sustainability at its core and includes oversight of climate-related risks and opportunities.

Our sustainability agenda is led by our Chief Sustainability Officer, Constance Baroudel, who has principal responsibility for our sustainability activities and policy. She is also our Sector Chief Executive for Environmental and Analysis and a member of the Executive Board, and regularly presents to the Board.

The Executive Board is responsible for providing additional direction and oversight of our sustainability approach and internal sustainability expectations, including being responsible for the identification and management of sustainability and climate-related opportunities and risks.

Sustainability Reporting and Risk Steering Group

Established this year, our Sustainability Reporting and Risk Steering Group's main objective is to discuss and guide decisions taken in preparing for and complying with sustainability reporting requirements. The group comprises cross-functional members and meets on an ad-hoc basis.

A priority for this group is to develop and implement a comprehensive double materiality assessment plan, building on previous work assessing financial materiality. This endeavour aims to establish a foundation for meeting expanding sustainability reporting requirements, including the Corporate Sustainability Reporting Directive (CSRD).

→ **See the Board's sustainability-related skill set: 95**

→ **Read more about climate-related governance: 80**

Drive growth in sustainability

Halma and the SDGs

The societal and environmental benefits we enable through our products and services help contribute towards the broad aims of many UN Sustainable Development Goals (SDGs).

Because of the diversity of Halma companies, the contribution from our products and services covers a wide range of SDGs, depending on the sector and the business.

In this Annual Report, we aim to give some indicative examples of the benefits enabled by our companies' products and services, and more information about the relevant SDGs supported is available on our website.

See the Our companies' impact and Impact examples and metrics sections of our website at **www.halma.com**

Broadly, the SDGs most regularly supported by our businesses include the following:

Organic growth opportunities

Halma companies know their markets and customers best, which is why our sustainability approach focuses on bottom-up company-led identification and management of sustainability growth opportunities. Because of our diversified portfolio, this results in a variety of different outcomes.

In practice, some of our companies are growing existing sustainability-related markets further, some are developing new products for sustainability-related markets, and others are pivoting their existing products for alternative uses in sustainability-related sectors. For many of our companies, leveraging innovation and digital technologies will be key to solving sustainability challenges.

See our Sentric Safety Group case study: 57

Acquisition growth opportunities

At the Group and sector level, we also continue to be excited by acquisitions that deliver on our purpose and long-term growth drivers and additionally have significant, long-term sustainability growth opportunities.

Further examples of our sustainability-related growth opportunities can be found in our online Sustainability Review at **www.halma.com**

For example, Halma's recent acquisition, Lamidey Noury Medical is a company renowned for its excellence in designing and producing electrosurgical instruments. These instruments are essential in minimally invasive procedures because they allow for more precise and controlled interventions, reducing the risk of complications and improving patient outcomes. Not only does this acquisition align well with our purpose, but clearly supports the third UN Sustainable Development Goal to ensure healthy lives and wellbeing.

Monitoring growth

Given our Sustainable Growth Model is already driven by our purpose to create a safer, cleaner, healthier future for everyone, every day, defining and measuring sustainability-related growth continues to be a challenge. Separately identifying and measuring opportunities can be difficult, and we are conscious of adding to the reporting burden on our small and medium-sized companies.

We are therefore focused on building a variety of flexible approaches to measurement and reporting of opportunities over time. This year, using outputs from the annual strategic planning process, we were able to assess, aggregate and review the financial potential of our products and markets climate-related opportunities.

More detail can be found in the TCFD statement: 79

Supporting the energy transition

Case study: Sentric Safety Group

According to the 2024 IEA outlook report[1], the global energy sector added nearly 2.5 million jobs in 2023 bringing total employment to over 67 million workers. This growth was driven by record levels of investment across various energy sources following the global energy crisis. Notably, the same report indicates the clean energy sector accounted for 61% of this growth, as many global economies prioritise the shift to clean energy and seek to diversify energy sources to meet both energy security and decarbonisation objectives.

To manage the increasing diversity of energy sources, the power grid of the future needs an upgrade to become smarter and safer. The UK's National Grid[2] is proposing a substantial investment of up to £35 billion over the next five years to March 2031 to nearly double the amount of energy that can be transported around the county, whilst also creating an additional estimated 55,000 jobs.

In this dynamic landscape, several of Halma's safety companies play a crucial role by providing technologies that safeguard the new infrastructure and protect the growing number of people who run and maintain it daily. One such company is our Sentric Safety Group, which supports the energy transition across various sectors through their trapped key interlock (TKI) solutions.

A trapped key interlock (TKI) is a safety device that prevents unsecured access to unsafe locations by trapping a key in one position until a specific action, such as isolating a hazard, is completed. Sentric's TKIs are fully customizable and can be integrated to meet a customer's unique needs, ensuring the protection of people and the prevention of operational losses and damage. They are also highly durable and suitable for industrial environments.

Sentric's success with this product range lies in its applicability across multiple industries, including various renewable energy sectors, which represent an increasing proportion of the company's revenue. Notably, the offshore and onshore wind energy market presents a significant growth opportunity for Sentric. Wind energy is the second fastest-growing sector in renewables globally and is expected to almost double in size by 2030[3].

Safety systems designed by Sentric create safe working conditions for a turbine's maintenance crew. Their TKI ensures that once a worker has shut down an operation for inspection, it cannot be restarted accidentally. This means maintenance crews can access the areas they need to keep the turbine operational and know they are protected while doing their jobs.

The transferability of this technology is growing across other sectors, including solar power, hydropower, geothermal energy, and biomass energy, where the most hazardous risks, such as high voltage machinery, working from heights, or confined environments, can be carefully controlled using bespoke strategies.

Beyond sustainable energy, Sentric is also supporting other industries that will form part of a more sustainable future. Two examples are railway safety, helping to keep workers in the most hazardous parts of rail depots safe, and waste and recycling facilities.

1 https://www.iea.org/reports/world-energy-employment-2024/executive-summary
2 https://www.riiot3.nationalgrid.com/
3 https://www.iea.org/energy-system/renewables/wind

Support our people

Key focus areas

– Diversity, equity & inclusion

Relevant SDGs

Key metrics

33%
Gender balance on company boards
(Target: 40%–60% by 2030)[1]

18%
Senior management from under-represented ethnic groups
(Target: 20% by 2027)[2]

0.07
Accident frequency
(Target: annual 0.02)

Employee engagement

We monitor employee engagement and satisfaction through annual employee surveys, and this marks our ninth cycle. This year, we are using a new employee listening tool, which integrates with our new unified people platform. The survey questions have been simplified but still measure the key drivers of employee sentiment and engagement. The scoring system has been changed to a Net Promoter Score, consistent with customer satisfaction metrics.

This year we maintained a strong response rate of 83% and stable engagement score of 73%, which is a 1 percentage point increase from last year.[3] The survey feedback shows a consistent alignment with Halma's DNA across the Group, with high scores for collaboration and management support. It's also pleasing to see that people feel strongly that Halma and their company's values align with their own, and that colleagues of all backgrounds are welcomed. Both these engagement drivers scored ahead of the industry benchmark.

→ **See our Impact the Future Fund case study: 60**

Building a culture of inclusion and belonging

A workforce strengthened by many perspectives, experiences, and backgrounds has been and will continue to be critical to our success. Our commitment to building inclusive businesses is not only a contributor to high engagement but also yields wellbeing, productivity and positive morale.

For the past five years, we have been working towards achieving 40-60% gender balance on our company boards. We are pleased that our companies continue to make progress in this area, with our company boards now comprising 33% women, up from 31% last year. This is an improvement of 14 percentage points since we started tracking this metric in 2020.

At the executive level, we continue to grow the number of women in senior leadership positions, with women comprising 50% of Halma's Board and 60% of the Executive Board (as at 31 March 2025), far exceeding the FTSE Women Leaders 40% recommendation. Additionally, with Carole Cran becoming Group Chief Financial Officer (CFO) in April this year, we now have women in the three key roles of Chair, Senior Independent Director, and Group CFO.

As a result of this long-standing commitment to gender balance we have been awarded for a second year a Balance in Business (BiB) Award in the Trailblazer Exco & D/Rs FTSE 100 category. We have also been recognised by BiB on its Roll of Honour celebrating previous award-winning companies that continue to inspire and set a benchmark for others to follow. This is an important recognition, reminding us to continue building on this momentum and ensure progress does not halt.

1 This includes companies that have been in the portfolio for longer than three years as at 31 March 2025.
2 This is based on the Halma definition of ethnic diversity. See page 59.
3 The 1 percentage point increase is based on a revised prior year figure of 72%. See page 30.

Through our flagship campaign for International Women's Day this year we highlighted how investing in women's health is crucial for creating a positive impact on society, bridging the gender health gap, and empowering women to take control of their health.

For Black History Month, we highlighted notable Black individuals' contributions in healthcare, safety, and the environment. We are committed to amplifying voices from diverse communities and increasing racial and ethnic minority representation in leadership. We aim for 20% of senior management to be from under-represented ethnic groups by December 2027. As at 31 March 2025, 18% of the Executive Board and their direct reports are from under-represented ethnic groups, an improvement from 17% in 2024. We count only those who are ethnic minorities in their regions of operation.

In line with the Parker Review's updated definition, focusing solely on the Executive Board and their UK-based direct reports, this percentage is 21%.

To enhance diversity and inclusivity, we used social media and direct sourcing to reach a broader talent pool. This resulted in more women and diverse hires than last year, and remains a solid platform for building a strong referral network for future talent.

We also continued supporting caregivers through our gender-neutral parental leave, which enabled more than 200 new parents this year to look after their newborns, and over 900 since 2020. Further, more of our companies added flexible work options for better work-life balance. Navtech now offers hybrid working and compressed work weeks, while Apollo allows employees to buy additional leave as part of their growing suite of benefits.

Gender Pay Gap

For the fifth year we are voluntarily reporting the Gender Pay Gap figure, based on combined data for the employees in two of our largest regions – the UK and USA.

We are pleased to report a further reduction of the mean (average) pay gap to 12.1% as at 31 March 2025, from the 31 March 2024 figure of 15.7%. We are also encouraged to see the steady year-on-year reduction from 25.9% in 2021, when we started publishing this figure, which is real evidence of a progression in culture across the UK and US employee base. Despite this progress, we acknowledge there is still work to do.

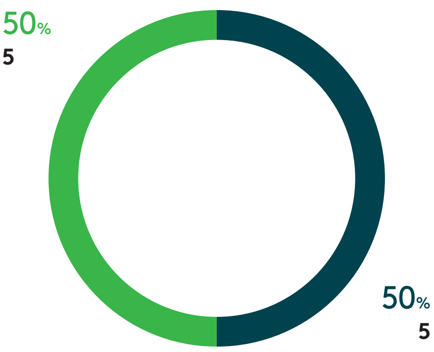
We have a gap in favour of men as we have more male senior leaders, who are in higher paid roles, alongside having more women in hourly paid positions. However, we continue to see improvement in representation of women at senior levels, which is one reason for the reduction in the gap.

Our gender diversity

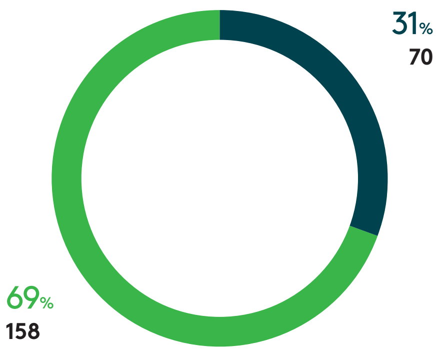
Figures at 31 March 2025

Men Women

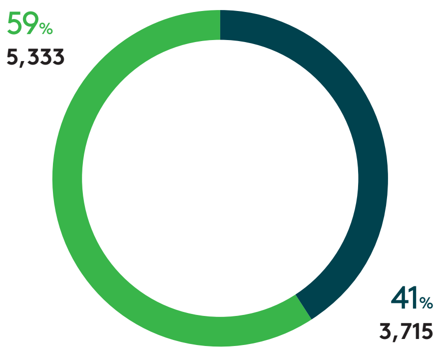
Board of Directors[1]



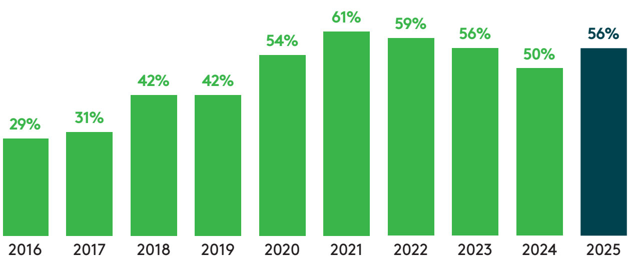
Senior Management[2]



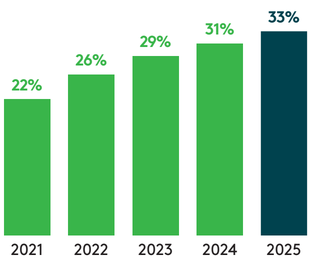
Other employees



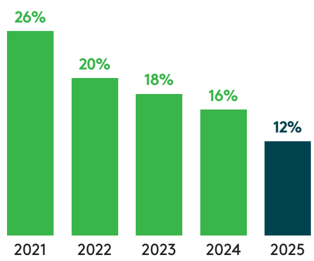
% Women on plc and Executive Boards



% Women on company boards[3]



Gender pay gap[4]



1 Includes non-executive Directors.
2 Defined as Executive Board members who are not appointed to the Board, Divisional Chief Executives and Directors of our companies.
3 This includes companies that have been in the portfolio for longer than three years as at 31 March 2025.
4 Mean Gender Pay Gap for all US and UK employees. Rounded to whole percentage numbers.

Impact the Future Fund

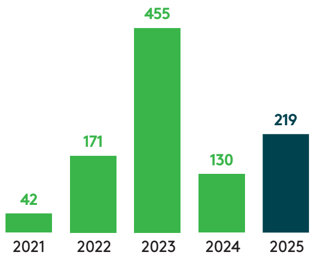
Case study

A key to maintaining high employee motivation and engagement is purpose-driven work. Our commitment to addressing global challenges attracts top talent eager to be part of the solution, and working at Halma provides that opportunity. Giving back to our communities is another way we energise and empower our people to do meaningful work. Our companies regularly support their communities through tailored initiatives and this year, we're amplifying this through the launch of our Impact the Future Fund.

This new initiative builds on previous global fundraising campaigns, Gift of Sight and Water for Life, aiming to boost employee engagement and support communities around the world driven by the passion of our people. Our companies choose local non-profit partners and apply for annual grants to support causes they care about. They must offer support through technology, people, or skills and show they can build long-term relationships, creating value for both our companies and Halma. 75% of our companies and Hubs in China and India are participating with the potential to positively impact dozens of communities globally in the coming year.

219

Days lost to preventable work injuries



Fostering employee wellbeing

A critical part of building a healthier, more resilient workforce is ensuring they're safe physically, emotionally and mentally. In 2024 we offered webinars and resources to help staff manage these increasingly vital concerns and break stigma. During World Mental Health Day, we hosted an online seminar "Healthy Minds at Work" in partnership with our Employee Assistance Programme.

In the UK, we used the YuLife app to encourage exercise and mindfulness through friendly competition. Winners received yearly wellness coaching subscriptions further reinforcing healthy habits, which have steadily increased since its launch in 2024, with mindfulness being the largest increase. Walking is also an improved habit with the current step count for those participating being 87% above the NHS UK national average.

China began offering weekly exercise classes and recreational programs at Shanghai Family Park to cultivate social connection. Halma India supported physical, mental, and financial wellness through knowledge webinars, live sessions, and team-building activities. It also launched an annual health check-up benefiting over 250 employees across the region. This continued emphasis on nurturing a healthy workforce and people-focused policies and programmes, has earned Halma India a Great Place to Work® designation for a second consecutive year. Additionally, in the 2026 financial year, the region will introduce a flexible platform that offers personalised employee benefits designed to enhance overall employee wellbeing.

During the 2025 financial year, we introduced a medical benefit improvement for our US employees – Mercer Health Advantage – that offers additional support for some of our most vulnerable cases. Under this solution, medical care high-risk cases are supported by a cross-functional team with diverse expertise, to ensure increased employee care and the improvement of employees' health outcomes.

We continue to ensure that all our UK companies pay a Real Living Wage as set by the Living Wage Foundation.

Health and safety

Looking after the wellbeing of our people is critical to our business and a key priority for all our leaders. The Group's Accident Frequency Rate (AFR) for the year was 0.07. While it is relatively low, it is higher than last year and greater than our target of 0.02. We continue to promote the importance of health and safety and the role that everyone has to help maintain a safe workplace. There were no work-related fatalities in 2025 or in prior years and details of the number of days lost to preventable work injuries during the year and the prior four years are set out in the graph. In line with the increase in the AFR, the days lost to preventable work injuries has increased by 89 days.

Promoting career development and advancement opportunities

We strive to cultivate leaders in our decentralised model, build high-performing inclusive businesses, and create promotion opportunities within the Group. During the year, 230 leaders participated in leadership development programmes, which included over 100 days of face-to-face sessions and individual coaching for more than 100 leaders. Mentoring was encouraged with over 70 active mentors involved in developing others. Additionally, over 500 people are actively engaged on online platforms for blended learning, with on-the-job experiences being increasingly introduced to the programmes.

Our focus on nurturing leaders has led to eight promotions onto company boards this year, including two Managing Directors who were formerly participants in our Catalyst graduate scheme. Recognising the success and growing demand for our programmes, we will increase investment in leadership development by introducing three new programmes in 2026.

Our Catalyst programme focused on early careers also continues to cultivate young talent and the next generation of business leaders. We're proud that at 31 March 2025, there were 10 former Catalysts sitting on company boards. In the current cohort, 50% are women and 36% are from an ethnically diverse background, reflecting our commitment to diversity across all levels of the organisation.

Our suppliers

Our companies consistently engage with their primary suppliers through activities such as audits, and encourage adherence to the high ethical standards outlined in our Code of Conduct. We anticipate greater sustainability-related supplier engagement from our companies as they begin identifying and implementing their Scope 3 decarbonisation actions and work towards compliance with EU due diligence regulations which will affect the Group in the medium-term.

In addition, during the year, we have conducted a deep dive assessment of our labour and human rights exposure as well as biodiversity and water scarcity risks in our operations and supply chain as part of ongoing monitoring of our emerging risk landscape. The assessment indicated that inherent risks relating to these areas remain below our principal risk thresholds, however, we will continue to monitor them as part of our emerging risk landscape and expand the assessment as part of our preparations for CSRD reporting.

→ **Read more about how we engage with suppliers in the Stakeholders section: 51**

Protect our environment

Key focus areas

- Sustainable product design
- Reducing emissions

Relevant SDGs

7 Affordable and clean energy
8 Decent work and economic growth
9 Industry, innovation and infrastructure
12 Responsible consumption and production
13 Climate action

Key metrics

64%

Scope 1 & 2 reduction from 2020 baseline
(Target: 42% by 2030 and net zero by 2040)

86%

Renewable electricity
(Target: 80% by 2025)

26%

Energy productivity improvement from 2022 baseline
(Target: cumulative 12% by 2025)

Protecting our environment is vitally important to Halma, not only because it is the right thing to do, but also as it will support our future growth. Our requirement for Halma companies to maintain a Sustainability Action Plan (SAP) is key to how we make progress in this area. These SAPs include goals and actions that vary based on the size and maturity of our companies, and are largely focused on:

- Reductions in emissions through energy efficiency.
- Reductions in emissions through renewable energy, moving to EVs, and considering alternatives to natural gas for heating.
- Engaging with sustainable product design and Scope 3 decarbonisation.
- Engaging with supply chains on both environmental and wider social matters.

Our companies recognise the ethical and environmental benefits of more environmentally sustainable operations and value chains. However, they increasingly find this work helps to lower operating costs as well as helping to meet their customers' changing environmental expectations.

Making progress against these goals can be a particular challenge within Halma's unique model. This is due to the diversity of our products and services, alongside the fact that each company manages its own supply chains and operations.

Similarly, the relatively small size of most of our companies limits their ability to influence their wider value chain at scale, as they are often a small customer of their own suppliers and logistics providers. More information on these key challenges, limitations and dependencies in the context of our Scope 3 ambitions is included on page 88 of our TCFD Statement.

Reducing operational emissions

We are committed to reducing our operational emissions and impacts and are pleased that we have continued to see reductions in our Scope 1 & 2 emissions this year. In addition, we are delighted to have exceeded our 2025 renewable electricity target of 80%. We expect all of our companies to consider how they will continue to reduce Scope 1 & 2 emissions, particularly through switching to renewable electricity and increasing energy productivity, in their SAPs.

A summary of our Scope 1 & 2 targets, further discussion on our progress, and examples of our companies' work in this area is available in our TCFD Statement on page 89 and in our more detailed Sustainability Review available at **www.halma.com**.

Scope 3 and sustainable design

As a Group, most of our environmental footprint comes from our wider value chain, embedded in the design of our products and services rather than our operations.

This means that while we are committed to reducing our operational emissions and impacts, we place even greater importance on supporting our companies to think beyond this through activities such as sustainable design, supply chain engagement, and climate-related opportunities that support their customers' transitions.

Our disclosures against the TCFD recommendations (pages 79 to 91) give an overview of our key sources of Scope 3 emissions, our new target to reduce Scope 3 emissions intensity by 66% from 2025 to 2035, our ambition to reach Net Zero for Scope 3 by 2050 and our multiyear approach to supporting our companies to build bottom-up Scope 3 decarbonisation plans.

For most of our companies, supply chain and upstream transport emissions make up the bulk of their Scope 3 footprint and environmental impacts. For some companies, emissions from the electricity that their customers use to run their products is more significant. This means that for many of our companies, concentrating on sustainable product design and supply chain emissions are key ways to reduce their emissions and wider impacts – and many of our companies are already taking action. Further examples of action underway can be found in the Sustainability Review at **www.halma.com**.

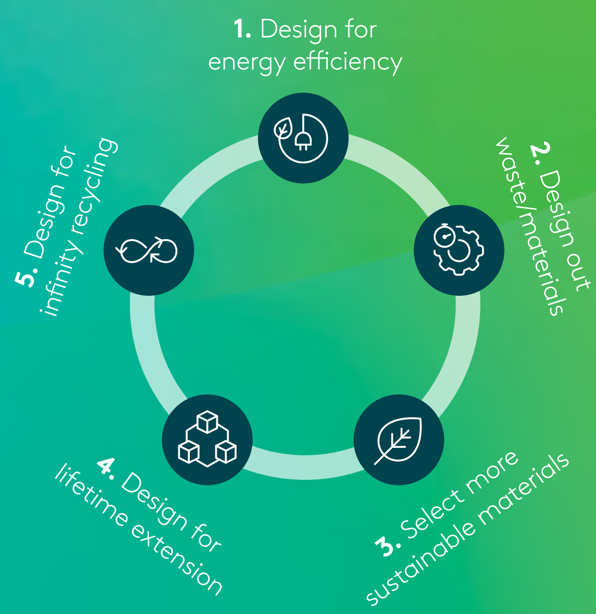
For more information on other environmental matters, including supply chain engagement, please see:

→ **Stakeholders section: 48**
→ **Non-financial & sustainability information statement: 64**
→ **ESG Data Supplement (including SASB disclosures): www.halma.com**

Our sustainable design principles

Sustainable design is an important aspect of our sustainability approach at Halma and we encourage our companies to consider sustainable design principles throughout their diverse range of product portfolios. Seeking sustainable design opportunities is a key aspect of our bottom-up Scope 3 decarbonisation process.

The five sustainable design principles that we educate our companies about are shown below, followed by some examples of how Halma companies have applied them:



Nuvonic designs and manufactures UV lamps and systems for water treatment. Applying the 'design for energy efficiency' principle, they have developed an active strategy to shift their product portfolio to low pressure amalgam lamps, which are twice as efficient as the medium pressure alternative, with a longer lifespan.

Applying the 'select more sustainable materials' principle, Suntech has redesigned the packaging for their Vet40 blood pressure monitors to eliminate the need for foam inserts through the introduction of innovative single cardboard baffles.

Apollo, a UK manufacturer of fire detectors, has applied the 'design out waste/materials' principle by optimising the shape and reducing the size and associated waste of printed circuit boards in a key product range.

In compliance with the Non-Financial & Sustainability Reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006, the table set out below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters. The description of our business model can be found on pages 24 and 25 and stakeholder engagement information can be found on pages 48 to 53.

Policies	Due diligence, implementation and outcomes	
Environmental and climate		
Environmental Policy[1] and **Environmental Commitment statement**[2] set out our guiding principles and commitments for both internal and external audiences.	Halma's Environmental Policy has been set by the Board, and our Sector Chief Executive, Environmental & Analysis and Chief Sustainability Officer has principal responsibility for coordinating and monitoring. We encourage our companies and their suppliers to improve energy productivity, reduce water consumption, waste and emissions and, in terms of materials, to reduce or make more efficient use of them. Focusing on our sustainability pillar of Protecting our environment will help us limit our key environmental impacts including energy consumption, GHG emissions and hazardous and other waste production. Our energy use and emissions performance can be found in the TCFD Statement starting on page 79 and in more detail in our ESG Data Supplement at **www.halma.com**. All Halma companies are encouraged to undertake an ISO 14001 environmental management accreditation, where warranted. We collate data from our companies every two years to estimate the proportion of the Group's sites that are covered by an ISO 14001 accreditation. For 2025, the estimate was 19% of sites, contributing 29% of revenue (2023: 20% sites, 24% revenue). More information on our programmes to reduce our environmental impact and data is available in the Sustainability section starting on page 54 and on our website. Our assessment of and response to climate-related risks and opportunities can be found in our TCFD Statement on pages 79 to 91.	
	Risk: – Production interruption – page 75	**Non-financial KPIs:** – Reduction in Scope 1 & 2 emissions – page 30
Anti-bribery and corruption		
Anti-Bribery and Corruption Policy[1,3], which extends to all business dealings and transactions in which the Group is involved. This includes a prohibition on making political donations, offering or receiving inappropriate gifts or making undue payments to influence the outcome of business dealings.	Our policy and guidance in this area is well understood, routinely reviewed and compliance is checked as part of the half year and year end control process. There are set criteria for any gifts, hospitality, entertainment and charitable donations including that any gifts, hospitality, entertainment or charitable donations in excess of the thresholds set out in the policy must receive pre-approval and be recorded in the Gifts and Hospitality Register. We require customers and suppliers who contract on our standard business terms to comply with anti-corruption and anti-bribery laws and any suspected breaches of compliance with this policy can be reported through the whistleblowing reporting service. Online anti-bribery and corruption compliance training is mandatory for senior management, all company board directors and other key business personnel. Over 1,150 employees completed anti-bribery and corruption training during the year ended 31 March 2025.	
	Risk: – Non-compliance with Laws and Regulations – page 76	

Policies	Due diligence, implementation and outcomes
Employees	
The **Code of Conduct**[2] (Code) aims to ensure that Halma maintains consistently high ethical standards globally, while recognising that our companies operate in markets and countries with cultural differences and practices. Our group-wide **Whistleblowing Policy**[2,3] applies to all employees and Halma operations as well as joint venture partners, suppliers, customers and distributors relating to our companies. Our **Health and Safety Policy**[1] requires companies to manage their activities in a way which avoids causing unnecessary or unacceptable risks to health and safety and provides clear guidelines for our companies on managing health and safety risks to ensure a safe work environment. Our **Diversity and Inclusion Policy**[2] sets out our commitment to building inclusive and diverse companies. Our **Equal Opportunities Policy**[1] is a Group policy which promotes equal opportunity for all employees and job applicants and aims to create a working environment in which all individuals are able to make the best use of their skills, free from discrimination or harassment.	**Code of Conduct** Each officer or employee who joins the Group is required to acknowledge that they have read the Code and understood its importance. **Whistleblowing** All whistleblowing reports are appropriately investigated and concluded. The Audit Committee receives details of any reports relating to financial misconduct and the Board receives an overview of reports relating to people and culture. We have an independent third-party reporting line, NavexGlobal, for individuals to raise concerns that they are either not able to do so through other channels or would prefer to raise anonymously. Details about the confidential reporting service are available in our Whistleblowing Policy and in the Code (both available on our website, **www.halma.com**) and SharePoint sites, and are prominently displayed on posters within all of our Group and company locations. **Health and Safety** The Board monitors health and safety performance, which is collected through the central financial consolidation system, at every meeting. In the event of any accident, the company in which the accident occurred is to review the relevant root cause and ensure that preventative measures are taken, including further training and education of their employees. In line with Halma's autonomous structure, operational responsibility for compliance with local health and safety regulations, including that of suppliers, resides with the board of each company. However, we routinely monitor health and safety performance across the Group and companies are encouraged to seek continuous improvement and to promote a strong health and safety culture. Companies are required to carry out an independent health and safety review every three years to assess compliance and to ensure that there is a consistent and adequate level of reporting and investigation of health and safety incidents across the Group. In addition, our lead global insurer reviews employee and third-party safety and controls at four to five properties per year as part of their rotational assessments. During the year ended 31 March 2025 over 1,400 employees completed our Group online health and safety training programmes. Our companies are encouraged to certify to the ISO 45001 or BS OHSAS 18001 standard, a minimum standard for occupational health and safety management best practice. We collate data from our companies every two years to estimate the proportion of the Group's sites that are covered by ISO 45001 or BS OHSAS 18001 accreditation. For 2025, the estimate was 16% of sites, contributing 19% of revenue (2023: 17% sites, 17% revenue). **Diversity and Inclusion** We have identified Diversity, Equity and Inclusion (DEI) as a key societal issue in which Halma can have a strong positive impact. DEI is one of our key focus areas within our Protecting our people sustainability pillar. Further information on health and safety, employee wellbeing and engagement, diversity and inclusion, gender pay gap and training and development, including metrics, can be found in the Sustainability section on page 58 and in our ESG data supplement, available at **www.halma.com**.

Risk:
- Talent and Diversity – page 72

Non-financial KPIs:
- Accident Frequency Rate – page 30
- Employee Engagement % – page 30
- Company board gender balance – page 31

Policies	Due diligence, implementation and outcomes
Social	
Our group-wide **Data Protection Policy**[1] and Guidance requires our companies to comply with six key data protection principles: Lawfulness, Fairness and Transparency, Purpose Limitation, Data Minimisation, Accuracy, Storage Limitation and Integrity and Confidentiality. **Competition Law Policy**[1] is applicable to all employees. **Conflict Minerals Policy**[1] gives guidance to all companies on how to determine whether any of the four minerals, or their derivatives, classified by the US government as "conflict minerals" are contained in any product. **Code of Conduct**[2], as detailed above.	**Code of Conduct** We expect our external business partners and suppliers to be aware of the Code of Conduct and apply similar ethical standards in their operations. Each of our companies is responsible for monitoring the standards of their business partners and suppliers. **Data Protection** Under the Data Protection Policy, all companies are required to have their own Privacy Policy in place which is tailored to their business and local law, relating to the categories of individuals whose personal data they process. Privacy Policies and security measures are required to be reviewed at least annually and tested where appropriate. Our companies are also required to ensure appropriate and robust clauses are included in any contracts with third parties where personal data will be disclosed. **Competition Law** Our companies must confirm that the relevant people in their business are familiar with the Competition Compliance manual as part of the half year and year end control process. Online anti-competition compliance training is mandatory for senior management, all company board directors and other key business personnel. Over 350 employees completed competition law training during the year ended 31 March 2025. **Conflict Minerals** Our companies are responsible for managing their own supply chains, which includes complying with conflict mineral due diligence requests from their customers where applicable, supported by Group guidance to do so. A number of our companies already confirm that their supply chains are conflict mineral-free, including a number of our largest companies. We do not collate data on these policies or procedures centrally. **Product safety** Our companies take pride in the quality of their work and are committed to the highest levels of quality and safety standards at every stage of the product life cycle. Given the significant diversity of types of products and end markets, responsibility for complying with relevant product safety and quality requirements and obtaining relevant accreditations and certifications sits with the local, legally constituted company boards. We collate data from our companies every two years to estimate the proportion of the Group's sites that are covered by either an ISO 9001 quality management accreditation or an ISO 13485 certificate (specific to medical devices). For 2025, the estimate was 67% of sites, contributing 75% of revenue (2023: 62% sites, 75% of revenue). Further information on the positive role we play in society can be found in the following sections of this Report. – Sustainability – page 54 – Business reviews – page 36

Policies	Due diligence, implementation and outcomes
Human rights	
Halma has published **Modern Slavery Act Statements**[2] since September 2016, which detail the progressive steps taken annually to tackle modern slavery and human trafficking. Our **Human Rights and Labour Conditions Policy**[2,3] reflects the core requirements of the Universal Declaration of Human Rights and the Group observes the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including the conventions relating to forced labour, child labour, non-discrimination, freedom of association and right to collective bargaining.	The Group Chief Executive has overall responsibility for ensuring that human rights considerations are integral to the way in which existing operations and new opportunities are developed and managed. Compliance with, and respect for, these fundamental principles are integrated throughout our organisation. All companies have been provided with a detailed guidance note to raise awareness of the Modern Slavery Act and the issue of modern slavery in business and supply chains. Each company is required to consider the potential issue of modern slavery and human trafficking within their business and supply chain and may take varying approaches, such as supplier due diligence, questionnaires and the use of terms and conditions, according to their specific circumstances. Online compliance training on the Modern Slavery Act has been rolled out to senior management, all company board members and other relevant employees across the Group. Over 450 employees have completed this training during the year ended 31 March 2025. This is an important tool in assisting our business management in raising awareness of the issues and understanding their responsibilities in their operations. Our companies continue to take their own approaches to supply chain engagement, and we expect to give additional support over time, particularly to our smaller companies, as they continue to manage modern slavery risks going forward. Some of our companies have had some success onboarding their key suppliers onto the EcoVadis platform, which assesses suppliers against all aspects of their treatment of their people. As part of our wider project to build towards compliance with medium-term EU due diligence regulations, we are currently assessing more "fit for purpose" tools and processes for supply chain engagement. Our Modern Slavery Act Statement can be found at **www.halma.com**. Managers and supervisors must provide leadership that promotes human rights as an equal priority to other business issues. All employees are responsible for ensuring that their own actions do not impair the human rights of others, and are encouraged to bring forward, in confidence, any concerns they may have about human rights.
	Risk: – Non-compliance with Laws and Regulations – page 76

1 Available to all employees of Halma and our companies. Not published externally.
2 Available both on our website at www.halma.com and to employees of Halma and our companies.
3 Included within our Code of Conduct.

Managing risk and leveraging opportunities to achieve our sustainable growth strategy

Effective risk management is integral to Halma's purpose and long-term growth strategy. It enables us to seize opportunities, protect value, and maintain resilience across our global portfolio of companies.

While a consistent group-wide risk framework underpins our approach, our decentralised model empowers individual companies and employees to identify, assess, and respond to risks and opportunities locally and in real time. Risk awareness is embedded in our culture, enabling informed and agile decision-making. This supports innovation, underpins our sustainable growth strategy, and helps us deliver on our purpose: a safer, cleaner, healthier future for everyone, every day.

Our approach to risk management

Our risk management approach is designed to support Halma's long-term success by enabling informed and forward-looking decision-making. It reflects the distinct characteristics of our Group and the environment in which we operate:

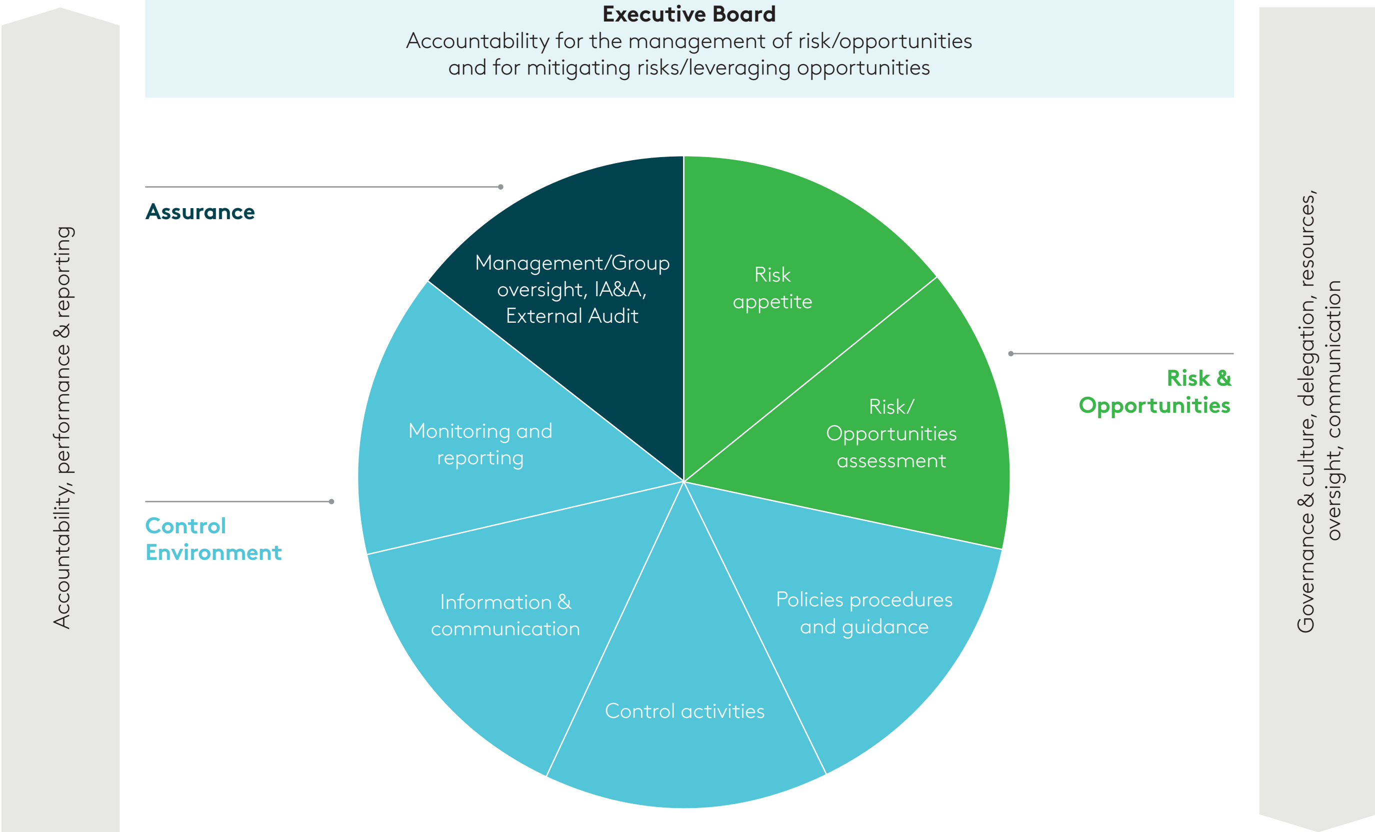
- **Decentralised and ownership-driven:** Risk management is owned locally, embedded within each business and function. This ensures risks are identified and addressed closest to where they arise, enabling faster response and stronger accountability.
- **Opportunity-focused:** We look at risk through a dual lens of mitigation and opportunity. This encourages a balanced perspective, allowing our teams to take well-judged risks that support innovation and sustainable growth.
- **Purpose-led and value-aligned:** Our framework is anchored in Halma's purpose and long-term strategy. This alignment helps us prioritise the risks and opportunities that are most relevant to the delivery of our strategy and to the future of the Group.
- **Evolving and resilient:** We continuously adapt our risk processes to reflect changing conditions and emerging challenges. This makes our framework resilient and forward-looking, ensuring we are prepared for both today's and tomorrow's risks.
- **Comprehensive and integrated:** All risk types, including strategic, operational, financial, regulatory and sustainability-related, are managed through a single, connected framework. This integrated view improves consistency, reduces duplication, and enables smarter and faster decision-making.
- **Agile and insight-led:** We take a flexible approach to the process, focusing on the quality of risk discussions. This agility allows us to adapt quickly, while meaningful conversations, especially those enriched by diverse perspectives, lead to deeper insight, more balanced risk assessment, and better decision-making.

Our risk and control governance framework

Board
Sets the risk appetite and has overall responsibility for risk/opportunities and for mitigating risks/leveraging opportunities to ensure Halma achieves its strategic objectives

Remuneration Committee	Audit Committee	Nomination Committee
Executive and senior management remuneration framework and workforce remuneration policies	Oversight and challenge of the effectiveness of risk/opportunities process and assurance activities	Board composition, evaluation and succession

Executive Board
Accountability for the management of risk/opportunities and for mitigating risks/leveraging opportunities



1st line of defence	2nd line of defence	3rd line of defence
Sector boards	Risk & Compliance and other Group functions	Internal Audit & Assurance
Company boards	Growth Enablers	

For more details on the role and responsibility of the Board and its Committees, refer to the Corporate Governance Report.

→ **Corporate Governance Report: 93**

Risk appetite

Our risk appetite framework guides decision-making across the Group by setting out the level of risk we are willing to accept in pursuit of our strategic goals. We define appetite across four categories:

Averse	Cautious	Open	Seeking
We have little appetite for risk and will seek to minimise our exposure and avoid uncertainty.	We have an appetite for some risk but prefer options that have a low degree of downside.	We are open to taking risks after considering potential options, and will choose options that have a greater likelihood of success and offer an acceptable level of reward.	We are willing to proactively take risks and be more innovative to achieve higher returns, despite the higher inherent risks.

These appetite levels are reviewed and approved by the Board and for each principal risk the suitable level of risk appetite is identified. Each principal risk is assessed annually against them to determine whether additional mitigation actions are required.

Risk assessment process

Risk identification and assessment

Each year, as part of their strategic planning cycle, every Halma company identifies and assesses key risks and opportunities which are captured in the companies' risk registers. This includes evaluating the likelihood and potential impact of each risk, reviewing the effectiveness of existing mitigations, and determining whether further actions are needed. A similar process takes place at sector and Group level, forming the basis of our bottom-up risk assessment.

This is complemented by a top-down review led by the Executive Board, which focuses on our group-wide principal and emerging risks. This includes integrating insights from the bottom-up risk assessments, the annual emerging risks review, and broader strategic input from the Executive Board. The assessment of the principal risks, the risk appetite, mitigating actions and the evaluation of potential emerging risks are reviewed and approved by the Board.

Risk mitigations and internal controls

Any actions to improve how we manage our principal risks are captured and tracked to completion in our integrated risk, control and assurance software. Risk mitigations are periodically audited by the Internal Audit & Assurance team. Following the publication of the UK Corporate Governance Code 2024, we are enhancing our focus on further formalisation and review of our internal control environment whilst finding opportunities to streamline it to ensure it remains fit-for-purpose, closely aligned to our model and to our risk appetite. The focus on this area will continue in the next year.

Deep-dive risk analysis

To complement the bottom-up and top-down approach, during the year, deep-dive risk analyses are performed on specific areas to assist the Executive Board in their strategic decision-making and to perform a detailed review on specific principal risks. For example, this year, the Executive Board performed deep-dives on the "Innovation" and the "Acquisitions and portfolio management" principal risks to review in detail key risk elements, the effectiveness of the risk mitigating measures and assess whether any further risk mitigation was needed. The risk deep dives and their outcomes are integrated into the wider risk management approach and process.

Emerging risks

Identifying and managing emerging risks is a well-established part of our risk management framework and day to day business operations. This ongoing focus helps us stay ahead of change and ensure our strategy remains resilient and future ready. In addition to the day to day management of such risks, our approach includes a structured assessment of the emerging risk landscape across three time horizons:

- **Short-term (0 to 3 years).** Emerging risks currently under observation in the short-term horizon include the pace of technological change driven by AI and the tightening regulation on data and artificial intelligence.
- **Medium-term (3 to 10 years).** Examples of medium-term emerging risks are social cohesion pressures and increasing ESG expectations from stakeholder.

→ **See also our TCFD Statement: 79**

- **Long-term (10+ years).** An example of a long-term emerging risk is quantum computing.

This process is well embedded in our annual risk cycle and draws on multiple inputs, including:

- Risk themes identified through our bottom-up assessments at company and sector levels.
- Insights from global external risk experts and thought leaders.
- Strategic perspectives from the Executive Board on longer-term trends and uncertainties.

To ensure strong accountability, each emerging risk is assigned an Executive Board owner responsible for overseeing their evolution and implement appropriate risk mitigation strategies where appropriate.

While none of these risks currently meet the criteria to be classified as a new principal risk, we continue to monitor their potential to evolve and their potential impact over time. As these risks evolve, we may conduct deep dives to enhance our understanding and, where appropriate, adapt our approach to strengthen mitigation measures. We will continue to reassess these risks at least annually as part of our risk processes.

Board and Audit Committee oversight
The Board reviews and approves the principal risks, the risk appetite and evaluates whether the risks are managed within the risk appetite assigned to them. In parallel, the Audit Committee is responsible for reviewing the overall effectiveness of the risk management and internal control processes, providing independent oversight and challenge. See also our Governance Report at page 100.

Our risk profile and principal risks

The visual below presents Halma's current risk profile, illustrating the risk type associated with each of our principal risks, their residual risk level and evolutions during the year. This profile forms a key input into our scenario analysis, including the modelling that underpins our Viability statement.

→ **For further detail, refer to our Viability statement: 92**

During the year, no new principal risks were identified. However, there were minor evolutions in the existing principal risks, which are detailed in the following section. All principal risks remain within the risk appetite levels set and approved by the Board.

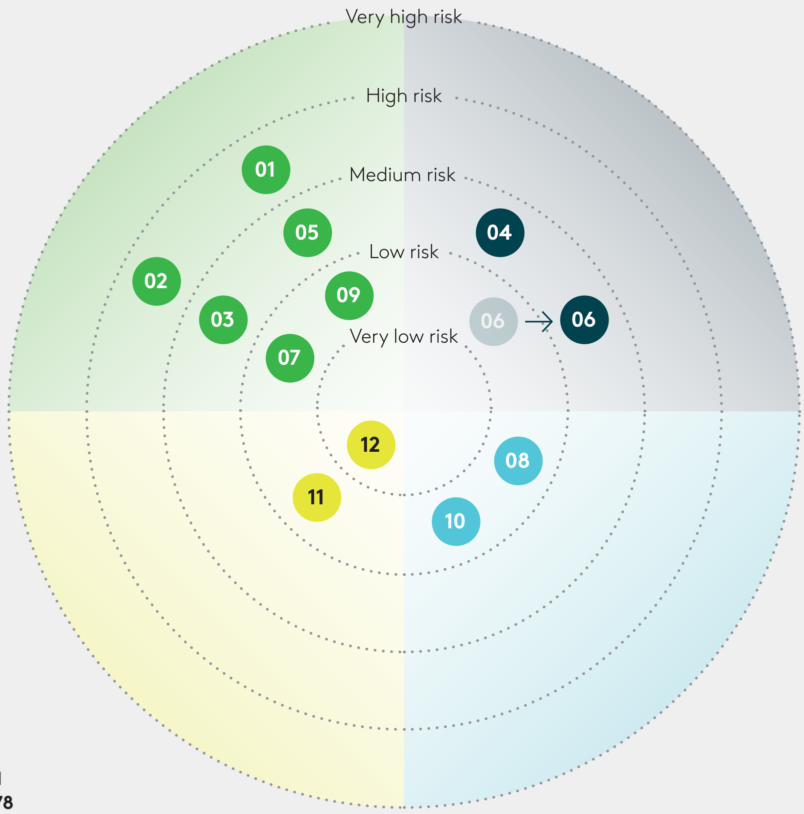
Halma's risk profile

Type of risk

- Strategic
- Operational
- Legal & Regulatory
- Financial

Principal risk

01 Talent and Diversity
02 Innovation
03 Economic and Geopolitical Uncertainty
04 Cyber and IT Interruption
05 Acquisitions and Portfolio management*
06 Production Interruption*
07 Organic Growth
08 Non-compliance with Laws and Regulations
09 Business Model and its Communication
10 Product Failure or Non-compliance
11 Liquidity
12 Financial and Reporting Controls*



* The scope and title of a few risks were refined during the year, as follows:
05 "Acquisitions & Portfolio management" was previously "Acquisitions & Investments".
06 "Production Interruption" was previously "Natural hazards, including climate change". Risk rating adjusted accordingly.
12 "Financial and Reporting Controls" was previously "Financial controls".

→ **Further explanations on these evolutions are provided in the detailed descriptions of the principal risks: 72–78**

01. Talent and Diversity

Risk Owner:
Chief Talent, Culture and Communications Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Open

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.

→ **For more information on our talent and diversity-related targets, see the "Employee engagement", and the "Diversity, Equity & Inclusion" KPIs on pages 30 and 31.**

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.

As a result, the overall residual risk level remains consistent with the prior year.

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.

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.

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.

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.

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.

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.

→ **For more information, see the "Talent & Culture review" on page 16.**

Type of risk

- Strategic
- Operational
- Legal & Regulatory
- Financial

Very high Very low

02. Innovation

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Seeking

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.

→ **For more information on our innovation-related target, see the "Research & Development" KPI on page 29.**

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".

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.

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.

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.

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.

Sector-led M&A support innovation and R&D.

Focus on attracting and retaining talent to drive innovation, IP protection, and niche leadership, including strategic marketing expertise.

The Group Tech team and a functional network of companies' technical leaders share best practices and offer guidance on emerging tech and digital trends.

03. Economic and Geopolitical Uncertainty

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Cautious

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.

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.

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.

Monitoring mechanisms are established at Group, sector and company levels, including:

- Regular monitoring and assessment of emerging trends and potential risks and opportunities relating to economic or geopolitical uncertainties.

→ **Read more on our Emerging risks on page 70.**

- 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.

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.

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.

04. Cyber and IT Interruption

Risk Owner:
Chief Technology Officer

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Averse

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.

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.

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.

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.

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.

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.

Group-wide Incident Management and Crisis Plans are in place, with access to global external cyber expertise should an attack occur.

05. Acquisitions and Portfolio management

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Open

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.

→ **For more information on our inorganic growth target, see the "Acquisition profit growth" KPI in on page 28.**

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.

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.

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.

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.

Talent is incentivised across both organic and inorganic growth, reinforcing our agile and values-led culture.

Our risk-based M&A process includes thorough due diligence, standardised tools, and structured integration plans focused on innovation and value creation.

We embed continuous improvement through a lesson learned framework, including post-acquisition reviews and regular cross-sector sharing. The Executive Board is engaged on thematic insights and strategic outcomes.

→ **For more information on acquisitions made during the year, see the "Business reviews" at page 36.**

Type of risk
- Strategic
- Operational
- Legal & Regulatory
- Financial

Very high — Very low

06. Production Interruption

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
+ Increase

Risk rating adjusted to reflect broadened scope which now includes all causes of production interruption.

Risk appetite: Averse

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).

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.

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.

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.

Companies are required to maintain and periodically test business continuity and disaster recovery plans, tailored to their specific risk profiles. Where needed, manufacturing capabilities across the Group can be leveraged to support affected businesses.

The Group also maintains crisis communication protocols and property and business interruption insurance to help mitigate potential impacts.

Climate-related risks and opportunities are reviewed through established governance processes, and we continue to support our companies in strengthening supply chain resilience.

→ **More information on climate-related risks is available in the TCFD Statement on page 79.**

07. Organic Growth

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Open

Risk and impact

Failing to deliver desired organic growth, resulting in missed expected strategic growth targets and erosion of shareholder value.

→ **For more information on our organic growth target, see the "Organic revenue growth" and "Organic profit growth" KPIs at page 27.**

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.

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.

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.

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.

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.

08. Non-compliance with Laws and Regulations

Risk Owner:
Group General Counsel

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Averse

Risk and impact

Failing to comply with relevant laws and regulations, resulting in fines, reputational damage and possible criminal liability for Halma senior management.

Relevant laws include but are not limited to Anti-Bribery & Corruption, Sanctions and Export Controls, Data Protection, Competition, Environmental and Health & Safety.

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.

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.

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.

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.

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.

Appropriate Group insurance coverage is maintained, and a crisis management plan is in place to manage reputational risk.

09. Business Model and its Communication

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Cautious

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.

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.

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.

→ **More information on our Sustainable Growth Model is available on page 19.**

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.

The Board also conducts periodic strategic reviews to assess the model's strengths and weaknesses and determine whether adjustments are needed.

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.

Type of risk
- Strategic
- Operational
- Legal & Regulatory
- Financial

Very high — Very low

10. Product Failure or Non-compliance

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Averse

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.

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.

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.

To meet high-quality expectations, Halma companies implement tailored control frameworks that may include:

- 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.

Sector boards have oversight over product compliance, issue reporting and escalation processes.

Furthermore, potential liabilities are limited as much as possible through terms and conditions of sale and liability insurance cover.

11. Liquidity

Risk Owner:
Chief Financial Officer

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Averse

Risk and impact

Inadequacy of the Group's cash/funding resources to support its activities or there is a breach of funding terms.

→ **For more information on our liquidity target, see the "Cash generation" KPI in the KPI section at page 29.**

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.

→ **More information is given in Note 27 to the Accounts on page 212.**

How do we manage the risk?

A clear liquidity management strategy is a core pillar of the Halma financial model.

The strong cash flow generated by the Group provides financial flexibility, together with a revolving credit facility.

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.

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.

The currency mix of debt is reviewed annually, and on acquiring or disposing of a business.

12. Financial and Reporting Controls

Risk Owner:
Chief Financial Officer

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Averse

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.

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.

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.

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.

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.

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.

Type of risk
- Strategic
- Operational
- Legal & Regulatory
- Financial

Very high Very low

Our disclosures within this Annual Report and Accounts are consistent with the four Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the 11 recommended disclosures as required by the UK Listing Rules.

In preparing our disclosures, we have considered the TCFD additional guidance for all sectors (2021 TCFD Annex). These climate-related financial disclosures also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. In addition, the Directors have considered the relevance of the risks of climate change and transition risks associated with achieving the goals of the Paris Agreement when preparing and signing off the Company accounts.

TCFD Recommendation	Recommended Disclosure
Governance → See where we have complied: 80	**a)** Describe the Board's oversight of climate-related risks and opportunities. **b)** Describe management's role in assessing and managing climate-related risks and opportunities.
Risk Management → See where we have complied: 82	**a)** Describe the organisation's processes for identifying and assessing climate-related risks. **b)** Describe the organisation's processes for managing climate-related risks. **c)** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.
Strategy → See where we have complied: 84	**a)** Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. **b)** Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. **c)** Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower temperature scenario.
Metrics and Targets → See where we have complied: 89	**a)** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. **b)** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. **c)** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Governance

Full details of our Board and management structure, including the connections between the management structure and the Board governance structure, are set out in the following sections:

→ **How we are governed: 100**

→ **Sustainability Governance: 55**

Roles and responsibilities

Climate-related matters are integrated into our overall governance structure, with roles and responsibilities defined as outlined below.

The Board
Sets Group strategy (including climate and sustainability), sets climate-related risk appetite, approves climate-related disclosures and targets.

Audit Committee
Oversees the integrity of the Group's external reporting, including integrity of the framework in place for TCFD reporting.

Remuneration Committee
Responsible for climate-related targets in executive remuneration.

Executive Board and CEO
Responsible for formulating sustainability (including climate) strategy for review and approval by the Board. Responsible for operationalising and delivering that strategy, including decision-making related to the Group's climate-related risks, opportunities and targets.

Chief Sustainability Officer
Primary responsibility for our sustainability activities.

Sector Boards
Review, monitor and manage sector level climate-related risks and opportunities. Each sector board includes Divisional Chief Executives that provide a pivotal link between the companies, sectors and Executive Board for climate-related matters.

Company Boards
Assess, monitor and manage company level climate-related risks and opportunities, ongoing management of Sustainability Action Plans (SAPs) and actively identify and pursue climate-related opportunities as part of the annual strategic planning cycle.

Sustainability function
Responsible for communication and execution of the Group's climate and sustainability strategy.
CSO

Sustainability Risk and Reporting Steering Group[1]
Responsible for influencing and guiding decisions in preparing for and complying with sustainability reporting requirements.
CSO

CSO Chief Sustainability Officer oversees climate and sustainability matters across the indicated governance bodies.

1 Informal governance body.

The Board

The Board has ultimate oversight of and responsibility for climate-related opportunities and risks and is highly engaged on this topic. The Board regularly reviews, at a minimum on an annual basis:

- management's Group-level assessment of climate-related opportunities and risks as part of our principal and emerging risks processes;
- our performance against our sustainability strategy and our climate change related targets;
- any additional information on climate-related opportunities and risks for relevant standalone acquisition opportunities; and
- any new or amended climate-related targets.

Sustainability-related matters were a recurring agenda item for the Board in 2025, being reviewed during at least half of its scheduled meetings. The Board also receives annual progress updates on climate change actions and targets. During 2025, the Board approved the adoption of our 2035 interim Scope 3 reduction target, as set out in Metric and Targets.

→ **Metric and Targets: 89**

Audit and Remuneration Committees

The Audit Committee has responsibility for ensuring the integrity of our TCFD disclosures as part of the Annual Report and Accounts process. During 2025, the Remuneration Committee continued to oversee the inclusion of a climate-related target in executive remuneration and the retirement of this target from next year, as set out in our Remuneration Committee Report.

→ **Remuneration Committee Report: 123**

The Executive Board

The Executive Board reports to the Board and is responsible for identification, assessment and management of climate-related opportunities and risks at the Group level.

The Sector Chief Executives (SCEs), who are part of the Executive Board, are responsible for identification, assessment and management of climate-related opportunities and risks at the sector level. SCEs also assess climate-related risks and opportunities associated with acquisitions.

During 2025, the Executive Board and SCEs reviewed a refreshed list of our key climate-related risks as part of our annual Principal and Emerging Risks processes. These risks were originally identified in 2022 and have been reviewed and updated this year.

→ **Risk Management: 82**

In addition, the Executive Board reviews and inputs into the continued development and rollout of our sustainability strategy, which encourages our companies to pursue climate and sustainability-related business opportunities. The Executive Board receives an update on our sustainability agenda from the sustainability function at least quarterly, including an update on our progress on our Scope 3 decarbonisation activities. The Executive Board and SCEs are also informed about and monitor climate-related issues through informal updates and discussions, as relevant topics arise, with the Sustainability function and/or external advisers.

Sector and Company Boards

Each sector and company board is responsible for identifying, assessing and managing climate-related opportunities and risks at sector and company level respectively, reflecting our decentralised, agile and autonomous business model.

Sustainability function

Reporting to the CSO, the Sustainability function coordinates and supports sustainability activities for the Group and is responsible for execution of the Group's climate and sustainability strategy.

Sustainability Risk and Reporting Steering Group

This year, we have established a sustainability risk and reporting steering group with the primary purpose to discuss and guide decisions taken in preparing for and complying with sustainability reporting requirements. Part of the steering group's remit is to input into recommendations made to the Board and Executive Board. TCFD and other climate-related disclosures are reviewed by the steering group. The group comprises cross-functional members and meets on an ad-hoc basis.

Risk Management

The Risk management and principal risks section on pages 68 to 78 sets out our overall risk management system, in which climate-related risks are identified and managed. This system includes bottom-up risk assessment and top-down principal and emerging risks frameworks.

Whilst there is a Group-wide framework and approach to risk management, our decentralised business model empowers every employee and every business at Halma to identify, assess and manage risks and take advantage of opportunities.

Climate integration into top-down risk process
The continued assessment and management of the Group-level climate-related risks is integrated into our top-down principal and emerging risk process, which includes an annual review of the climate-related risks included in the emerging risks landscape. The Executive Board reviews whether there have been major changes to either the risk drivers or mitigating factors for each emerging risk, which may increase potential impacts or likelihood.

Climate integration into bottom-up risk process
Companies, sectors and functions identify opportunities and risks on an ongoing basis and, more formally, as part of their annual strategic reviews where risks are reported within company and sector risk registers, including how these are currently mitigated and whether any further actions are required. This bottom-up process enables climate-related opportunities and risks to be captured as part of the broader risk management process and includes an annual requirement for our companies to consider climate-related risks.

Harnessing climate-related opportunities
The identification and pursuit of climate-related opportunities is guided by our purpose-led Sustainable Growth Model (see pages 19 to 26), which recognises the highly granular, diverse, and early-stage characteristics of these opportunities.

Our approach at company level:
- Talented people throughout the organisation seek and pursue most relevant opportunities.
- Autonomous and agile individual companies can rapidly take advantage of opportunities.
- R&D and capital expenditure budgets are set from the bottom up.

Our approach at Sector and Group level:
- Focus on increasing education and awareness around low-carbon transition and adaptation opportunities within sectors.
- Low-carbon transition and adaptation opportunities are considered in the development of M&A strategies and within companies' own Strategic Plans as relevant.
- Level of alignment with the low-carbon transition is explicitly considered for relevant standalone acquisitions.

Materiality
We determine the relative significance of climate-related opportunities and risks at the Group level by assessing qualitative and (where possible) quantitative potential impact and likelihood using the same scales used to assess principal risks.

Likelihood is assessed on a scale ranging from rare to almost certain. Assessment of impact includes consideration of reputational, regulatory and financial factors on a scale that ranges from very low to critical.

Where we are able to quantify financial impact, we use the same threshold as the Group audit of >5% of adjusted PBT (as set out on page 157) – this would be considered a high or critical impact on the Group.

A material risk or opportunity is one which has a possible or greater likelihood of occurring combined with a high or critical impact on the Group before mitigating actions.

Timeline of climate-related risk management

2022

We assessed the significance of potential climate-related opportunities and risks using largely qualitative scenario analysis, at the Group level over the short, medium and long term. Eight potentially relevant risks were identified and assessed. This assessment included analysis of potential impacts across different geographies and markets/sectors.

2023

We reassessed the potential materiality of transition related supply chain risks and product and market risks as we screened and estimated baselines for our Scope 3 emissions.

2024

We confirmed our intention to reach Net Zero for Scope 3 by 2050, reinforcing the importance of this goal internally and acknowledging that we will be highly dependent on wider economy decarbonisation to meet this. Based on the information available to us from Scope 3 decarbonisation planning so far, we carried out a qualitative assessment of risks that could arise from confirming a 2050 date for our Scope 3 Net Zero ambition, including quantitative assessment of potential neutralisation costs. Specific risks related to our Scope 3 target are now incorporated in our climate-related risk process.

2025

Risk refresh:
This year, our original climate-related risk assessment was revisited and refreshed as follows:

- All risks review: Each climate-related risk originally identified in 2022 was reviewed in the context of any significant changes in the external environment that could affect our assessment of the likelihood or magnitude of the risk to Halma. They were also reviewed in the context of any internal developments within Halma that could affect our exposure or resilience to the risk. In addition, a review of other external information was performed to check for any further climate-related risks not previously identified.
- Quantitative physical risk review: Our two physical climate-related risks (supply chain and operational interruption) have been subject to a deep dive quantitative scenario risk assessment using Willis Towers Watson's Global Peril Diagnostic and Climate Diagnostic tools which use data from Munich Re natural hazard databases.
- Limited quantitative transition risk review: Transition related supply chain risks have been subject to high-level quantitative scenario analysis based on up-to-date internal and external data – specifically focused on the impact of carbon prices.

Target setting assessment:
As a result of setting our 2035 interim Scope 3 reduction target this year, we have updated our qualitative assessment of risks relating to Scope 3 target setting. This assessment resulted in no change to our overall level of risk.

→ **Metrics and targets: 89**

Opportunities review:
In addition, using outputs from the annual strategic planning process, we assessed, aggregated and reviewed the financial potential of our products and markets climate-related opportunities.

→ **Strategy: 84**

Strategy

Like all businesses, Halma is exposed to potential transition and physical risks associated with climate change as well as potential transition opportunities.

We continue to believe that our climate-related risks (described below) are not individually material to the Group, however most of our climate-related risks are captured within either our Principal Risks or our Emerging Risk landscape. We have assessed our climate-related Products and Markets opportunity to be material in the medium to long term.

Timeframes and scenarios

We consider the following timeframes in assessing climate-related risks and opportunities:

0-3 years	3-10 years	10-30+ years
Short term Annual strategic planning process and viability assessment.	**Medium term** Useful life of most premise leases and assets. Timeframe for major product and market shifts.	**Long term** Sustainable Growth Model and M&A assessment timeframes.

In 2025, we updated and developed our original three high-level, qualitative, narrative scenarios to two transition scenarios and three physical risk scenarios – both scenario types are shown in the table below.

The transition scenarios are based on the International Energy Agency's (IEA) scenarios of the same name and have been selected as they provide a suitable framework, with sufficiently different policy outcomes, to assess our transition risks and opportunities. The physical risk scenarios were selected due to their alignment with the relevant Representative Concentration Pathways (RCPs) which feed into the International Panel on Climate Change (IPCC)'s global, economy-wide assessment process.

Scenario	For assessment of	Approx temp increase (2100)	Key narrative points
Net Zero 2050 (NZE)	Transition opportunities/risks	1.5°C	A very narrow pathway for the global energy sector to reach Net Zero CO_2 emissions by 2050 – rapid deployment of clean energy technologies.
Stated Policies (STEPS)	Transition opportunities/risks	2.5°C	Based on policies that have been put in place as well as those under development – not taking for granted all announced goals will be met.
RCP 2.6	Physical risks	1.5°C	Best-case scenario in which physical risks are less severe and somewhat similar to the current climate.
RCP 4.5	Physical risks	2-3°C	Intermediate scenario in which physical risks worsen from those currently experienced.
RCP 8.5	Physical risks	4°C	Worst-case scenario in which physical risks become increasingly frequent and severe in the long term.

In considering our climate-related risks and opportunities under these scenarios, we believe our business model and strategy is sufficiently resilient to climate change. The learnings from our scenario analysis is described under each climate-related risk/opportunity.

Climate-related opportunities

We believe that our climate-related opportunity – Products and Markets – will be material for the Group in the medium to long term (3-30+ years).

Our initial assessment, carried out in 2022, was supported by top-down qualitative scenario analysis, which identified multiple potential organic and inorganic sub-opportunities within our existing Environmental & Analysis and Safety Sector strategies. These included new products and technologies, as well as greater demand for existing product lines.

This assessment has been refreshed in 2025 using the bottom-up strategic planning process. All companies are required to consider potential sustainability related revenue and profit growth opportunities as part of their annual strategic planning cycle. This year, companies were asked to quantify (where possible) the potential financial impact of such opportunities. This quantitative information supports the initial assessment that Products and Markets climate-related opportunities are expected to be material in the medium to long term.[1]

We have not been able to quantitatively model the financial impact of the products and markets climate opportunity under different transition scenarios. However, our qualitative assessment suggests that the magnitude of this opportunity may be increased under a NZE scenario in comparison with a STEPS scenario.

Our approach to climate related opportunity identification and pursuit is described in the risk and opportunity management section above.

At Group level, Halma has other climate-related opportunities, for example, the opportunity to reduce operating costs by improving resource efficiency or moving to onsite renewables. Our view is that, other than the products and markets opportunity described above, these climate-related opportunities are of low significance to the Group and therefore are not described further.

Opportunity		**Products and markets** As demand for low-carbon products and solutions continues to grow, and as the physical impacts from climate-change worsen, Halma companies are well placed to leverage opportunities to provide our customers with products and solutions that help to mitigate and adapt.		
Sub-opportunity types		Products that enable the Net Zero transition.	Products that help customers monitor and manage the increased effects of climate change.	Low carbon footprint products – serves customer need to reduce supply chain emissions.
Halma examples **For more examples of our products and markets sub-opportunities, see our Sustainability Review**		Provision of worker and asset safety equipment to renewable energy industries.	Stormwater and wastewater management.	Reduced carbon product and packaging design.
Likelihood		Possible or greater.		
Type of financial impact		Increased or diversified profits from new, growing or higher margin revenue streams.		
Estimated financial impact	**Short term**	Medium: 2.0-5.0% annual Adjusted PBT.		
	Medium term	High: 5.0-10.0% annual Adjusted PBT.		
	Long term	High: 5.0-10.0% annual Adjusted PBT.		

1 The financial potential of each sub-opportunity has been estimated at operating company level and will individually contain specific assumptions and judgements. Additionally judgements have been made in determining which key strategic initiatives are climate-related. In many instances, the opportunity is not exclusively climate-related and many factors contribute to the financial potential of the opportunity – not just climate change. Despite these caveats, we have a good level of confidence that the financial impact of Products and Markets climate-related opportunities will become financially material as a proportion of Halma's profits in the medium to long term.

Climate-related risks

In 2022, we identified and assessed the significance of eight[2] climate-related risks, none of which were deemed material for Halma. As explained in the Risk Management section above, these risks have been reviewed in 2025 for any internal or external developments that could affect our risk assessment as well as consideration about whether or not the risks originally identified are still relevant and capture all of our climate-related exposures.

Qualitative scenario analysis and review of three of our transition risks relating to products & markets, M&A & portfolio strategy and skills, talent & information, has given us comfort that they remain inherently very low risks. Therefore, no further analysis has been performed for these risks.

For the remaining climate-related risks, we have performed additional analysis where possible (see below) and have concluded that they remain not material over all three time horizons considered. We do not currently expect these risks to become material, as our business model and strategy is sufficiently resilient, however certain climate-related risks are included as drivers, modifiers or accelerators to existing principal risks where relevant. Other climate-related risks are captured in our Emerging Risk landscape.

Our resilience to climate-related risks stems from our highly diverse, agile and decentralised business model, as well as our ability to provide products and operate in sectors expected to thrive in a low-carbon economy.

→ **Business model: 24**

Key factors which also reduce the level of inherent climate-related risk include:

- the diversification of the Group's products, markets (including low exposure to highly impacted markets), geographies and first tier supply chains;
- our pricing resilience; and
- our asset-light model.

As none of our climate-related risks are currently expected to have a material impact on financial position or performance, we do not disclose granular descriptions of potential impacts (for example relating to geographies, business units, or sectors in which we operate), nor do we outline additional details on our strategic response to climate-related risks or risk-related metrics and targets.

Despite our assessment that these risks are not likely to be material, at 31 March 2025 we continue to subject balance sheet items to detailed review against our climate-related risks, including goodwill, acquired intangible assets and PP&E. As set out in the Critical accounting judgements and key sources of estimation uncertainty section of the Accounting Policies, there were no indicators of impairment identified or adjustments made as a result of these reviews.

→ **Accounting Policies: 167**

The information below describes each of our climate-related risks alongside our risk assessment, potential financial impacts and key mitigating actions. As explained above, all risks are assessed against both impact and likelihood scales at both inherent and residual risk level. Residual risk is assessed after the effect of mitigating actions.

R1 – Physical risk in the supply chain

TCFD risk type:
Physical

Inherent risk level:

Residual risk level:

Assessment type:
Quantitative and qualitative

Time horizon relevant:
Short | Medium | Long

Description

Increasingly severe extreme weather events could reduce availability of materials and components and/or interrupt transportation and logistics.

Key potential financial/ non-financial impacts

- Reduced availability of suppliers, materials or components
- Increased costs of materials, logistics or other supply chain expenditure
- Restricted availability of key resources for suppliers
- Interruption to transportation/logistics
- Revenue disruption

Assessment and scenario considerations

Using an external risk assessment partner we have performed a limited assessment of our physical risk exposure in the supply chain. The exercise highlighted certain medium to high level exposures to heat stress and flooding. Exposure to physical risks in the Halma supply chain worsens slightly under the RCP 8.5 scenario when compared with the RCP 2.6 scenario by 2050. This assessment showed that although the risk is likely, the overall (including quantitative) impact is medium and not likely to breach our financial materiality threshold of 5% adjusted PBT.

Mitigation

Business interruption insurance alongside experience of managing supply chain disruption and portfolio diversity helps to mitigate this risk and lowers the potential financial impact further. Although not considered material, this risk is incorporated into our broader principal risk – Production Interruption.

Risk level

Very high — Very low

2 One of our original climate-related risks identified in 2022 (Regulatory environment) is no longer considered separately as it is sufficiently incorporated into other climate-related risks.

R2 – Transition-induced supply chain impacts

TCFD risk type:
Transition

Inherent risk level:

Residual risk level:

Assessment type:
Quantitative and qualitative

Time horizon relevant:
Medium | Long

Description

Increased costs (including from carbon pricing) and constrained material/component availability resulting from the low-carbon transition.

Key potential financial/ non-financial impacts

- Constrained raw material/ component availability
- Increased shocks to global supply network
- Increased costs of materials, logistics or other supply chain expenditure
- Revenue disruption

Assessment and scenario considerations

Internal and external review of developments affecting this risk including high level quantitative analysis of the impact of carbon taxes to Halma. Exposure to this risk is increased under a NZE scenario due to higher costs of carbon and greater global implementation of carbon tax schemes. Risk level is largely unchanged under STEPS scenario. Although the likelihood of this risk impacting Halma is probable, we believe the potential impact to the Group is low (potential financial impact <2% annual PBT), resulting in an overall low inherent risk.

Mitigation

Mitigation efforts are focused on Scope 3 emission reduction. These mitigation efforts will result in an even lower potential impact on the Group. Although not considered material, this risk is included in our emerging risk landscape.

R3 – Stakeholder sustainability expectations increasing

TCFD risk type:
Transition

Inherent risk level:

Residual risk level:

Assessment type:
Qualitative only

Time horizon relevant:
Medium | Long

Description

Meeting increasing or shifting stakeholder, regulatory and reporting expectations within our decentralised business model. This includes reputational and other risks that may arise from efforts to reach and maintain Scope 3 Net Zero by 2050 and to reach our interim 2035 target.

Key potential financial/ non-financial impacts

- Increased reporting burden
- Decreased valuation/ brand perception
- Increased business model pressures and associated costs
- Increased costs to take action towards Scope 3 targets

Assessment and scenario considerations

Internal and external review of developments affecting this risk including assessment of sustainability-related resource and education available. Stakeholder expectations are likely to be higher and increase more quickly under a NZE scenario but still a relevant risk under STEPS due to somewhat divergent regulatory landscape. Although the likelihood of this risk impacting Halma is almost certain, we believe the potential impact is low at inherent level.

Mitigation

Ongoing commitment to transparent, compliant sustainability reporting as well as continuing to embed sustainability considerations in day to day activities contributes to risk mitigation. Continued increase in resource and growth of expertise in the sustainability function contributes to lowering the potential impact of this risk. Although not considered material, this risk is included in our emerging risk landscape.

R4 – Operational interruption

TCFD risk type:
Physical

Inherent risk level:

Residual risk level:

Assessment type:
Quantitative and qualitative

Time horizon relevant:
Short | Medium | Long

Description

More severe and frequent extreme weather events could interrupt operations (including property loss or damage), restrict availability of key resources or prevent accessibility to sites.

Key potential financial/ non-financial impacts

- Reduced operational availability/efficiency of sites
- Restricted availability of key resources
- Restricted accessibility to sites
- Costs of rising insurance premiums
- Revenue disruption

Assessment and scenario considerations

Using an external risk assessment partner, we have performed a limited assessment of our physical risk exposure in our own operations. The exercise highlighted certain low to medium level exposures to heat stress and flooding. Exposure to physical risks in Halma's operations worsens slightly under the RCP 8.5 scenario when compared with the RCP 2.6 scenario by 2050. This assessment showed that the likelihood of the risk is possible and the overall (including quantitative) potential impact is medium and not likely to breach financial materiality threshold of 5% adjusted PBT.

Mitigation

As well as business interruption insurance, the geographical diversity of Halma's companies reduces the impact of any single event. Although not considered material, this risk is incorporated into our broader principal risk – Production Interruption.

Net Zero transition planning

We operate globally and are committed to achieving Net Zero for our entire value chain by 2050.

Our formal transition plans remain under development as we continue to work with our companies on bottom-up decarbonisation planning. However, this section outlines our current direction of travel and what we have learned from our continued progress this year. These learnings and our approach are expected to continue to change as we execute on our short to medium-term (near-term) activities.

We have not identified our Scope 1, 2 or 3 emissions as a material risk to the Group. Our Scope 1 & 2 emissions are relatively small, we therefore focus on Scope 3 – c.99% of our footprint, where we have the largest challenges to decarbonisation. We have set a target to reach absolute Net Zero for our Scope 3 emissions by 2050 and reduce Scope 3 emissions intensity by 66% by 2035.

→ **See the Metrics and Targets section for more information on our targets: 89**

See our Sustainability Review at www.halma.com for more information

2050

Absolute Net Zero to be reached for our Scope 3 emissions by 2050

66%

Percentage reduction of Scope 3 emissions intensity by 2035

Near- to mid-term objectives

Our ambition is to establish near-term decarbonisation planning at the company level, where most feasible and relevant, to:

- Ensure initial real-world emission reduction actions are underway
- Understand key decarbonisation levers and challenges and identify the key dependencies and assumptions that will underpin our transition plans

We aim to balance a pragmatic and achievable approach for our largely small- to medium-sized companies with the transition plan and reporting requirements expected by external stakeholders.

Our multiyear approach to bottom-up decarbonisation planning

In 2024, five companies, representing a significant portion of our 2024 estimated emissions, created initial high-level Scope 3 decarbonisation plans to 2030 utilising Group guidance and tools.

In 2025, using the learnings from the first five companies, we engaged with a larger group of companies, covering the majority of estimated 2024 emissions. This engagement included working with companies to understand and improve 2024 & 2025 emissions estimates, identify emissions hotspots, and prioritise initial near-term actions, suppliers and products for further decarbonisation planning.

We currently expect to continue to support the companies above to further develop their near-term decarbonisation plans while expanding engagement to additional companies, on a case-by-case basis, from 2026 onwards.

Key decarbonisation levers, challenges, assumptions and dependencies

Our Scope 3 decarbonisation engagement so far identifies multiple actions the companies can take. These include product design changes to reduce electricity usage and reduce/change materials, as well as engagement with key suppliers and customers.

However, as expected, our companies continue to identify challenges that introduce significant uncertainty and limit visibility on a trajectory to 2050 Net Zero and to our 2035 interim targets. These include relative lack of influence over suppliers and limitations to product design changes due to the high level of regulation and certification of our products.

In addition, achievement of our 2035 and 2050 targets is likely to be highly dependent on many factors outside our control or influence. Some of these dependencies include sector-wide decarbonisation of multiple globally traded components (such as electronics, plastics and metals), grid decarbonisation speeds and supportive product standards and policy environments.

Metrics and Targets

We disclose total GHG emissions in line with the TCFD cross-industry metric guidance, as set out below.

Although we have not identified our Scope 1 & 2 emissions as a material risk, 5% of executive bonuses are currently linked to an energy productivity target that supports achievement of our Scope 1 & 2 targets (outlined below).

From 2026, the Remuneration Committee has decided that a climate change metric will no longer be used in the annual bonus. The reasons for this change are set out fully in the Remuneration Report on page 123, and include our maturing sustainability approach enabling our companies to focus on the sustainability goals and issues most relevant to them, the difficulty of setting one metric that can be used across the senior leadership population of our diverse businesses at different stages, and the estimated nature of Scope 3 data which precludes a Scope 3 target from being used in remuneration.

We consider the other suggested cross-industry metrics are currently not appropriate for our business model and the nature/significance of our opportunities and risks.

Given our assessment that climate-related risks do not pose a material risk to our business model, we do not currently intend to disclose the amount or percentage of assets or activities vulnerable to transition or physical risks. We will continue to consider the use of an internal carbon price, if relevant, as we develop our Scope 3 transition plan.

We do not currently use any centralised or cross-industry metrics to manage climate-related opportunities. Where individual businesses and sectors identify climate-related opportunities, they may use specific metrics to track their progress against these, in line with our decentralised model and the granular, diverse and early-stage nature of the sub-opportunities.

Scope 1 & 2 emissions and targets

Our Scope 1 & 2 emissions, calculated in accordance with the GHG protocol, are disclosed in the SECR-compliant table at the bottom of this section.

For 2024, we engaged an independent third-party EcoAct to perform a limited verification aligned with the ISO 14064-3:2019 standard, of the majority of our Scope 1 & 2 emissions. This verification was carried out after the publication of our Annual Report and published on our website. This third-party verification exercise will be expanded in respect of 2025 and published on our website when available.

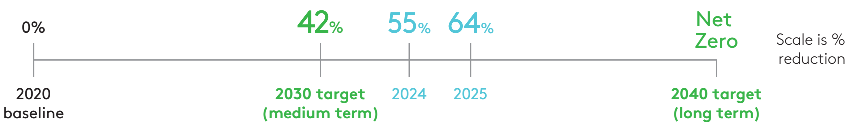
Our medium and long term targets to reduce Scope 1 & 2 emissions are aligned with guidance from the Science-based Target initiative (SBTi) and our target is an absolute measure aligned with the non-sector specific 1.5-degree emissions pathway.

More detail is set out in our Sustainability Review at www.halma.com

Footnotes are on the next page.

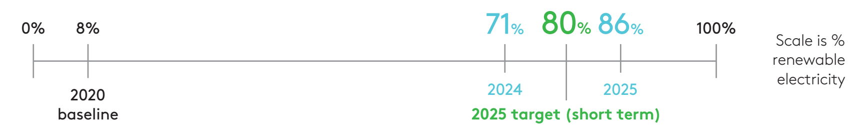
Scope 1 & 2 emissions reduction targets: 42% reduction by 2030[1], Net Zero by 2040[2]

Target
Performance



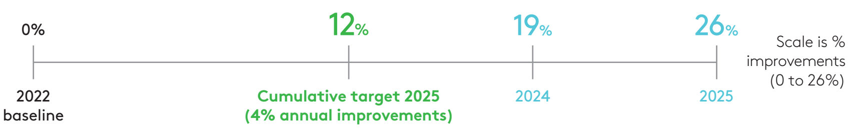
Our medium-term target has already been exceeded. The continued reduction from our 2020 baseline is largely due to increasing renewable electricity purchases, alongside energy efficiency measures and changes to our companies' operations.

Renewable electricity target: 80% renewable electricity by 2025[3]



The improvement is driven by bottom-up company-led purchase and generation of renewables. Approximately 95% (2024: 94%) is local renewable tariffs, largely backed by Energy Attribute Certificates (EACs), or unbundled EACs. Onsite electricity generated increased by 26% year-on-year, comprising the remaining 5% (2024: 6%).

Energy productivity target: At least 4% annual energy productivity improvements on a cumulative basis from 2022[4]



Since 2022, we have seen a c.30% increase in revenue[4] while energy consumption has increased by c.4%. Changes in energy consumption reflect various operational changes and investments, including premise moves and expansions, energy efficiency measures at a number of our companies, and a number of elements outside our control (ie weather fluctuations in some geographies).

Scope 3 emissions and targets

During 2023, we worked with an external consultant to estimate our Scope 3 emissions for 2020. Figures were estimated for all relevant categories in accordance with the GHG protocol and using acceptable Scope 3 methodologies.

We faced significant difficulties and data limitations, due to our decentralised business model, when estimating our 2020 Scope 3 emissions from the bottom up. Therefore, we believe that to re-model Scope 3 emissions on the same bottom-up basis annually would require undue cost and effort for limited useful additional information provided for our stakeholders. As a result, during 2025 we continued to use a methodology developed in 2024, to enable a high-level annual estimate of Scope 3 emissions.

Using this methodology, total Scope 3 emissions were largely flat year-on-year, at a 2% overall increase. Our two largest categories (Categories 1 & 4 and 11) are responsible for more than 95% of total Scope 3 emissions.

This small increase reflects our methodology which largely relies on scaling our prior year emissions in line with growth in inflation adjusted revenues and operating costs, with more granular data based on current emissions factors only supplied by a small number of companies. However, we were pleased to see a small reduction in Category 11 this year, driven by the company contributing most to this category which saw a continued increase in the proportion of sales from more energy efficient products. This was offset by revenue and volume growth in other companies.

During 2026, we plan to undertake a revised bottom-up exercise to re-estimate our 2025 Scope 3 emissions. The results of this exercise will provide a baseline for our Scope 3 interim target described below.

Scope 3 category		Data source[5]	2025 (tCO_2e)	2024[6] (tCO_2e)
1 & 4	Purchased goods and services (incorporating upstream transportation and distribution)	Hybrid estimation	431,518	415,989
2	Capital goods	Scaled from FY24	4,806	3,660
3	Fuel and energy related activities	Calculated annually	1,073	1,583
5	Waste generated in operations	Calculated annually	1,906	1,872
6	Business travel	Calculated annually	20,390	16,240
7	Employee commuting	Scaled from FY24	12,407	11,881
8	Upstream leased assets	Not applicable	–	–
9	Downstream transportation and distribution	Not applicable	–	–
10	Processing of sold products	Not applicable	–	–
11	Use of sold products	Hybrid estimation	509,324	513,831
12	End-of-life treatment of sold products	Scaled from FY24	427	398
13	Downstream leased assets	Not applicable	–	–
14	Franchises	Not applicable	–	–
15	Investments	Not applicable	–	–
Total Scope 3 emissions			**981,851**	**965,454**

1 From 2020 market-based baseline of 18,887 tCO_2e. We do not intend to seek SBTi validation of this target.
2 Market-based calculation of Scope 2 emissions. We will reach Net Zero by reducing emissions as much as is feasible before using carbon removal instruments. We do not expect to utilise carbon offsets.
3 Current year renewable % reflects the full year impact of acquisitions and disposals made during the period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods.
4 Revenue/energy consumed. Annual straight line increase from 2022. Due to the inclusion of this metric in remuneration, it is calculated on a different basis to Scope 1 & 2 emissions and renewable electricity percentage. Revenue is adjusted to a constant currency basis, and both revenue and energy are adjusted to exclude all acquisitions in the current and prior period. The components of "energy consumed" are electricity and gas used (both renewable and non-renewable) and all other fuels used in operations. All data sources and methodologies can be found in our Basis of Preparation document at www.halma.com. This target was set using the EP100 initiative minimum commitment (to double energy productivity over 25 years).
5 All data sources and methodologies can be found in our Basis of Preparation document at www.halma.com.
6 This year, improved data and methodologies, as well as the inclusion of acquisitions and disposals, led to a 16% reduction in estimated 2024 emissions from category 11 and a 3% increase in estimated 2024 emissions from supply chain compared to previously disclosed figures. Given the magnitude of these changes, we have re-presented our 2024 comparative figures.

Our Scope 3 estimate continues to confirm our assessment that Scope 3 emissions are not expected to constitute a material risk for Halma. However, in order to provide a strong direction internally and show commitment externally, we have set our ambition to reach absolute Net Zero for our Scope 3 emissions by 2050.

This long-term ambition encompasses all categories of Scope 3, and we expect that we will aim for the greatest amount of decarbonisation possible before any use of offsets.

In order to support our long-term Net Zero target, we have set an interim target to reduce total Scope 3 emissions by 66% per £m of economic value added (Adjusted Operating Profit[1]) by 2035 from a 2025 baseline[2].

Streamlined Energy and Carbon Reporting (SECR)

We have reported on all the emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have employed the Operational Control definition to outline our carbon footprint boundary; included within that boundary are Scope 1, 2 & 3 emissions from manufacturing sites and offices which we own and/or operate. Excluded from our footprint boundary are emissions from manufacturing sites and offices which we do not own and/or operate and emissions considered non-material by the business.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and the Environmental Reporting Guidelines (March 2019) including Streamlined Energy and Carbon Reporting (SECR) guidance published by the UK's former Department for Business, Energy & Industrial Strategy (BEIS). Full calculation and reporting methodologies for all emissions and energy data, as well as further information on our Scope 3 estimation methodologies, can be found in our Basis of Preparation on our website at **www.halma.com**.

GHG metric	Unit	2025	2024[3]
Scope 1[4]	tCO_2e	4,128	3,933
Scope 2: Location-based[5]	tCO_2e	11,204	10,721
Scope 2: Market-based[5]	tCO_2e	2,599	4,605
Total Scope 1 & 2: Location-based	tCO_2e	15,332	14,654
Of which UK	tCO_2e	3,111	2,970
Total: Scope 1 & 2: Market-based	tCO_2e	6,727	8,538
Of which UK	tCO_2e	1,362	1,426
Energy consumption in MWh used to calculate above emissions	MWh	58,880	55,126
Of which UK	MWh	18,193	16,914
Intensity ratio (market-based)[6]	tCO_2e/£m	3.0	4.1
Scope 3: Estimated[7]	tCO_2e	981,851	965,454

1 Adjusted to remove the amortisation and impairment of acquired intangible assets, acquisition items, restructuring costs, profit or loss on disposal of operations and impairment of associates. Adjusted operating profit may also be adjusted for constant currency where this is deemed to be material to performance.
2 This target is aligned with the SBTi's non-sector specific emissions reduction trajectory. We do not intend to seek SBTi validation of this target.
3 Our Scope 1 & 2 (market-based) GHG emissions for the year ended 31 March 2020 form the baseline for our science-based target. Given the acquisitive nature of Halma, we have chosen to apply a 5% base year threshold for the structural change trigger of acquisitions and disposals. This year the threshold for recalculation was not exceeded. We do not recalculate Scope 3 annually calculated emissions for acquisitions and disposals. We have re-presented 2024 estimated categories as explained on the previous page.
4 Included in Scope 1 are GHG emissions from direct fuel combustion at our sites, refrigerants and from fuel use in our company-owned or leased vehicle fleet.
5 Electricity purchased for our own use. Market-based is net of market instruments.
6 Total Scope 1 & 2 (market-based) emissions divided by revenue.
7 Estimated as explained further in our Statement above, and in our Sustainability Review and ESG Data Basis of Preparation document at www.halma.com. Our 2025 figures have not been recalculated for acquisitions and disposals in 2025, given data limitations. As explained above, we expect to do a fuller bottom-up estimate on a periodic basis to enable us to include the impact of our multiple small acquisitions.

Examples of energy efficiency measures undertaken during the year by our companies included enhancements to operational efficiencies and removal of inefficient equipment and installation of heat exchangers.

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 on pages 68 to 78 of the Strategic Report.

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

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.

The Strategic Report was approved by the Board of Directors on 12 June 2025 and signed on its behalf by:

Marc Ronchetti
Group Chief Executive

Carole Cran
Chief Financial Officer

Cautionary note: this Strategic Report has been prepared solely to assist shareholders to assess the Board's strategies and their potential to succeed. It should not be relied on by any other party, for other purposes. Forward looking statements have been made by the Directors in good faith using information available up until the date that they approved the Report. Forward looking statements should be regarded with caution because of the inherent uncertainties in economic trends and business risks.

Governance Report

This Report outlines the governance framework within which the Group operates, how it has supported the Board's strategic activities during the year and how the UK Corporate Governance Code 2018 has been applied.

Our organisational structure and governance framework enables our companies to operate effectively and with agility – which means we can continue to deliver value through our sustainable growth, returns and positive impact for the benefit of all of our stakeholders.

In this section

Governance highlights

→ Read more about these: 104

Portfolio management
The Board regularly reviews the portfolio and M&A pipeline. It approves all acquisitions over £10 million. This year, the Group made seven acquisitions across all three sectors for a total maximum consideration of £158m.

Board changes and engagement
The year has seen a key change in our Executive team with the appointment of Carole Cran as CFO. Additionally, we concluded the search for two new non-executive Directors. Accelerate Halma, held in the US, provided a great opportunity for Director engagement with our leaders.

External Board review actions
Our 2024 externally facilitated board review provided some useful suggestions for us to consider. Read about how these have been addressed.

Board skills review
We took the opportunity to refresh our Board skills matrix (shown on page 95) utilising an online tool to assist with the Director's own rating and an assessment by their peers.

UK Corporate Governance Code 2018

The Company reports against the Financial Reporting Council's (FRC) UK Corporate Governance Code 2018 (the Code), which is available at **www.frc.org.uk**. The Board has applied all Principles and complied with all Provisions of the Code for the year ended 31 March 2025. Halma will report against the UK Corporate Governance Code 2024 for the year commencing 1 April 2025, except for provision 29, which will come into effect for Halma from 1 April 2026.

How we apply the Code

Board Leadership and Company Purpose	→ Sustainable Growth Model: 19	→ Board oversight of our culture: 107
	→ Purpose highlights: 3	→ Board engagement with employees: 109
	→ Board activities: 103	→ How we are governed: 100
	→ Stakeholder engagement: 48	→ Risk management and internal control: 68
	→ s.172(1) statement and decision-making: 105	→ Audit Committee Report: 116
Division of Responsibilities	→ How we are governed: 100	→ Independence: 102
	→ Board of Directors: 96	
Composition, Succession and Evaluation	→ Nomination Committee Report: 110	
Audit, Risk and Internal Control	→ Risk management and internal control, including principal and emerging risks: 68	→ Audit Committee Report, including fair balanced and understandable assessment: 116
Remuneration	→ Remuneration Committee Report: 123	

Board composition

The composition of our Board as at 12 June 2025.

→ **For more information, see the Nomination Committee: 110**

→ **For more information about our people: 58**

Gender
Men ■ Women ■

Ethnicity
Ethnic minority ■ White ■

Age
45-49 ■ 50-54 ■ 55-59 ■ 60+ ■

Composition
Chair ■ Non-executive ■ Executive ■

Board skills and experience
● Advanced experience and expertise ● Experience

	Dame Louise Makin	Marc Ronchetti	Jennifer Ward	Carole Cran	Jo Harlow	Dharmash Mistry	Sharmila Nebhrajani OBE	Liam Condon	Giles Kerr	Hudson La Force
Strategy & M&A	Advanced	Advanced	Advanced	Experience	Advanced	Advanced	Experience	Advanced	Advanced	Advanced
Finance & accounting	Experience	Advanced	Experience	Advanced	Experience	Advanced	Advanced	Advanced	Advanced	Advanced
Risk management & regulation	Advanced	Advanced	Experience	Advanced	Advanced	Advanced	Advanced	Experience	Advanced	Advanced
Innovation and technology	Advanced	Experience	Experience	Experience	Advanced	Advanced	Advanced	Advanced	Experience	Experience
Industrial/Engineering sector	Experience	Experience	Experience	Experience	Experience	Experience		Advanced	Experience	Advanced
Life sciences & healthcare	Advanced		Experience		Experience	Experience	Advanced	Advanced	Advanced	Experience
Sustainability	Advanced	Experience	Experience	Experience	Advanced	Advanced	Advanced	Advanced	Experience	Experience
Talent and remuneration	Advanced	Experience	Advanced	Experience	Advanced	Advanced	Advanced	Experience	Experience	Advanced
International markets	Advanced	Advanced	Experience	Advanced	Advanced	Experience	Experience	Advanced	Advanced	Advanced
Listed CEO/CFO	Advanced	Advanced		Advanced	Experience	Experience		Advanced	Advanced	Advanced
Stakeholder engagement	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced	Advanced

Executive Board composition

Gender
Men ■ Women ■

Ethnicity
Ethnic minority ■ White ■

Board of Directors

Committee Membership
N Nomination Committee
A Audit Committee
R Remuneration Committee
● Chair of Committee
● Member of Committee

For full biographies visit **www.halma.com**

Dame Louise Makin
Chair
N R

Appointed: February 2021
(July 2021 as Chair)

Louise brings a wealth of leadership and international experience to the Board and is an experienced board director, having led businesses across multiple sectors. She was the Chief Executive Officer of BTG plc from 2004 to 2019 and led the transformation of the company through organic growth and acquisitions. She has held various non-executive roles and was a director of several not-for-profit organisations.

External appointments:
Avantor Inc., non-executive director

Marc Ronchetti
Group Chief Executive

Appointed: July 2018
(April 2023 as Group Chief Executive)

Marc brings a proven ability to create sustainable value. He joined Halma in 2016 as Group Financial Controller before being promoted to the plc and Executive Board as Group CFO in July 2018 and was appointed Group Chief Executive in April 2023. He has played a vital role in evolving the Group's Sustainable Growth Model, purpose and culture, and has overseen a significant number of acquisitions while supporting Halma's companies to grow.

Carole Cran
Chief Financial Officer

Appointed: January 2016
(April 2025 as Chief Financial Officer)

Carole has extensive financial experience and a strong focus on governance and risk. Carole was appointed as Chief Financial Officer Designate in January 2025, having previously served as an independent non-executive Director from 2016 to 2025. Carole was Chief Financial and Commercial Officer of Forth Ports Limited until November 2024, prior to which she was Chief Financial Officer of Aggreko plc and held a range of senior financial positions at BAE Systems plc, with four years in Australia.

External appointments:
RS Group plc, non-executive director

Jennifer Ward
Chief Talent, Culture and Communications Executive

Appointed: September 2016

Jennifer has extensive international experience in talent development and building high performance culture. She joined the Halma Executive Board in March 2014 and has global responsibility for talent and culture as well as internal and external communications and brand. Prior to joining Halma, Jennifer held various leadership roles in Human Resources, Talent and Organisational Development for divisions of PayPal, Bank of America and Honeywell. Jennifer is a non-executive director and Chair of the Remuneration Committee at Diploma plc.

External appointments:
Diploma plc, non-executive director

Jo Harlow

Senior Independent Director

A N R

Appointed: October 2016 (August 2023 as Senior Independent Director)

Jo brings a wealth of expertise in digital, technology, sales and marketing. She has significant international experience, gained as Corporate Vice President of the Phones Business Unit at Microsoft and as Executive Vice President of Smart Devices at Nokia. Before her move into consumer electronics, Jo worked in strategic marketing at Reebok and Procter & Gamble. She is Chair of the Remuneration Committee and a member of the Corporate Responsibility & Sustainability Committee at J Sainsbury plc and is the Senior Independent Director of Centrica plc.

External appointments:
J Sainsbury plc, non-executive director
Chapter Zero, member of the board
Centrica plc, non-executive director

Sharmila Nebhrajani OBE

Independent non-executive Director

A N R

Appointed: December 2021

Sharmila brings extensive private and public sector experience from her executive and non-executive roles in health, media and sustainability. She served with the BBC for 15 years, latterly as Chief Operating Officer of BBC New Media and was Chief Executive of Wilton Park. She began her career in strategy consulting, qualified as a chartered accountant with PwC and has held executive board positions at the Medical Research Council and the NHS. She was appointed OBE for services to medical research.

External appointments:
ITV plc, non-executive director
Severn Trent plc, non-executive director
Coutts & Co, non-executive director
National Institute for Health and Care Excellence, Chairman

Dharmash Mistry

Independent non-executive Director

A N R

Appointed: April 2021

Dharmash is an experienced technology venture capitalist, entrepreneur and non-executive director. He was formerly a Partner at Balderton & Lakestar, an executive at Emap PLC and worked earlier in his career at The Boston Consulting Group and Procter & Gamble. Dharmash was a founder of blow LTD, which he chaired, and has served as a non-executive director at The British Business Bank, BBC, Hargreaves Lansdown PLC and Dixons Retail PLC.

External appointments:
The Premier League/The FA, non-executive director
Rathbones Group, non-executive director
Competition & Markets Authority, non-executive director

Hudson La Force

Independent non-executive Director

A N R

Appointed: June 2025

Hudson brings a wealth of industrial and international experience from his executive and non-executive positions, as well as his time in the public sector. He was formerly Chief Executive Officer at W. R. Grace & Co., from which he retired in 2021, having previously been chief operating officer and chief financial officer. Prior to W. R. Grace & Co., he was Chief Operating Officer and Senior Counsellor to the Secretary at the US Department of Education and General Manager at Dell China.

External appointments:
Madison Industries, advisory board member
Madison Air, non-executive director
Filtration Group Corporation, non-executive director

Liam Condon

Independent non-executive Director

A N R

Appointed: September 2023

Liam is Chief Executive of Johnson Matthey plc and brings a wealth of experience gained across a variety of roles, with a strong global background in driving growth and sustainability in the Life Science, Chemical and Energy Transition Industries. Earlier in his career, Liam held senior positions within Bayer AG and Schering AG.

External appointments:
Johnson Matthey plc, Chief Executive

Giles Kerr

Independent non-executive Director

A N R

Appointed: February 2024

Giles brings extensive M&A and strategic business growth experience and has held a range of executive and non-executive positions across life sciences, technology and industrial businesses. His executive career included senior financial roles at Arthur Andersen, Amersham plc and the University of Oxford. Since 2006, Giles has held a number of non-executive director roles.

External appointments:
PayPoint plc, Chair

Executive Board

For full biographies please visit **www.halma.com**

01. Marc Ronchetti
Group Chief Executive

→ **See page 96 for biography**

02. Charlene Lim
Group General Counsel

Charlene was appointed to the Executive Board in September 2024 and has global responsibility for the Group's legal, risk and compliance affairs and oversees the company secretariat function.

03. Jennifer Ward
Chief Talent, Culture and Communications Executive

→ **See page 96 for biography**

04. Carole Cran
Chief Financial Officer

→ **See page 96 for biography**

05. Steve Brown
Sector Chief Executive, Healthcare

Steve joined Halma in 2015 and was appointed to the Executive Board in November 2021. Prior to his appointment, Steve was Divisional Chief Executive of Halma's Environmental & Analysis Sector, Divisional Chief Executive for the Safety Sector and Managing Director of Apollo, one of Halma's largest companies.

06. Aldous Wong
President of Halma Asia Pacific,
Adviser to the Executive Board

Aldous was appointed as President of Halma Asia Pacific in January 2022, becoming the senior leader for the region and an adviser to the Executive Board.

07. Constance Baroudel
Sector Chief Executive,
Environmental & Analysis
and Chief Sustainability Officer

Constance was appointed to the Executive Board in April 2021. She joined Halma as Divisional Chief Executive, Medical & Environmental in August 2018.

08. Catherine Michel
Chief Technology Officer

Catherine joined Halma as its first Chief Technology Officer in September 2019. She has global responsibility for fostering the digitalisation of our companies' products and our underlying business operations.

09. Funmi Adegoke
Sector Chief Executive, Safety

Funmi joined Halma's Executive Board in September 2020 and was previously the Group General Counsel and Chief Sustainability Officer. Funmi assumed the role of Sector Chief Executive, Safety in July 2023.

Board and Committee structure and responsibilities

Board responsibilities are clearly defined, set out in writing and are regularly reviewed. For full details on the roles and responsibilities of Board members see the Corporate Governance section at **www.halma.com**.

Board

Establishes and monitors the ongoing effectiveness of the Company's purpose, values and strategy for delivering long-term sustainable value for stakeholders. Responsibility for monitoring the culture of the Company and providing challenge to management.

Chair
- Leads the Board
- Promotes high standards of corporate governance
- Engages with Stakeholders
- Leads on Board composition and succession planning
- Monitors Board and Company culture, values and behaviours

Group Chief Executive
- Leads the Company and Executive Board
- Sets objectives, strategy and performance standards
- Manages key risks and strategies
- Owns relationships with shareholders, financial institutions and other stakeholders
- Ensures the Board hears the voice of the wider workforce

Executive Directors
- Deliver the strategy agreed by the Board
- Provide executive leadership, operational and financial decisions
- Champion culture and values
- Talent management

Senior Independent Director
- Sounding board for the Chair
- Trusted intermediary for other Directors
- Alternative channel for shareholders and employees to raise concerns
- Leads Chair succession and appointment process

Independent non-executive Directors
- Provide independent thinking and judgement
- Provide external experience and knowledge
- Scrutinise and challenge the performance of management

Company Secretary
- Acts as a trusted adviser to the Chair and other Directors
- Ensures clear and timely information flow to and from the Board
- Provides governance advice and support to the Board
- Supports with non-executive Director induction

Board Committees

Nomination Committee
Leads on Board appointments, succession planning and evaluation; reviews the size, skills, diversity and composition of the Board and Committees.

→ **Learn more: 110**

Audit Committee
Monitors the integrity of financial statements, oversees the system of internal control, compliance and risk management and reviews external Auditor independence and performance.

→ **Learn more: 116**

Remuneration Committee
Keeps under review the framework and Policy on Executive Director and senior management remuneration.

→ **Learn more: 123**

Share Plans Committee
Actions and administers share award grants and vestings, following approval by the Remuneration Committee. Typically Chaired by the CEO.

Bank Guarantees and Facilities Committee
Agrees and approves arrangements for issuing guarantees, indemnities or other support for bank loans and other financing facilities. Typically chaired by the CEO.

Management Committee

Executive Board (EB)
Responsibility for the development and implementation of the Group's strategy and objectives rests with the Group Chief Executive, who is supported by the EB.

→ **Details of our Executive Board members can be found on page 98 and on www.halma.com**

Governance and control frameworks

As a decentralised organisation, it is critical that Halma's governance and control framework is robust, clearly defined, well communicated and operating effectively to support the Company in the delivery of its strategy.

Our Board and Committee structure is outlined on page 100. Certain matters are reserved solely for decision by the Board and other areas are delegated to Board Committees or management. Each Board Committee operates under written terms of reference which are approved by the Board. The full list of matters reserved for the Board and the terms of reference for its Committees are available at **www.halma.com**. Further information on the composition, role and activities of each Committee is set out in the respective Committee Reports.

Oversight of our companies

The foundation of our business model is the autonomy that our businesses enjoy. To support this, while retaining oversight and control at Group level, companies must comply with Halma's suite of financial and non-financial policies and procedures and provide confirmation of compliance half-yearly. The Group's policies set out the requirements in the areas of financial reporting and internal control, health and safety, the environment, ethics, human resources, IT and cyber, data privacy, and legal and compliance. These policies are made available to all employees via a dedicated SharePoint site. An appropriate level of assurance is provided to the Board through a rotational programme of internal audits and semi-annual peer reviews.

An authority matrix sets out the matters that are reserved for decision by the Board, those that can be approved by the Group Chief Executive and the financial authority that has been delegated to Executive Board members, the Divisional Chief Executives (DCEs) and to company managing directors. This approach ensures that companies have a clear framework within which they can operate and aims to balance autonomy with the need for stewardship, oversight and control.

Each company in the Group has its own board of directors which meets regularly to fulfil its legal duties and to review strategic, operational and financial affairs. Each DCE chairs the main operating company boards in their subsector portfolio and meets with the Executive Board at least four times per year. The DCEs also provide a written report on the financial and business performance, including areas such as talent, culture, diversity and sustainability, to the Executive Board members and Halma's Chair on a regular basis.

The Sector Chief Executives (SCEs) hold regular sector board meetings, attended by the sector's DCEs and finance, talent and M&A leads, which provide a valuable forum for review of sector-wide strategy, financial and operational performance, talent and culture, diversity, sustainability, M&A, legal, compliance and risk.

→ **The governance structure of our companies, sectors and Group team is set out in our business model: 24**

Changes to the Board

We announced in January 2025 that Steve Gunning had decided to retire as Chief Financial Officer and he resigned as a Director on 31 March 2025. Carole Cran, former non-executive Director and Chair of the Audit Committee at Halma, was appointed as Chief Financial Officer Designate from 8 January 2025 and became Chief Financial Officer with effect from 1 April 2025. In March 2025, we announced that Barbara Thoralfsson will be appointed as a non-executive Director with effect from 16 June 2025. In May 2025, we announced that Hudson La Force was joining the Board as a non-executive Director with effect from 2 June 2025.

→ **Read more about the CFO and non-executive Director succession in the Nomination Committee Report: 110**

Board meetings

The Board has six scheduled meetings per year but will meet, or pass resolutions, to deal with urgent matters and event-driven items, such as acquisitions and Board appointments.

The Chair and non-executive Directors meet privately at the end of Board meetings, to facilitate open discussion and feedback without the presence of management.

Board attendance

The attendance at each Board and Committee meeting for the year ended 31 March 2025 is set out in the table below.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings	**6**	**4**	**4**	**5**
Number attended/eligible to attend[3]:				
Dame Louise Makin	5/6		3/4	4/5
Marc Ronchetti	6/6			
Steve Gunning	6/6			
Jennifer Ward	6/6			
Carole Cran[1]	6/6	3/3	2/2	3/3
Liam Condon	6/6	4/4	4/4	5/5
Jo Harlow	6/6	4/4	4/4	5/5
Giles Kerr	5/6	4/4	4/4	5/5
Dharmash Mistry	5/6	3/4	3/4	4/5
Sharmila Nebhrajani OBE	6/6	4/4	4/4	5/5
Roy Twite[2]	1/1	1/1	1/1	1/1

1 Carole Cran was a non-executive Director until 8 January 2025, when she became CFO Designate.
2 Roy Twite stepped down from the Board on 7 June 2024.
3 Director attendance at Board meetings is compulsory but exceptional absence due to unforeseen circumstances or, in the case of a newly appointed Director, a known diary clash does not infringe on a Director's commitment or contribution to the Board and, where possible, Directors will provide the Chair or Senior Independent Director with comments arising from the agenda and papers, so that they can be voiced in the meeting.

Independence and time commitment

The Board has reviewed the independence of each non-executive Director and, following an assessment of any relationships or circumstances which are likely to affect a Director's judgement, considers each to be independent for the year ended 31 March 2025.

Dame Louise Makin, non-executive Chair, was independent on appointment as a non-executive Director in February 2021 and the Board considers that she retains objective judgement.

While non-executive Directors are not required to hold shares in the Company, the Board believes that any Halma shares held serve to align their interests with those of shareholders and do not interfere with their independence. None of our non-executive Directors represent a significant shareholder.

Director availability and time commitment to the Company is essential for the proper functioning of the Board and no issues have been experienced during the year. All Directors are subject to an annual review, at which time commitment and their personal contribution is a key focus.

Read about our approach to Directors taking on external appointments at www.halma.com

Board activities

At each meeting, the Board receives updates from the Group CEO, Group CFO, Sector Chief Executives (SCEs), Investor Relations, M&A, Board Committees, Company Secretary, Legal, Risk & Compliance. Rotational presentations from the SCEs, functional experts, such as sustainability and IT, and outside presenters provide the Board with deeper insight on the business and external operating environment.

A programme of site visits and other Company events provide opportunities for Directors to engage with employees, to inform Board's decision-making and for Directors to discharge their section 172 duties.

Board and Committees Key:

B Board
N Nomination Committee
A Audit Committee
R Remuneration Committee

2024

April
- Approval of acquisition of MK Test

June
- Meetings held: **B**, **N**, **A**, **R**
- Release of full year results
- Recommendation of final dividend
- Approval of acquisition of Global Fire Equipment, S.A

July
- Meetings held: **B** and AGM

September
- Meetings held: **B**, **N**, **A**
- Two-day strategy offsite
- Trading update
- Approval of acquisition of Hathorn Corporation Inc.

October
- Accelerate Halma conference

November
- Meetings held: **B**, **N**, **A**, **R**
- Release of half year results
- Declaration of interim dividend
- Approval of acquisition of Lamidey Noury Medical

2025

January
- Meetings held: **B**, **N**, **A**, **R**
- Appointment of Carole Cran as CFO Designate
- Internally facilitated Board performance review

March
- Meetings held: **B**, **N**, **R**
- Trading update
- Annual budget approved

Portfolio management

Portfolio management is an important discipline for the Board and management in delivering purpose-aligned, sustainable growth and returns.

For prospective acquisitions or disposals, the Board's main objective is to ensure that it is in the best interests of Halma, having considered the impact on key stakeholders. For the acquisitions approved during the year, the Board was provided with a detailed proposal which sets out key financial and operational information, including talent and culture, and strategic information to assess the end market, customer base, growth drivers and the risks and opportunities.

Following completion, the Board monitors the integration and performance of acquisitions independently of its regular review of the portfolio.

In the case of Lamidey Noury Medical, which was acquired in November 2024, the Board's discussion of the proposal noted the increasing demand for minimally invasive procedures, which require precise and controlled surgical interventions, and led to an agreement that the acquisition aligned with Halma's purpose and would enhance the existing portfolio of minimally invasive surgical capabilities.

Board changes and engagement

In January 2025, we announced that Steve Gunning had decided to retire from Halma and he resigned as Chief Financial Officer on 31 March 2025. Supported by the Nomination Committee, the Board executed its succession plans by appointing Carole Cran, previously non-executive Director and Audit Committee Chair, as CFO Designate. In addition, the Board recently agreed the appointment of two new non-executive Directors, Barbara Thoralfsson and Hudson La Force.

→ **Further details of the Director appointment and induction process can be found in the Nomination Committee Report: 110**

The Directors attended the Accelerate Halma conference in October 2024, held in Arizona, US. The conference brought together our top 350 leaders to network, learn and explore the overarching theme of "Embrace the Adventure". The event showcased our businesses and provided opportunities to celebrate success, articulate our business model, connect with companies, leverage the power of our network and explore the challenges and opportunities that many of our companies were facing, together.

→ **See page 50 for a more detailed summary of the event.**

External board review actions

Following the externally-facilitated Board review in 2024, the Board agreed three areas of focus for 2025:

Formally reflect on key decisions – the Board undertook a post-decision review, looking at factors considered when reviewing the September 2023 trading update, in light of the headwinds and risks that could have emerged in the second half of the year, economically and geopolitically. Reflecting on the decisions made, and reviewing it in light of the actual out-turn, was a helpful exercise to identify the data, analysis and judgements that contributed to the debate and, ultimately, achieved the appropriate outcome.

Seek further opportunities for employee engagement – during the year, the Directors took the opportunity to increase their engagement through: increased site visits and hosting employee forums; supporting Halma's training programmes and internal tech event; and attending and participating in panel discussions and networking at the Accelerate Halma 2024 conference.

Introduce elements on boardroom culture and board dynamics into the Director induction process – a new induction programme, a key component of which is delivered through a bespoke portal, was launched in February 2025. Further details are set out in the case study on page 113.

Board skills review

In November 2024, the Board conducted a comprehensive review of Director skills and experience, using a third-party assessment tool. The results largely aligned with the previous skills matrix, which helped to confirm the suitability and accuracy of our prior assessments. A valuable cross-check was introduced through the tool, comparing Directors' self-assessed skills and experience with those attributed by their fellow Directors. This highlighted some areas where Directors had under-rated themselves compared to their peers' assessments and the revised matrix (set out on page 95) reflects this more objective approach.

Each Director received a copy of their individual assessment and peer-assessed results for comparison. The skills and experience matrix is a key tool for the Nomination Committee to ensure that retiring Directors' key skills are adequately substituted by current or incoming Directors, and enables significant gaps to be replaced through internal experts, external advisors or through new Board appointments.

Throughout the year the Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of shareholders, and in doing so had regard, among other matters, to S.172(1)(a) to (f) of the Companies Act 2006.

Further disclosures on each of the S.172(1) factors, found throughout this Report, are set out below.

S.172(1) element and related disclosures

(a)

The likely consequences of any decision in the long-term

- Key decisions made in the year on page 106
- Sustainable Growth Model on page 19
- Business reviews on page 36
- Strategic Report on page 2

(b)

The interest of the company's employees

- Sustainability on page 54
- Stakeholder engagement on page 48
- Governance Report on page 93
- Non-financial & sustainability information statement on page 64
- Remuneration Report on page 123

(c)

The need to foster the company's business relationships with suppliers, customers and others

- Non-financial & sustainability information statement on page 64
- Stakeholder engagement on page 48
- Business reviews on page 36

(d)

The impact of the company's operations on the community and environment

- Sustainability on page 54
- TCFD Statement on page 79

(e)

The desirability of the company maintaining a reputation for high standards of business conduct

- Sustainable Growth Model on page 19
- Risk management and internal control on page 68
- Non-financial & sustainability information statement on page 64

(f)

The need to act fairly as between members of the company

- Stakeholder engagement on page 48
- Governance Report on page 93
- Directors' Report on page 147

The principal decisions taken by the Board during the year, along with how the Directors considered stakeholder interests when discharging their duties under S.172(1), are set out below.

Principal decision and stakeholders considered	Factors considered by the Board	Longer-term considerations
Capital allocation – Our companies. – Shareholders and investors. – Our people. – Customers and suppliers.	The Group's Budget, approved by the Board, sets the allocation of capital to deliver our growth strategy through investment in R&D, capital expenditure, talent and acquisitions. The Board was cognisant of the Group's short- to medium-term priorities in setting the Group Budget whilst being mindful of macroeconomic and geopolitical circumstances, to ensure continued delivery of growth and the safeguard of shareholders' interests, as well as those of its wider stakeholders including employees, customers and suppliers.	Balancing investment for future growth while considering shorter term inflationary cost pressures and political and economic risks.
Dividend – Shareholders and investors. – Our people. – Customers and suppliers.	For its 46th consecutive year, the Board took the decision to increase dividend payments by more than 5%. As a high growth company, the Board carefully balanced the financial resources required to execute our strategy, including organic investment needs and acquisition opportunities in line with our Budget; the Group's medium-term rate of organic constant currency growth; maintaining a prudent level of dividend cover and moderate indebtedness; and equitable treatment of our stakeholders when taking this decision.	That dividends are consistent with the Company's financial performance and would not be detrimental to the strength of the balance sheet and future sustainable growth.
Acquisitions – Shareholders and investors. – Our companies. – Our people. – Customers and suppliers. – Acquisition prospects and business partners.	The Group completed seven acquisitions during the year, four of which required Board approval. The detailed acquisition proposals from the Group Chief Executive set out the long-term implications of the acquisition and the effect on Halma's stakeholders. It is essential that each of our companies aligns with our purpose and the Board carefully balanced the financial commitment required against the risks and anticipated return, whilst considering the strategic fit with our purpose, the opportunities for geographic or market growth (either organic or through further M&A) and the talent and know-how which would be acquired.	Halma's discipline in making acquisitions which are aligned to our purpose and which are in market niches with long-term growth drivers are core to our strategy and are critical to ensure that we can continue to grow sustainably for the benefit of all our stakeholders.
CFO Succession – Shareholders and investors. – Our companies. – Our people. – Acquisition prospects and business partners.	The Board considered a range of factors during the succession planning process for the Chief Financial Officer, including ongoing alignment with the Group's purpose, culture and Sustainable Growth Model. The Board was mindful throughout its decision-making process of the long-term impact that such a decision would have on the future success of the Company, including through investor and employee sentiment.	Strong talent and leadership is key to Halma's ongoing success and delivery of strategy. Ensuring fulfilment of key leadership roles will position Halma to continue to produce strong returns and growth for our shareholders and wider stakeholders, whilst staying true to our established Sustainable Growth Model.

Board oversight of our culture

Our culture

Our corporate culture is an essential component of our strategy and is embedded within Halma's DNA through our cultural and organisational genes. The inclusive culture across our business brings competitive advantage to the Group. It is vital that we protect the unique cultural genes that we have in order to grow our business sustainably, deliver on our purpose and make Halma a great place to work.

See page 21 for more information on Halma's DNA and cultural and organisational genes.

Elements of our culture

Establishing and promoting culture

The Board ensures that the Company's purpose and DNA are aligned to its culture and strategic objectives. Our employees are key to delivering our success and by fostering a collaborative and inclusive culture our people are unified by our purpose and aspire to deliver our strategic ambitions. Our positive culture is demonstrated through the 73% overall employee engagement score achieved from our annual engagement survey this year, which had a strong response rate of 83%.

Our robust risk and governance framework provides a base from which our culture can be embedded across all levels of our business and the Board periodically reviews workforce policies and annually reviews our Code of Conduct.

Code of Conduct

Our Code of Conduct underpins our culture. It sets out our cultural genes and the expected behaviours and corporate culture that we require all employees to display. It also provides a plain language summary of key matters relating to business ethics and integrity towards people and the planet. These include guidance on: anti-bribery and corruption, political and charitable activities, conflicts of interest, international trade and competition laws, health & safety, human rights, modern slavery and human trafficking, diversity, equity and inclusion, financial integrity to protect our assets and ensure accurate reporting and insider dealing. Alongside posters at every company location and online promotion internally, the Code of Conduct sets out information on how employees can raise concerns via management or the independent third-party confidential reporting service, operated by NavexGlobal. Halma's Code of Conduct must be read and acknowledged by every employee when they join and periodically thereafter.

The Board takes health and safety matters seriously and accident statistics and incident analysis are reported to the Board at each meeting. This helps the Board to assess the effectiveness of health and safety practices and culture within the Group.

The Code of Conduct is available from our website at **www.halma.com**.

Find out more information on our website www.halma.com/who-we-are

Find out more information in the Sustainability section page 54

How the Board monitors culture

Company site visits and employee events

Monitoring and insight

Our executive and non-executive Directors undertake site visits to our companies throughout the year, which provide first-hand experience of the workplace environment, health and safety priorities and how our culture is embedded throughout the Group. Directors engaged with employees on matters such as executive and wider workforce remuneration, company culture, purpose, health and safety and diversity, equity and inclusion. Directors report their observations from all site visits to the Board and to the relevant Sector Chief Executive and Divisional Chief Executive. Our non-executive Directors also had the opportunity to interact with company boards at Accelerate Halma in October 2024.

→ **Read more: 50**

Feedback provided to the Board and management after each visit

Annual employee engagement survey

Monitoring and insight

The Group's annual engagement survey results are a good indicator of sentiment across the Group and provide insights at a company and Group function level. A summary of the survey results is reviewed by the Board and areas for improvement discussed.

→ **Read more on the outcomes of our employee engagement survey on page 58**

→ **Employee engagement KPI, page 30**

Reporting on process and review of outcomes

Board, Committee and strategy meetings

Monitoring and insight

The Board receives reports throughout the year on whistleblowing, talent and retention, employee engagement survey results, health and safety matters as well as inviting senior employees to present at the Board or attend events with the Directors, all of which provide insights into employee sentiment and culture.

Reporting, presentations, discussion

Halma plc Board

All cases reported to the Board and monitored throughout the process

Workforce concerns

Monitoring and insight

The Board has put in place procedures for employees to confidentially raise matters of concern, either with management or through our dedicated confidential reporting hotline. All workforce concerns that have been raised are reviewed at each Board meeting, including updates on previous investigations and the action that has been taken where reports are founded.

Policies provided for review periodically

Policies and practices

Monitoring and insight

Our workforce policies and Code of Conduct are underpinned by our values and culture. Each of our employees is required to read and sign the Code of Conduct upon joining and to adhere to our workforce policies. The Board periodically reviews these policies to ensure they remain appropriate and aligned with our purpose and culture. Read our Code of Conduct at **www.halma.com**.

Approval of share plan grants, Board seeks shareholder authority when needed

Investing in and rewarding employees

Monitoring and insight

The Remuneration Committee regularly considers wider workforce remuneration, including gender pay gap data across the UK and the US.

Our employee share schemes and bonus/profit sharing plans are designed to benefit the wider workforce and incentivise our employees to contribute to the success and performance of the Company.

Board engagement with our employees

Provision 5 of the Code sets out three prescribed ways in which the Board should engage with its workforce, or, where one of these methods is not adopted, an explanation must be provided on the alternative engagement methods used and the reasons for adopting that approach. Due to the Company's decentralised operating model and the geographic spread of our companies, we have implemented alternative engagement methods, which are more fitting, and effective, for our structure and culture.

The Board utilises a number of different methods of engagement, both directly and indirectly, with employees to foster and promote a two-way dialogue and to provide a critical means of monitoring culture.

→ **Read more about how the Board monitors culture on page 107**

There are frequent opportunities for the employee voice to be relayed to the Board through company management, the annual engagement survey, site visits, company events and reporting of workforce concerns raised via the confidential reporting service operated by NavexGlobal.

In addition, we consider that engagement by the local company board with their own workforce, as well as the engagement by the Board through these methods, provides an effective platform for clear and open communication with our global employee base. To support this, we have also put in place reporting mechanisms such that concerns and feedback raised at the company level is fed into the Board.

The Board strongly believes that its mechanisms for engaging with our employees are appropriate for our decentralised structure and are an effective means of bilateral engagement with our colleagues.

→ **Read more about how we have supported our colleagues in Our Stakeholders on page 48**

Our employee engagement framework

Board
The Board employs methods which include company site visits, attending employee events such as the Accelerate Halma conference, DCE/company chair reports, presentations and reports to the Board on matters such as workforce concerns, the employee engagement survey and regular updates from the Group Talent, Culture and Communications Director.

Executive Board and Sector Chief Executives (SCE)
The SCEs are Executive Board members with operational responsibility for all of our companies. They provide a vital link between the Board and our companies, by ensuring that there are close channels of communication.

Halma companies and Divisional Chief Executives (DCE)
The DCEs chair their respective subsector company boards and meet with the Executive Board at least three times per year and with the Board annually. This facilitates regular dialogue on employee related matters.

Employees
Through our established communication channels, our employees are able to effectively communicate with both their local company board as well as directly and indirectly with Halma's senior management and the Board.

Committee membership and responsibilities
The Committee comprises the Chair and all independent non-executive Directors. The attendance at each Committee meeting for the year ended 31 March 2025 can be found on page 102.

The Committee operates under written terms of reference, reviewed annually, which are available at **www.halma.com**. The Committee discharged its duties under its Terms of Reference for the year.

Committee activities 2024/25
Principal activities during the year included:

- Reviewing the internal and external talent pipeline as part of the Committee's regular succession planning activities at Board, Executive Board and one level below.
- Working with external search consultants, Lygon Group, to seek new non-executive director candidates as part of the Committee's planning for directors who are/were serving out their final term.
- In line with the Committee's succession planning and assessment process, recommending to the Board the appointments of Carole Cran as Chief Financial Officer Designate, Sharmila Nebhrajani as Audit Committee Chair, and Barbara Thoralfsson and Hudson La Force as non-executive Directors.
- Continuing the focus on increasing diversity throughout the organisation.
- Refreshing the Board skills and experience matrix.
- Following the individual Director evaluations, recommending the election and re-election of Directors standing at the 2025 Annual General Meeting.

Dame Louise Makin
Nomination Committee Chair

Board and Executive Board composition
Our Board comprises an independent Chair, six non-executive Directors and three executive Directors and each Board member brings a variety of skills, knowledge, experience and diverse thinking. The Nomination Committee regularly reviews the balance of skills, experience and knowledge on the Board and its Committees – along with the diversity that each member brings – in order to identify any gaps or new skills and experience that would benefit the Group, which helps inform Board succession planning.

The matrix set out on page 95 outlines the core skills and experience that each Director has and also identifies where particular Directors are considered to have advanced expertise in a certain area. This matrix was refreshed in 2024/25 with the use of an online assessment tool, through which Directors were asked to rate their own and each other's areas of experience and expertise. The peer-adjusted capability assessment led to an uplift in some Director experience ratings.

The Executive Board comprises the three executive Directors plus six other executives who cover a range of strategic, operational, financial and technical areas.

Further background on the skills and experience of the Board and Executive Board is set out in the biographies on pages 96 to 99 and full biographies are available on our website at **www.halma.com**.

Board and Executive Board diversity
The Board recognises the many benefits of building a diverse leadership team and the tables on page 111 set out gender, ethnic and age diversity of the Board and Executive Board at the date of this Report. The Company has collected the diversity data used for these purposes from each individual on a voluntary basis.

The Committee is pleased to report that during the financial year ended 31 March 2025 and up to the date of this Report, the Board had met these targets:

- at least 40% of the individuals on the Board are women;
- the Chair and Senior Independent Director are women; and
- at least two individuals on the Board are from a minority ethnic background.

With effect from 1 April 2025, Carole Cran became Chief Financial Officer, adding another woman to our senior Board positions.

Our Board Diversity Policy, which is available at **www.halma.com**, was updated in June 2024 and outlines our commitment to the targets set by the FTSE Women Leaders Review on gender diversity and goes beyond the ethnicity targets recommended by the Parker Review. The Policy also affirms our commitments, on ethnic diversity, as a signatory to the Change the Race Ratio.

Halma has maintained at least one ethnically diverse Director on the Board since 2011, prior to the publication of the Parker Review's original report in October 2017. We took the opportunity in our June 2024 Policy to go beyond the Parker Review recommendation, by committing to maintain our current composition of at least two ethnically diverse Directors on the Board. This more closely aligns to ethnic diversity representation in England & Wales, based on the 2021 Census data, which highlights that over 18% of the population identified as belonging to an ethnically diverse group.

In March 2023, the Parker Review published an update report entitled "Improving Ethnic Diversity in UK Business" and requested that Boards of FTSE 350 companies set their own target, by December 2023, for the percentage of their senior management group who self-identify as being in an ethnic minority. Our Board Diversity Policy targets at least 20% of our UK senior management positions (defined as the Executive Board and their direct reports, excluding administration staff) being occupied by ethnically diverse executives by December 2027. As at 31 March 2025, in line with the Parker Review's updated definition, the percentage is 21%.

Board and Executive Board – Gender Diversity as at 12 June 2025

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in Executive Management	Percentage of Executive Management
Men	5	50%	1	3	33%
Women	5	50%	3	6	67%

Board and Executive Board – Ethnic Diversity as at 12 June 2025

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	8	80%	4	5	56%
Mixed/Multiple Ethnic groups	–	–	–	1	11%
Asian/Asian British	2	20%	–	2	22%
Black/African/Caribbean/Black British	–	–	–	1	11%
Other ethnic group, including Arab	–	–	–	–	–

Board and Executive Board – Age Diversity as at 12 June 2025

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in Executive Management	Percentage of Executive Management
40–49	1	10%	1	3	33%
50–59	5	50%	1	6	67%
60–69	4	40%	2	–	–
70–79	–	–	–	–	–

Board appointment process

The Board has an established approach for identifying and evaluating suitable candidates for Board positions, which was utilised this year for the appointment of Carole Cran as Chief Financial Officer, and Barbara Thoralfsson and Hudson La Force as non-executive Directors.

Prior to the Committee making a recommendation to the Board for a Director appointment, it undertakes the following steps:

- Agrees the skills, experience and knowledge required for, and complementary to, the role.
- Approves the role specification.
- Selects an independent global executive search firm, which understands Halma's business model and culture, to prepare a long list of diverse external candidates and, for executive roles where there are internal candidates that have been identified through the Committee's succession planning, to benchmark those candidates. For the year ended 31 March 2025, the Committee used the services of executive search consultancy, Lygon Group – who are not connected to the Company or any Halma Director – to benchmark potential internal candidates and provide a benchmark of external candidates for the Chief Financial Officer role and undertake the search for two non-executive directors.
- Reviews the long list of candidate profiles and, based on insight derived internally or from the search firm, creates a shortlist of diverse candidates for interview.
- For non-executive positions, interviews are held with members of the Committee (including the Chair), the Group Chief Executive and the Chief Talent, Culture and Communications Executive. For executive positions, the Chair and non-executive Directors lead the interview process and seek input from other executives, as appropriate.
- The Committee members meet to share their feedback on each candidate and will compare their assessment against the role criteria, along with any reference information obtained by the search firm. Maintaining a focus on gender and ethnic diversity, while ensuring that other elements of diversity are not overlooked, remains an important factor for the Committee. Where elements of diversity will be lost when certain Directors come to the end of their tenure, the Committee aims to ensure that the Board will remain sufficiently diverse, or will seek a replacement Director to maintain/restore that element of diversity to the Board and its Committees.
- A preferred candidate is selected by the Committee and, following discussion with the candidate, a formal decision is taken to recommend their appointment to the Board.
- If the Board approves the appointment, the Company announces the decision via a regulatory information service.

Director induction process

Newly appointed Directors follow a tailored induction programme, which includes dedicated time with each Board and Executive Board member, the Company Secretary, Divisional Chief Executives and functional experts. A schedule of company visits across each of the three sectors is arranged for the Director and they are required to attend the Accelerate conference and other Company events throughout the year.

A fresh approach to the induction programme for 2025, utilising an induction portal, aims for Directors to become swiftly acquainted with Halma's strategy, business model, DNA (cultural and organisational genes) and governance structure, prior to them building out their understanding of the Group through site visits and meetings with internal and external stakeholders. A briefing on UK director statutory duties and listed company regulation is provided to new Directors and annual refresher training is provided by the Company Secretary at the Board.

A further addition to our onboarding programme, this year, is Chair mentoring for new Directors. This aims to clarify their role and help them to navigate the collaborative and supportive Board culture and boardroom dynamics, while balancing the need for robust challenge and debate.

Executive Directors may undertake tailored professional development as part of their onboarding plan, such as business management, personal development or mentoring programmes. Non-executive Directors generally own their own development but the Company supports their learning and development through internal and external speakers at the Board Strategy meeting and periodically at the Board throughout the year. At least annually, the training and development needs of the Board, and for each Director, are reviewed by the Chair.

A fresh approach to Director onboarding

The challenge
New Directors often need time to understand Halma's decentralised business model and Board culture. Halma comprises of nearly 50 autonomous companies across three sectors, serving various end markets. While many directors have experience from other UK listed company boards, the role at Halma is distinct. A fundamental role of a Halma non-executive Director is to support the management team in evolving the strategy, growing the business and delivering on our purpose, to benefit key stakeholders. Upskilling new Directors on our Board culture and dynamics, while progressing their understanding of our business model through visits to our entrepreneurial businesses, presents a challenge for onboarding new Directors quickly.

The aim
To enable new Directors to gain a deeper and quicker understanding of our Group, business model, culture, Board and boardroom dynamics and be clear on their role, to enable them to confidently and effectively contribute to the Board.

The solution
This year, we have enhanced our tailored induction programmes and onboarding plans with a structured, modular and engaging onboarding portal. The induction site includes videos, presentations, briefing notes and internal and external resources. These materials provide financial and non-financial information on our: purpose; history and growth model; leadership; companies and sectors; investment proposition; external perceptions and insights; approach to talent; remuneration design; governance and risk management; Board culture and boardroom dynamics.

The site was created using existing leadership resources and expanded with new, bespoke materials. In January 2025, the portal was shared with the Board and Executive Board, to gather feedback and iterate the content and design. Carole Cran used elements of the site for her onboarding into the CFO role. We are confident that the site will greatly enhance the onboarding experience for our two newly appointed non-executive Directors.

Annual Board and Committee reviews

The Committee reviews the process and output from the annual Board and Committee evaluations. The process also involves a review of the performance of each Director through individual meetings held with the Chair. For the Chair, an appraisal is undertaken by the non-executive Directors collectively and fed back via the Senior Independent Director.

The Board collectively undertakes an evaluation of its own performance and effectiveness, with the findings and proposed actions being presented at the Board by the Chair. Each Committee also undertakes its own effectiveness review and the findings and proposed actions are formally reviewed at the relevant Committee meeting. Progress against agreed actions is monitored by the Company Secretary throughout the year and a formal review is undertaken ahead of the next evaluation cycle, to ensure that the actions have been, or will be, appropriately closed out. The results from the Audit Committee and Remuneration Committee evaluations are discussed in the respective Committee Reports and the results from the Committee's own evaluation and that of the Board are set out below.

Progress on 2024 actions

A summary of the progress made on the recommendations put forward by Independent Board Evaluation (IBE) in 2024 is set out below.

Recommendation	Progress
Director induction Introduce an element of governance support, including some 'boardcraft' mentoring or training, as standard for any board member who has not previously served on a UK plc board.	Elements on Boardroom culture and dynamics have been introduced into the Director induction process. Additionally, we have built on our induction offering with the introduction of an interactive online portal for new Directors, which provides a suite of induction materials to supplement targeted meetings with key people.
Post-decision reviews More formally reflect on key decisions made by the Board over the year.	A specific decision reflection session was carried out in September 2024. Read about this on page 104.
Employee engagement Consider how to supplement the Board's employee engagement mechanism, which works well for Halma.	Directors continued to carry out site visits and participated fully in the Accelerate conference, with non-executive Directors participating in panel sessions and a range of smaller group sessions.

2024/25 Effectiveness Review

The Committee normally utilises an external evaluator on a triennial basis and the Chair, with the support of the Company Secretary, formulates a bespoke questionnaire in the two other years. The last externally-facilitated review was carried out by IBE in 2024, with internal reviews undertaken in 2023 and 2022.

This year's internal review was facilitated using an online tool which allowed for greater analysis of the common themes emanating from the questionnaire. We ensure that the internal exercise is thorough and allows tailored questions to be asked on areas particularly relevant to Halma at that time, or on topics that have been raised during the year. Examples of topics covered over recent years include Board succession, Boardroom dynamics, strategic progress in specific areas and the level of challenge and support that has been provided by the non-executive Directors. These questions are supplemented by standing governance questions on Board and Committee structure, Director skills, experience and diversity, Board and Committee effectiveness, strategy and risk.

2025 Nomination Committee review outcomes

The Committee's own effectiveness review concluded that:

- The overall performance of the Committee is effective with good quality discussion.
- There is a good mix of thinking styles and the Committee has a healthy culture.
- The frequency and duration of the meetings is appropriate and papers and presentations are of high quality.
- The Chair provides effective leadership, particularly around succession.
- Relationships with management are strong.

2025 Board review outcomes

The Board's effectiveness review confirmed that the Directors believe that:

- The Board is operating effectively with strong leadership from the Chair.
- The Board's culture is positive with mutual trust and respect between individuals.
- The Board has healthy debates which lead to good decision-making.
- Stakeholder concerns are understood and there is a proactive approach to engagement.
- Strong relationships have been formed amongst the Board members, while independence of the non-executives Directors from management is maintained.
- The papers received by the Board and Committees are clear and of a high standard.

The proposed actions agreed are as follows:

- Hold a session for Directors to discuss and reflect on what the role of a non-executive Director is in Halma and the circumstances where the Board has been most helpful and impactful, as well as any areas for improvement.
- Continue to assess how effective the onboarding and induction processes are for new Directors, with specific input to be sought from the newly appointed non-executive Directors.

Following the annual effectiveness review, and the individual performance reviews undertaken by the Chair, all Directors that are standing for election or re-election are considered to be effective in their role, hold recent and relevant experience applicable for Halma's business and they each continue to add value and demonstrate commitment to their role. Accordingly, the Board is recommending to shareholders the election or re-election of the Directors standing at the 2025 AGM.

Dame Louise Makin
Committee Chair

For and on behalf of the Committee, 12 June 2025

Committee membership and responsibilities

The Committee comprises all six independent non-executive Directors. The attendance at each Committee meeting for the year ended 31 March 2025 can be found on page 102. Biographies for all Committee members are set out on pages 96 to 99.

The Committee operates under written terms of reference, which are reviewed annually and are available at **www.halma.com**. The Committee discharged its duties under its Terms of Reference, and in line with the FRC's Minimum Standard, for the year.

Committee activities 2024/25

- Reviewing Half Year Results and Annual Report and Accounts, considering key accounting judgements and estimates.
- Approving going concern and viability statements.
- Reviewing risk and internal control processes and principal and emerging risks.
- Reviewing internal audit and assurance processes, output of the Internal Audit effectiveness review and approving the Internal Audit Charter.
- Reviewing and monitoring whistleblowing, compliance and bribery procedures and reports raised.
- Receiving updates on sustainability regulation, including CSRD reporting implications for Halma, and reviewing TCFD disclosures.
- Monitoring progress on implementation of the new Enterprise Performance Management (EPM) system.
- Agreeing the external Auditor fee and confirming independence and effectiveness.
- Receiving regular updates on preparatory work in relation to Provision 29 under the 2024 UK Corporate Governance Code.
- Reviewing output of the Financial Reporting Council's AQR report for 2023/24, and receiving updates on the FRC's review of Halma's audit for the year ended 31 March 2024.

Sharmila Nebhrajani OBE
Committee Chair

Committee composition

Carole Cran stepped down as Committee Chair in January 2025, and, in line with the Committee's succession plans, Sharmila assumed the role of Committee Chair. Sharmila met with key individuals across the Group and the wider business as part of her transition to the role of Committee Chair.

2025 Committee review outcomes

An evaluation of the Committee's effectiveness is undertaken each year, and the findings are reported to the Board. In 2025, this evaluation took the form of an internal evaluation, which confirmed that the Committee is working effectively and that Committee members considered it to be exercising good oversight of the reporting and controls environment, taking full account of the autonomous model. Actions agreed by the Committee included broadening the depth of discussions on key areas, pertinent to Halma, through dedicated sessions, and further enriching the onboarding process for new Committee members.

FRC's Audit Quality Review

During 2024, the Audit Quality Team (AQT) of the FRC conducted a review of PwC's audit of the Group's Financial Statements for the year ended 31 March 2024. In March 2025, the AQT provided their final report and, as Chair of the Committee, Sharmila acknowledged the findings with the FRC. The report assessed the audit as good, the highest rating achievable, with no reportable findings from the AQT's inspection.

Financial Statements and significant accounting matters

The Committee considered the key judgements and estimates made in relation to the Group's financial statements, set out on the following page, and discussed these with management during the year and prior to the publication of the Group's results for the half year ended 30 September 2024 and the full year ended 31 March 2025.

Following the review of presentations and reports from management, the Committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates both in respect of the amounts reported and the disclosures made. The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust. The Committee has discussed these matters with the external Auditor (Auditor) during the audit planning process and at the finalisation of the year end audit and is satisfied that its conclusions are in line with those drawn by the Auditor.

During the implementation of, and transition to, the new EPM system during the year, the Committee monitored and reviewed the quality of reporting and the status of the Auditors work over the implementation to support their opinion.

Significant risks and material issues, judgements and estimates	How the Committee addressed each area and conclusion
Value of goodwill, due to the significance of the amounts recorded on the Consolidated Balance Sheet, and the judgements and estimates involved in assessing goodwill for impairment.	– Focusing on, monitoring regularly, and constructively challenging the reasonableness of the assumptions used in impairment calculations by management, in particular discount rates, growth rates, the level of aggregation of individual cash generating units (CGUs) and methodology applied, including application of reasonably possible sensitivities. – Considering the appropriateness and reasonableness of stated judgements and conclusions included in the disclosures in note 11 to the Accounts. – Considering the CGU groups to which the Group's seven acquisitions were attributed, and in particular the assessment of the impact of the challenging trading conditions seen in certain CGU groups within the Healthcare Sector.
Carrying value of acquired intangibles across the Group and the adequacy of future cash flows.	– Reviewing and challenging the assessment of the presence of impairment indicators that warrant an impairment test of an asset. – Constructively challenging the reasonableness of assumptions used in impairment calculations by management, in particular discount rates and asset specific growth rates.
Risk that acquisitions are not accounted for correctly in line with IFRS 3 "Business combinations".	– Challenging the appropriateness of assumptions used in determining the fair value of the acquired intangible assets and residual goodwill identified, and the reasonableness of the disclosures included in note 25 to the Accounts. – The fair value of acquired intangible assets and carrying values arising on the seven acquisitions in the year, particularly in relation to the material/larger acquisitions of Jam TopCo Limited (MK Test), G.F.E. Global Fire Equipment – Montagem de Equipamento Electronico S.A. (GFE), Hathorn Corporation Inc. (Hathorn), and Lamidey Noury Medical S.A.
Valuation of contingent consideration arising on acquisitions in current and prior periods.	– Assessing treatments of contingent consideration payment arrangements against the requirements of IFRS 3 and IFRS 13. – Considering assumptions made around forecasts used in calculations. – In particular, at 31 March 2025, the treatment and valuation of the contingent consideration provisions in relation to Visiometrics, Infinite Leap, Sewertronics and Rovers.
Judgements and estimates involved in valuing defined benefit pension plans.	– Assessing the assumptions used in determining pension obligations, and considering the treatment of the movement in pension plan assets, predominantly resulting from the purchase of insurance contracts during the year ended 31 March 2025, to reduce net defined benefit plan liabilities. – The recognition of the plan surpluses in accordance with IFRIC 14.
Compliance risks with existing and evolving tax legislation, and judgements around uncertain tax positions including the recoverability of the tax receivable balances.	– Assessing the position taken with regards to tax judgements and the carrying value of tax provisions and uncertainties, monitoring tax legislative developments and tax audits globally. – Understanding the evolving BEPS Pillar 2 legislation and the likely compliance impact on the Group.
Carrying value of investments (Company only).	– Constructively challenging the reasonableness of the assumptions used in impairment calculations by management, in particular discount rates and future cash flows. – Monitoring the progress and impact of the legal entity rationalisation programme.
Going concern status of the Group and any impact to future viability.	– The evidence supporting the going concern basis of accounts preparation, the Viability statement and the risk management and internal control disclosure requirements.
Task Force on Climate-related Financial Disclosures (TCFD).	– The work undertaken to continue to assess and manage the climate-related risks and opportunities for the Group and the associated reporting in accordance with the TCFD framework.

In addition, the Committee considered the presence of any significant product failures or other legal cases in the period that would warrant the inclusion of a significant warranty or legal provision, and assessed the capitalisation and carrying value of Capitalised Development Costs in line with the accounting policy and standards.

External Auditor

The Committee monitors the effectiveness of the Auditor throughout the year and annually conducts an evaluation of the external audit, by way of a tailored online questionnaire, further details of which are set out on page 119. The assessment found no significant concerns and the insights from the questionnaire have been discussed both internally and with PwC, to assist with the planning of future work. The Committee concluded that it was satisfied with the Auditor's performance in discharging the Full Year audit and the Half Year review; the independence and objectivity of the Auditor; the robustness of the audit process, including how the Auditor demonstrated professional scepticism and challenged managements assumptions and the quality of service and delivery of the audit. Accordingly, the Committee recommends that PwC are reappointed as Auditor at the 2025 Annual General Meeting (AGM).

The proposal to reappoint PwC as Auditors for the year ending 31 March 2026, is in the best interests of shareholders and the Company. PwC has a detailed knowledge of our business, an understanding of our industry and continues to demonstrate that it has the necessary expertise and capability to undertake the audit for the coming period.

Audit tendering

The Committee has primary responsibility for recommending to the Board the appointment or reappointment of the external Auditor before it is put to shareholders at the AGM. The Committee will, at the appropriate time, lead the audit tender process. This process will be carried out at least every 10 years and, unless it is undertaken earlier, it is the Committee's policy to consider whether a tender is appropriate every five years – to coincide with the change in Senior Statutory Auditor.

PwC were appointed Auditor to the Company at the AGM in 2017. Christopher Richmond was appointed Senior Statutory Auditor for the financial period commencing 1 April 2022.

During 2025, the Committee, with the support of executive management, will design and implement an appropriate audit tender process for the audit of the financial period commencing 1 April 2027, ensuring that the determined criteria are met. The Committee intends to recommend a preferred audit firm to the Board in 2026, with a proposed recommendation being put to shareholders for approval at the 2027 AGM. Details of the audit tender process will be provided in Halma's Audit Committee Report for the year ending 31 March 2026. Timings of the audit tender process have been devised to ensure adequate time is given to meet the required independence provisions.

Statement of compliance

The Company confirms that it complied throughout the year with the provisions of the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Auditor objectivity and independence (including non-audit fees)

The Group has adopted a Policy on "Auditor Independence and Services provided by the External Auditor" which sets out the limited services that the external Auditor can provide to Group companies, which do not conflict with the Auditor's independence. The Policy was updated in 2020 to align with the FRC's revised Ethical Standard which applied from March 2020. The Committee continues to monitor changes in legislation related to auditor independence and objectivity and annually reviews the Policy.

In addition to Halma's Policy, the Auditor runs its own independence and compliance checks, prior to accepting any engagement, to ensure that all non-audit work is compliant with the Ethical Standard in force and that there is no conflict of interest.

During the year, four pieces of permitted audit related services work (in addition to the Half Year review) were undertaken by PwC. These were in respect of a liquidity test pertaining to a dividend distribution in Belgium, which must be performed by an auditor, a verification for the King's Awards for Enterprise, in respect of Elfab Limited, R&D activities for FY24 for Italian based entity, Sensitron SRL, and post-acquisition, advice relating to R&D tax credits for GFE, which is permissible since services ceased within the three-month transition window. Additionally, PwC provided access to their technical guidance toolkit, for a total fee of c.£1,400. All work was pre-approved by the Committee Chair and reported to the Committee in accordance with our Policy.

The audit fees payable to PwC for the year ended 31 March 2025 were £3.2m (2024: £3.2m) and permitted audit-related service fees were £0.1m (2024: £0.1m). Other non-audit services totalled less than £0.1m in each of the current and preceding year. The total of audit-related and non-audit related services for the year totalled c.6% of three-year average audit fees, significantly below the limit of 70% required by the Policy.

Evaluation of the effectiveness and quality of the external Auditor

The effectiveness of the Auditor is monitored throughout the year, including through:

- **FRC's PwC Audit Quality Inspection and Supervision report 2023/24** – the Committee reviewed the results of the FRC's PwC Audit Quality Inspection and Supervision report 2023/24 during the year and noted that the FRC had concluded that PwC continue to prioritise achieving a high quality audit.
- **Progress against audit plan and strategy** – the Committee evaluated and monitored progress against the agreed audit plan and strategy and any issues or reasons for variation from the plan were identified, discussed and agreed with the Auditor. The Committee approved the Auditor's fees for the year under review.
- **Regular private sessions** – the Committee hold regular private sessions with the Auditor, without management present, to facilitate open dialogue.
- **Auditor reports to the Committee** – through PwC's formal reports to the Committee at each meeting the Committee track and consider the work undertaken by the Auditor during the year.
- **Interaction with Auditor** – the Committee Chair, the Chief Financial Officer and management have regular communication with the Auditor throughout the year and are able to raise issues and discuss key deliverables as the year progresses. The Committee recognises that PwC have appropriately challenged management on key judgements and estimates throughout the year, as detailed in the significant risks and material issues, judgements and estimates table above.
- **Audit tender and rotation** – in accordance with our Auditor Independence Policy, the Committee reviews the appropriateness of tendering the external audit function every five years and will rotate Senior Statutory Auditor at least every five years, the most recent rotation of which took place in 2022, with a new audit partner being in place for FY23.
- **Annual internal effectiveness survey** – a tailored online questionnaire is circulated and completed by Committee members, other senior management and company CFOs who are engaged in the audit process, the outcomes of which are reported to the Committee and the Board. A summary of the process and key findings is set out below.

External audit evaluation process:

Bespoke questionnaire covering:

- External audit partner time commitment
- Quality of the team
- Accounting, technical and governance insight
- Policies for compliance with the revised Ethical Standards
- Quality and timeliness of reporting
- Clarity and authority of communications

Questionnaire completed by:

- Committee members
- Group Chief Executive
- Chief Financial Officer
- Director of Internal Audit and Assurance
- Company Secretary
- Company CFOs
- Sector CFOs
- Group Financial Controller

Results:

- Results of the questionnaire are collated centrally by the Group Financial Controller and a summary of the findings and the FRC's AQR Report on PwC as a firm, are provided to the Committee and PwC.

Outcome:

- Following a review by the Committee of the output from the 2025 questionnaire and the AQR findings, the Committee confirmed that PwC is effective as Auditor to the Company and recommends to the Board their reappointment as Auditor to be proposed at the 2025 AGM.

Risk management and internal controls

The Committee maintains oversight of the risk management and internal control framework and systems (including financial, operational and compliance controls) and monitors its effectiveness, reporting back to the Board, which has ultimate responsibility to the shareholders for the Group's system of internal control and risk management. The Committee also monitors the framework in place to manage cyber risk, while the Board is responsible for reviewing cyber risk and mitigating actions. While not providing absolute assurance against material misstatements or loss, this system is designed to identify and manage those risks that could adversely impact the achievement of the Group's objectives. The Group's risk and control governance framework is detailed on page 69 and the risk management and internal control processes are detailed on pages 68 to 71.

Regular reporting to the Committee by the Director of Internal Audit & Assurance, as well as findings of internal audits by circulation between meetings, ensures that there is a good understanding of any non-compliance that arises and the swift action being taken to close any gaps. The Committee receives regular reports from management throughout the year on the financial reporting control and risk management environment, as well as receiving presentations from Sector Chief Executives and Sector Chief Financial Officers, Head of Tax & Treasury, Head of Sustainability and Director of Risk & Compliance on their control and assurance processes, which form the basis of the Committee's annual review of the Group's financial and accounting systems. The Group's Auditor, PwC, has audited the financial statements and has reviewed the financial control framework to the extent considered necessary to support the audit report.

The Committee regularly reviews the ongoing process in place for identifying, evaluating and managing the emerging and principal risks faced by the Group, as detailed on pages 70 to 78, and for determining the nature and extent of the risks it is willing to take in achieving its strategic priorities. This risk framework is in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Throughout the year, the Steering Committee, established during 2023, in anticipation of the changes to internal controls reporting under the 2024 Code, has continued its work to review Halma's material controls and assurance. Provision 29 of the 2024 Code will be effective for Halma from 1 April 2026 and the Committee, through its oversight of the work undertaken by the Steering Committee, is confident that they are well placed to effectively report under Provision 29 of the 2024 Code from this period.

The Committee is satisfied that the risk management and internal control framework remains robust and effective, while still allowing autonomous and agile decision-making, which is essential to Halma's decentralised structure and an integral part of Halma's growth strategy. No significant failings or weaknesses have been identified in the internal controls.

Whistleblowing

The Committee has responsibility for reviewing the adequacy and security of the Group's arrangements for employees and contractors to raise concerns about possible improprieties in financial reporting, fraud or other financial or ethical misconduct.

Halma has appointed an external third-party provider, NavexGlobal, to operate a confidential, multilingual, telephone and web reporting service, 24/7, through which concerns can be raised. Further details are set out in the non-financial & sustainability information statement on page 64.

The Director of Risk & Compliance receives and reviews all reports to ensure that they are appropriately investigated and all allegations of fraud or financial misconduct are reported to the Committee. In line with many listed companies, most matters reported through the NavexGlobal service relate to personnel/HR matters and, while these are not areas for review by the Committee, such matters are duly investigated in the same manner and reported directly to the Board in its role of monitoring culture and workforce concerns.

Following a review during the year, the Committee is satisfied with the adequacy and security of the arrangements in place for concerns to be raised.

Climate-related disclosures

The Committee has overall responsibility for approving the disclosures made under the climate-related UK Listing Rule 6.6.6R(8). The Committee has continued to receive updates during the year on climate-related disclosures and reporting. Further information on our TCFD disclosures can be found on page 79.

Internal Audit & Assurance

The Internal Audit & Assurance function comprises the Director of Internal Audit & Assurance and six audit managers – three based in the UK, two in the US and one in China, and a systems and data administrator. External co-source is also utilised for certain specialist areas as required, such as cyber risk and sustainability. A risk-based audit work plan is agreed by the Committee annually and seeks to provide assurance at principal risk level and also other areas such as companies' compliance with the Halma control framework. Progress against the audit plan is reviewed at each Committee meeting, in order that any changes in priorities or resourcing can be discussed and agreed. Pulse checks are shorter verbal walkthroughs to give assurance touchpoints that take place mid-way between full audits and are also undertaken to provide an additional assurance snapshot. These Pulse checks are also used for recent acquisitions and are performed six months after the date of the acquisition to check progress, followed by a full audit at 12 months, for high priority control, and 18 months for medium and lower priority controls.

The Committee receives regular reports from Internal Audit & Assurance that identify any significant control or compliance weakness, or other risk that requires immediate management attention. The report gives background to any weaknesses, mitigating controls and actions being taken to address the findings.

The Committee has oversight of the Internal Audit & Assurance budget and resources available and it has satisfied itself that the function has the appropriate level of resources and funds available to undertake its role. All Internal Audit reports are issued to management and the Auditor.

Evaluation of the effectiveness and quality of the Internal Audit function

The effectiveness of the Internal Audit function is monitored throughout the year, including through:

- **Progress against the Internal Audit plan** – the Committee reviews and discusses progress made against an annually agreed Internal Audit action plan at each meeting.
- **Internal Audit reports to the Committee** – Internal Audit reports are presented at each Committee meeting for review and discussion.
- **Annual review of the Internal Audit & Assurance charter** – the Committee annually reviews and approves changes to the Internal Audit & Assurance charter.
- **Annual internal effectiveness survey** – a tailored online questionnaire is circulated and completed by Committee members and other senior management who are engaged in the audit process, the outcomes of which are reported to the Committee and the Board.
- **Regular private sessions** – the Committee hold regular private sessions with the Director of Internal Audit and Assurance, without management present, to facilitate open dialogue.

A summary of the process and key findings is set out on the following page.

Internal audit evaluation process and outcome

Bespoke questionnaire covering:
- The functions' position and reporting lines
- Internal audit scope and its relevance to our business
- Audit approach
- Quality of the team
- Reliability and quality of reporting
- Use of technology and communication

Questionnaire completed by:
- Board members
- Executive Board members
- Sector CFOs
- Group Financial Controller
- Chief Information Security Officer
- Divisional Chief Executives
- Company Secretary
- PwC Audit Partner

Results:
- The responses from the questionnaire are collated centrally and a summary of the findings is provided to the Committee to consider the overall effectiveness of the function and any action required.

Outcome:
- Following a review by the Committee of the output of the 2025 questionnaires and direct feedback from the Chief Financial Officer and the Chair, the Committee concluded that the quality, experience and expertise of the Internal Audit function is effective.

Fair, balanced and understandable

To ensure that the report and accounts are fair, balanced and understandable, the Committee considers the output from a series of focused exercises that take place during the Annual Report and Accounts production process. These can be summarised as follows:

- A qualitative review, performed by the Group's Finance and Secretarial functions, of disclosures and a review of internal consistency throughout the Annual Report and Accounts. This review assesses the Annual Report and Accounts against objective criteria drawn up for each component of the requirement (individual criteria that indicate "fairness", "balance" and "understandability" as well as criteria that overlap two or more components).
- A risk comparison review which assesses the consistency of the presentation of risks and significant judgements throughout the main areas of risk disclosure in the Annual Report and Accounts.
- A formal review of all Board and Committee meeting minutes by the Company Secretary to ensure that all significant issues are appropriately reflected and given due prominence in narrative reporting.
- Availability to the Committee of the key working papers and results for each of the significant issues and judgements considered by the Committee in the period.

The Directors' statement on a fair, balanced and understandable Annual Report and Accounts is set out on page 151.

Sharmila Nebhrajani OBE
Committee Chair

For and on behalf of the Committee, 12 June 2025

Remuneration Committee report

Committee membership and responsibilities
The Committee comprises all independent non-executive Directors, with Jo Harlow as Chair. The attendance at each Committee meeting for the year ended 31 March 2025 can be found on page 102.

The Committee operates under written terms of reference, reviewed annually, which are available at **www.halma.com**. The Committee discharged its duties under its Terms of Reference for the year.

Committee activities 2024/25
Principal activities during the year:

- Reviewed and approved the 2024 Directors' Remuneration Report, including narrative on the Real Living Wage, Gender Pay Gap and the Chief Executive pay ratio.
- Approved the 2024 annual bonus payout and Executive Share Plan (ESP) vesting.
- Reviewed salaries for the Executive Board effective 1 June 2024, taking the budgets for salary reviews across the Group into consideration.
- Approved the 2025 annual bonus and ESP targets.
- Discussed wider workforce remuneration, including an update on the 401k retirement offering for our US employees and the impact of the change in UK National Insurance contributions.
- Discussed and approved the removal of energy productivity as the climate change metric in the annual bonus from 2026 onwards.
- Confirmed that Diversity, Equity and Inclusion would remain as a non-financial annual bonus metric for 2026.
- Received executive remuneration governance and market updates from our remuneration consultants, WTW.

Jo Harlow
Remuneration Committee Chair

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the year ended 31 March 2025.

The Directors' Remuneration Report provides a comprehensive overview of our remuneration framework, detailing how the Remuneration Policy has been implemented over the year to 31 March 2025 and outlining the intended arrangements for the 2026 financial year.

On behalf of the Committee, I would like to express my thanks to shareholders for their overwhelming support with 94.3% of the AGM votes cast in favour of the Remuneration Policy.

The context of remuneration in 2025
Our performance
I am pleased to present this report against a backdrop of exceptionally strong performance, as Halma reports its 22nd consecutive year of profit growth, delivering 46 consecutive years of dividend growth of 5% or more.

We continue to see a story of growth and success in a continually challenging macroenvironment. Our total shareholder return, as seen on page 139 of this report, has continued to outperform the FTSE 100 index, with an investment of £100 in Halma shares on 31 March 2015 worth £408.5 on 31 March 2025 compared to £186.1 for a similar investment in the FTSE 100 index.

Other highlights are:

- Revenue grew by 10.5% and Adjusted[1] EBIT grew by 14.7%.
- Adjusted[1] earnings per share increased by 14.4%.
- Return on Total Invested Capital (ROTIC)[1] of 15.0% remained well above our Weighted Average Cost of Capital estimated at 9.8%.

Our people
Halma continues to meet its commitment to pay the Real Living Wage across its UK workforce with effect from 1 June 2025.

We are moving closer towards gender balance in our business with improved representation for women at senior leadership level. We continue to publish details of our mean (average) gender pay gap for the employees across our two largest regions (UK and the US), with a narrowing of the gap to 12.1% as at 31 March 2025 from 15.7% as at 31 March 2024. Details of our progress in this area can be found on page 59 in the Support our people section.

Our median CEO pay ratio is 133:1 and details can be found on page 137. The Group Chief Executive's total remuneration comprises a significant proportion of variable pay.

1 See note 3 to the Accounts for alternative performance measures and reconciliations to statutory measures.

With our decentralised operating model and the geographic spread of our companies, meaningful comparisons of executive pay against wider workforce compensation are complex. The Committee is mindful of reward practices across the Group when setting and implementing its approach to executive remuneration. Specifically, the Committee receives data on the remuneration structure for management tiers below the Executive Directors and uses this information to ensure as much consistency of approach as is possible. During the year, the Committee received updates on a range of employee pay and benefit practices including the 401k retirement offering available to US employees and the impact of the changes to UK National Insurance effective April 2025.

The Board continues to pursue opportunities for non-executive Directors to meet with employees under a programme of in-person site visits to get a deeper understanding of Halma's DNA. My non-executive Director colleagues and I attended and presented at the Accelerate leadership conference in October 2024, engaging directly with the leaders of Halma companies. My colleagues on the Committee and I visited a total of twenty Halma companies and were able to discuss employee engagement, company culture and executive remuneration at Halma. We also listened to concerns raised and discussed positive feedback on the range of benefits offered.

Chief Financial Officer transition

On 7 January 2025, it was announced that Steve Gunning would step down from the role of Chief Financial Officer and that Carole Cran would be CFO Designate from 8 January 2025. Steve stepped down as Chief Financial Officer on 31 March 2025, when Carole took on the role.

Carole is a very experienced Chief Financial Officer and served as non-executive Director at Halma for nine years and as Audit Committee Chair for most of this period.

Steve will retire from Halma with effect from 7 January 2026 and the Committee decided to treat him as a good leaver for the purposes of incentives, consistent with Halma's policies. Steve's and Carole's remuneration arrangements are disclosed on pages 131 and 132 of this report. Both sets of arrangements are in accordance with the Remuneration Policy.

Remuneration outcomes for 2025

In light of the context set out above, the Committee made the following decisions in respect of Executive Pay.

Bonus

Bonuses for 2025 were based on three metrics below:

- Economic Value Added (EVA): Performance against a weighted average target of EVA for the past three years, representing 90% of overall bonus opportunity.
- Diversity, Equity and Inclusion (DEI): Gender balance on the boards of individual Halma companies, representing 5% of overall bonus opportunity.
- Climate Change: Improvement in the cumulative performance in energy productivity (Revenue/ energy consumed), representing 5% of overall bonus opportunity.

The Committee considered the targets to be demanding, appropriate and material to stakeholder value-creation.

The formulaic outcomes across all three metrics are set out below, with an overall payout of 95% of maximum. As per the Policy, one third of the total payout will be deferred into shares which become available after two years:

Metric (Weighting)	EVA (90%)	DEI (5%)	Climate Change (5%)	Weighted total
Achievement as a % of maximum outcome	100%	0%	100%	95%

Executive Share Plan (ESP)

For the 2022 ESP award, the two performance metrics, equally weighted and measured over a three-year period are:

- Growth in Adjusted[1] earnings per share (EPS).
- Average Return on Total Invested Capital (ROTIC)[1].

The three-year performance for average ROTIC (14.71%) and Adjusted EPS growth over the three-year period (13.52%) have been strong and result in 85.72% vesting as set out in the table below.

Metric (Weighting)	Adjusted EPS Growth (50%)	ROTIC (50%)	Total
Vesting achievement as a % of maximum outcome	50.00%	35.72%	85.72%

1 See note 3 to the Accounts for alternative performance measures and reconciliations to statutory measures.

The Committee considers the targets for this award to be stretching and is confident that the measures incentivise shareholder value creation.

The Committee reviewed the topic of windfall gains for the 2022 grant and it determined that it was not a concern because the vested outcome reflects true business performance. It was therefore of the view that the formulaic vesting should proceed without any adjustments.

In line with the 2024 Corporate Governance Code (the Code), the Committee reviewed the outcomes of the individual incentive plans (annual bonus and ESP) as well as the overall levels of remuneration to ensure that they remained consistent with the underlying performance of the business. The Committee is satisfied that the total remuneration received by Executive Directors in respect of the year ended 31 March 2025 is a fair reflection of performance over the period and no use of discretion is warranted.

Chair and non-executive Director Fees

The Committee carried out a benchmarking review of the Chair's fees and the Committee approved an increase of 3.0% and details of this can be found on page 137.

Following a benchmarking review, the Board agreed to increase the base fees for the non-executive Directors by 2.6% with effect from 1 January 2025. The increases were made to reflect the growing complexity of the business, along with the increased time commitments of the individuals. The specific Senior Independent Director and Committee Chair fees were left unchanged as these still align with the benchmark, which is the median of the FTSE 100 (excluding financial services).

Details of this change can be found on page 137.

Remuneration arrangements for 2026

Salary and pension arrangements

We benchmark Halma Executive Directors against the median of the FTSE 100 (excluding financial services) to ensure Halma maintains the level of pay that supports the current talent retention and succession needs as well as the company's growth ambitions.

As part of the annual salary review approach for Executive Directors, the Committee considered multiple factors including salary movements across the wider workforce, individual performance and external market positioning.

The Group Chief Executive, will receive a salary increase of 8%, which has been awarded to reflect Marc's outstanding leadership and the Group's exceptional operational performance across sectors and companies. This increase ensures that Marc's base salary is broadly in line with the median of the FTSE 100, excluding financial services. Target total pay, including bonus and long-term incentives, remains slightly below median.

The Chief Talent, Culture and Communications Executive, Jennifer Ward, will receive a salary increase of 8%. This increase has been awarded given her sustained strong performance in the role and the success of the business over the year. This increase will mean Jennifer's base salary remains competitively positioned against the median of the FTSE 100, excluding financial services, considering the nature and scope of her responsibilities.

The Committee is pleased with Carole Cran's performance as Chief Financial Officer and as such, she will receive an increase of 4%, in line with the average increase awarded to the wider workforce.

The Committee was in unanimous support of these salary increases, particularly in the context of the very strong business performance amidst an increasingly complex geopolitical and economic landscape. In the context of a highly competitive global market for senior talent, the Committee is aware of the need to ensure that the Executive Directors remain competitive on a total pay basis to be able to attract executives of the calibre required to deliver the Group's ambitious strategic objectives.

Role	Current position	Position with effect from 1 June 2025
Group Chief Executive	£940,500	£1,015,800
Chief Financial Officer	£618,000	£642,800
Chief Talent, Culture and Communications Executive	£488,020	£527,100

Pension arrangements for Executive Directors will remain aligned with the wider UK workforce at 10.5% of base salary.

Annual Bonus
Since 1 April 2022, bonuses for the Halma Executive Directors have been based on the three metrics below:

- DEI: Gender balance on the boards of Halma companies, representing 5% of overall bonus opportunity.
- Climate Change: Improvement in cumulative performance in energy productivity (Revenue/ energy consumed), representing 5% of overall bonus opportunity.
- Economic Value Added (EVA): Performance against a weighted average EVA target, representing 90% of overall bonus opportunity.

For DEI, we firmly believe that building inclusive businesses, underpinned by diverse perspectives, is fundamental to our unique culture, which helps accelerate our growth and enhance our competitive edge to win for the benefit of all stakeholders. As such, we will continue to include this target in remuneration for the 2026 financial year, in support of our over-arching ambition to achieve 40-60% gender representation on the boards of Halma companies by 31 March 2030.

Halma's companies make the world a safer, cleaner and healthier place by providing solutions to many of the key challenges facing the world today. In 2022, Halma introduced a Sustainability Framework, including a target to reduce Scope 1 & 2 emissions by 42% by 2030 from our 2020 baseline and achieve Net Zero for Scope 1 & 2 emissions by 2040. Although our Scope 1 & 2 emissions are small, they are within our direct control, and we wanted to focus on reducing those emissions in the near term while we worked to quantify and understand our larger Scope 3 emissions.

Additionally, the Board understands the extent of the challenge and the importance of embedding sustainability into culture and mindset, using levers such as incentive metrics. Specifically for Climate Change, energy productivity is a metric that underpins the achievement of our Scope 1 & 2 science-based and Net Zero targets and is aligned with the sustainability pillar to Protect our Environment.

Using energy productivity as the climate change metric has led to several positive developments, including increased focus on energy usage and improved data quality. However, we have already exceeded our near-term Scope 1 & 2 goal and as such, improving energy productivity is no longer a key driver of material sustainability-related progress. This has led to increasing difficulty in setting targets.

This was why in last year's Remuneration Report, I highlighted that we would review the appropriateness of the energy productivity metric for remuneration. As such, over the 2025 financial year, alongside the option of retaining energy productivity, the Committee considered the materiality, auditability and measurability of potential alternatives.

The Committee had input from the Halma Sustainability team and a cross-functional working group and as part of the conversations, the nature and diversity of our companies were considered in detail, alongside the complexities of rolling up individual company targets for circa 50 individual businesses to our Executive Directors.

The conclusions of the review are as follows:

- Improving energy productivity remains an ongoing goal for all our companies. However, as our sustainability approach has matured, we are more focused on other sustainability opportunities and challenges faced by our companies.
- As part of our maturing approach to sustainability, every Halma company now has its own individual Sustainability Action Plan (SAP), which includes sustainability goals most relevant to them. I am proud of the change in focus and mindset we have seen across Halma companies, partly as a result of the inclusion of environmental remuneration.
- The uniqueness of our companies and the diverse climate issues they are trying to tackle makes it difficult to set one metric that would be used across our senior leadership population.

Given the conclusions above, the Committee decided that the climate change metric would no longer be used in the annual bonus.

We will continue to use EVA as the financial performance metric for the annual bonus as it is aligned with our business model and our focus on delivering sustainable growth alongside consistently high returns. We also continue to believe that good sustainability performance is inextricably linked to long-term sustainable growth and returns and this is why we have reallocated the 5% weighting previously allocated to energy productivity to EVA.

As such, effective 1 April 2025, the overall bonus opportunity for our senior leaders including our Executive Directors will be:

- DEI: Gender balance on the boards of Halma companies, representing 5% of overall bonus opportunity.
- Economic Value Added (EVA): Performance against a weighted average EVA target, representing 95% of overall bonus opportunity.

ESP

ESP awards will be granted as normal in June 2025, using Adjusted[1] EPS growth and ROTIC[1] as the performance metrics based on stretching performance conditions. We will continue to review whether sustainability-linked remuneration can be extended to the ESP over time.

The Policy provides flexibility to include non-financial measures in both the ESP and the annual bonus, with up to 20% of the overall opportunity available to be utilised for this purpose. Reflecting the continuing development of our sustainability approach, we have chosen to use a 5% weighting on non-financial metrics in the annual bonus only and we will continue to review this over the financial year.

1 See note 3 to the Accounts for alternative performance measures and reconciliations to statutory measures.

Closing remarks

The Committee's performance was assessed as part of the annual evaluation process. I am pleased to report that the Board takes assurance from the quality of the Committee's work.

In closing, I would like to thank the Committee for its work and support during the year. Thanks also to our executive team for their continued efforts to deliver exceptional value to our stakeholders.

I hope that you find this report helpful and look forward to your support at the Annual General Meeting.

Jo Harlow
Committee Chair

For and on behalf of the Committee, 12 June 2025

We have a strong pay-for-performance culture that is aligned to our Sustainable Growth Model, focused on sustaining our companies' growth and returns over the long term, while delivering strong performance in the short term.

The components of our executive remuneration

Fixed Pay + Short-term incentive + Long-term incentive = Total Pay

Salary, benefits & pension
A fair, fixed remuneration reflecting the size of the executive's responsibilities, which attracts and retains high calibre talent necessary for the delivery of the Group's strategy.

Annual Bonus
To incentivise and focus the executives on the achievement of objective annual targets, which are set to support the short to medium-term strategy of the Group.

Executive Share Plan
To incentivise the executives to achieve superior returns to shareholders over a three-year period rewarding them for sustained performance against challenging long-term targets.

Performance metrics used in 2025

Short-term incentive

Economic Value Added (EVA)	– The use of EVA (profit less a charge for capital employed) reinforces the Group's business objective to double our earnings every five years through a mix of organic growth and acquisitions. Performance is measured against a weighted average target of EVA for the past three years.
Diversity, Equity and Inclusion	– Our focus on DEI is the right thing to do and a critical driver of growth. Following our success in increasing gender diversity at the Halma and Executive Boards, our focus is on increasing gender diversity on our company boards.
Climate Change	– Action on climate change is an important part of us delivering on our purpose to grow a safer, cleaner, healthier future for everyone, every day. Reducing our own emissions is a key priority for us with cumulative improvement in energy productivity as our current target.

Maximum opportunity:
200% of Salary (Group Chief Executive)
180% of Salary (Chief Financial Officer)
180% of Salary (Chief Talent, Culture and Communications Executive)

Long-term incentive

Adjusted[1] EPS Growth	– EPS growth provides a disciplined focus on increasing profitability and thereby provides close shareholder alignment through incentivising shareholder value creation.
Return on Total Invested Capital[1] (ROTIC)	– ROTIC reinforces the focus on capital efficiency and delivery of strong returns, allowing us to reinvest for future growth, and thereby further strengthening the alignment of remuneration with the Group strategy.

Maximum award:
300% of Salary (Group Chief Executive)
250% of Salary (Chief Financial Officer)
200% of Salary (Chief Talent, Culture and Communications Executive)

1 See note 3 to the Accounts for alternative performance measures.

How actual performance compared to targets

Short-term incentive – Annual Bonus

Metric	Weighting	Threshold	Maximum	Actual	Outcome achieved (% of maximum)
Economic Value Added (EVA)	90%	£376.3m	£441.8m	Actual: £462.7m	100%
Diversity, Equity and Inclusion (DEI)	5%	35%	–	Actual: 33%	0%
Climate Change	5%	19%	22%	Actual: 26%	100%
Weighted annual bonus outcome (% of maximum)					**95%**

Long-term incentive – Executive Share Plan

Metric	Weighting	Threshold	Maximum	Actual	2025 Achievement (Vesting %)
Adjusted[1] EPS growth over a three-year period	50%	5%	12%	Actual: 13.52%	50.0%
Three-year average ROTIC[1]	50%	11%	17%	Actual: 14.71%	35.7%
Vesting percentage (2022 Award)					**85.7%**

2024 and 2025 single total figure of remuneration

		Percentages			Total Pay (£000)
Marc Ronchetti Group Chief Executive	2025	21%	35%	44%	5,056
	2024	27%	46%	27%	3,748
Steve Gunning Former Chief Financial Officer	2025	40%	60%		1,768
	2024	40%	60%		1,720
Carole Cran Chief Financial Officer	2025	40%	60%		437
Jennifer Ward Chief Talent, Culture and Communications Executive	2025	22%	33%	45%	2,550
	2024	27%	40%	33%	2,000

The remuneration levels in the chart above reflect the Group's exceptional performance, where record levels of growth have been achieved across the organisation, and strong shareholder returns delivered.

Directors' remuneration for 2026

Salary/fees

The Group Chief Executive, Marc Ronchetti, will receive a salary increase of 8%, which has been awarded to reflect his exceptional leadership. The Chief Talent, Culture, and Communications Executive, Jennifer Ward, will also receive a salary increase of 8%, awarded in recognition of her sustained strong performance in the role. The Committee is pleased with Carole Cran's performance as Chief Financial Officer, and she will receive an increase of 4%, in line with the average increase awarded to the wider workforce. With effect from 1 June 2025, the salaries for the Executive Directors will be:

Marc Ronchetti	Carole Cran	Jennifer Ward
£1,015,800	£642,800	£527,100

The Chair's fee was increased by 3%. The basic fee for the non-executive Directors was increased by 2.6%. The specific Senior Independent Director and Committee Chair fees were left unchanged as these still align with the benchmark, which is the median of the FTSE 100, excluding financial services.

→ **Further details are set out in the statement from the Remuneration Committee Chair on page 123.**

Annual Bonus

The maximum annual bonus opportunity for the Executive Directors is set out below:

Marc Ronchetti	Carole Cran	Jennifer Ward
200% of Salary	180% of Salary	180% of Salary

The performance measures[3] for the 2026 financial year are in line with the Remuneration Policy and will be as follows:

- Economic Value Added (EVA)
- Diversity, Equity and Inclusion (DEI)

Although for 2026, we will not use the Climate Change metric in remuneration, we have retained the DEI target as we continue to work towards our wider diversity ambitions. The 2026 target is to achieve 35% gender balance on Halma company boards, with a weighting of 5%.

Details of the financial performance target, EVA are not disclosed in advance due to the commercial sensitivity and will be disclosed retrospectively following the end of the performance period. The weighting is 95%.

→ **Group DEI target details are set out on page 126 in the section titled "Annual Bonus".**

Executive Share Plan (ESP)

The maximum ESP opportunity for the Executive Directors is set out below:

Marc Ronchetti	Carole Cran	Jennifer Ward
300% of Salary	250% of Salary	200% of Salary

The performance measures for the 2026 financial year are in line with the Remuneration Policy and are as set out below:

	Weighting	Threshold[1]	Maximum
Adjusted[2] EPS growth	50%	5%	12%
ROTIC[2]	50%	11%	17%
% of award vested		25%	100%

1 There is straight line vesting between threshold and maximum.
2 See note 3 to the Accounts for alternative performance measures and reconciliations to statutory measures.

Share Incentive Plan

The Share Incentive Plan (SIP) will continue to operate for the 2026 financial year. All Executive Directors are members of the SIP.

Pension

The pension contribution for the Executive Directors for the 2026 financial year will remain at 10.5% of base salary, which aligns with the wider UK workforce.

Other benefits

No changes will be made to other benefits operated for the 2026 financial year.

3 All performance measures are aligned to Group performance.

Annual Remuneration Report

The Annual Remuneration Report sets out details of how the Policy was implemented in the year to 31 March 2025 and the proposed implementation for the next financial year. Details of how the Remuneration Committee intends to implement the Remuneration Policy during 2026 are summarised on page 135. The audited sections of this Report are clearly identified.

Remuneration for 2025

Single figure of total remuneration for Executive Directors (audited)

The table below sets out the single figure of total remuneration received by Executive Directors for the years to 31 March 2024 and 31 March 2025.

	Marc Ronchetti £000		Steve Gunning[1] £000		Carole Cran[2] £000		Jennifer Ward £000	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Salary	934	900	615	600	146	–	486	470
Benefits[3]	29	29	27	27	12	–	18	20
Pension[4]	98	95	65	63	15	–	51	49
Total Fixed Pay	**1,061**	**1,024**	**707**	**690**	**173**	**–**	**555**	**539**
Annual Bonus[5]	1,787	1,710	1,057	1,026	264	–	835	810
Executive Share Plan (ESP)[6]	2,204	1,010	–	–	–	–	1,156	647
Share Incentive Plan (SIP)[7]	4	4	4	4	–	–	4	4
Total Variable Pay	**3,995**	**2,274**	**1,061**	**1,030**	**264**	**–**	**1,995**	**1,461**
Total Pay	**5,056**	**3,748**	**1,768**	**1,720**	**437**	**–**	**2,550**	**2,000**

Notes to the table:
1 Steve Gunning's retirement plans were announced on 7 January 2025 and he was Chief Financial Officer until 31 March 2025, when he stepped down from the Board. He will retire on 7 January 2026.
2 Carole Cran was a Halma non-executive Director until 7 January 2025. She was CFO Designate between 8 January 2025 until 31 March 2025 and became Chief Financial Officer on 1 April 2025.
3 Benefits: mainly comprises car allowance and private medical insurance.
4 Pension: value based on the Company's cash supplement in lieu of pension during the year.
5 Annual bonus: payment for performance during the year; two-thirds is payable in cash and one-third is deferred into shares which vest two years from award without any performance conditions. The table shows total bonus including amounts to be deferred.
6 ESP: Figures relate to awards vesting based on performance to the years ended 31 March 2024 and 2025. For the award vesting for the year ended 31 March 2025, as the share price on the date of vesting is currently unknown, the value shown is estimated using the average share price over the three months to 31 March 2025 of 2,796p. For the award vesting for the year ended 31 March 2024, these figures hove been updated from last year's report to reflect the actual share price on the vesting date of 2,611p. Dividend equivalents in 2025 and 2024 respectively were as follows for: Marc Ronchetti – £48,075 and £22,392, Jennifer Ward – £25,227 and £14,320.
7 SIP is based on the face value of shares at grant.

Executive Board changes in 2025 (audited)

Carole Cran's joining arrangements

Carole Cran was a non-executive Director until 7 January 2025. She began her role as CFO Designate on 8 January 2025 on a base salary of £618,000. Other key details of her remuneration, which are in line with our Remuneration Policy are set out below:

- She was granted a Performance Share Award in February 2025 under the ESP, which will vest in February 2028, subject to performance conditions. The award is also subject to a two-year post-vesting holding period.
- Her annual bonus for the 2025 financial year, that has just concluded, is pro-rated to reflect her period of employment and her deferred bonus award will be calculated as one-third of the bonus earned.

She became Chief Financial Officer on 1 April 2025 and details of her remuneration for the 2026 financial year are set out on page 130.

Steve Gunning's leaving arrangements

Steve Gunning stepped down from the Board on 31 March 2025 and will retire on 7 January 2026 ("Retirement Date"). On this basis and per his service agreement, Steve Gunning will continue to be paid in line with the Remuneration Policy until his retirement and the details are:

- He will continue to be paid a salary of £618,000 until Retirement Date.
- He will remain eligible to receive a bonus paid in June 2025, in respect of the 2025 financial year, with one-third granted as a deferred bonus award to vest in June 2027, with no attaching further performance conditions.
- He will not be paid a bonus for the 2026 financial year.
- He will not receive an ESP award in June 2025.
- He will be treated as a good leaver on retirement and hence his outstanding ESP awards that are unvested in January 2026 will be time pro-rated to Retirement Date and vest, subject to performance, at their normal vesting date.
- He will automatically be treated as a good leaver under the Share Incentive Plan (SIP) rules and as such all SIP shares held in trust will be transferred at retirement, free of tax and national insurance.
- He will continue to receive benefits through to the Retirement Date.
- He remains subject to the post-cessation shareholding requirements.

Directors' pensions (audited)

Our current Executive Directors are entitled to join the UK Defined Contribution Plan but due to annual allowance restrictions, they received a cash-in-lieu pension contribution of 10.5% of salary, which is the maximum contribution rate available to the UK wider workforce.

Incentive outcomes for 2025 (audited)

Annual bonus in respect of 2025

In 2025, the maximum bonus opportunity for the Group Chief Executive was 200% and 180% of salary for the Chief Financial Officer and the Chief Talent, Culture and Communications Executive.

Annual bonus for all Executive Directors was linked to performance based on the three metrics below:

- Economic Value Added (EVA): Performance against a weighted average target of EVA for the past three years, representing 90% of overall bonus opportunity.
- Diversity, Equity and Inclusion (DEI): Gender balance on the boards of Halma companies, representing 5% of overall bonus opportunity.
- Climate Change: Improvement in the cumulative performance in energy productivity (Revenue/energy consumed), representing 5% of overall bonus opportunity.

The Committee felt that the targets were demanding, appropriate and material to stakeholder value.

Operating company directors, sector leaders and central senior management participate in bonus arrangements similar to those established for the Executive Directors.

EVA calculation:

Bonuses for the Executive Directors are calculated based on Group profit exceeding a target calculated from the profits for the three preceding financial years after charging a cost of capital, including on the cost of acquisitions. As the EVA for each year is utilised for a further three years in the comparator calculations, executives must consider the medium-term interests of the Group otherwise there is the potential for an adverse impact on their capacity to earn a bonus.

Profit excluding interest for each year at constant currency – **Minus a charge on cost of acquisitions** – **Minus a charge on working capital** = **Equals the EVA for each year**

DEI and Climate Change:
The DEI target is based on progress towards our goal of reaching female representation on the boards of Halma companies of at least 35% over the financial year and ultimately 40% by 31 March 2030. In 2025, maximum payout of 5% of bonus opportunity could have been achieved with a gender balance figure of 35% or above and nil payout with a figure lower than 35%.

The Climate Change target is based on achieving a stretching range of cumulative improvement in Energy Productivity. In 2025, the target was set to retain alignment with our external benchmark, while not rewarding any reduction in cumulative performance compared to 2024.

Details of these non-financial targets for the 2025 financial year are set out in the tables below:

Diversity, Equity and Inclusion: Gender balance on the boards of Halma Companies

	Target	% payout for performance against target
On/Off Target	**≥35%**	**100%**

Climate Change: Improvement in the cumulative performance in energy productivity

	Target	% payout for performance against target*
Threshold	**19%**	**25%**
Maximum	**≥22%**	**100%**

* Straight line payout between threshold and maximum.

Performance levels against all three targets are provided in the table below:

Metric	Weighting	Threshold / Maximum	2025 Achievement (% of maximum)
Economic Value Added (EVA)	90%	£376.3m / £441.8m; Actual: £462.7m	100%
Diversity, Equity and Inclusion (DEI)	5%	35% / –; Actual: 33%	0%
Climate Change	5%	19% / 22%; Actual: 26%	100%
Weighted annual bonus outcome (% of maximum)			**95%**

The cash and deferred bonus awards across all three targets are set out in the table below:

Executive Director	Overall bonus outcome (% of maximum)	Overall bonus outcome (% of salary)	Bonus for 2025	Cash-settled	Value of 2025 deferred bonus award
Marc Ronchetti	**95%**	**190%**	**1,786,950**	**1,191,300**	**595,650**
Steve Gunning	**95%**	**171%**	**1,056,780**	**704,520**	**352,260**
Carole Cran (started as CFO Designate on 8 January 2025)	**95%**	**43%**	**264,195**	**176,130**	**88,065**
Jennifer Ward	**95%**	**171%**	**834,514**	**556,343**	**278,171**

The deferred bonus awards across all three metrics are calculated as one-third of the bonus earned. Deferred bonus awards will be granted under the ESP in June 2025. The number of shares over which awards will be made will be determined by the share price for the five trading days prior to the date of award. These awards will not be subject to any further performance conditions and will ordinarily vest in full on the second anniversary of the date of grant unless the Remuneration Committee determines otherwise. Full details will be provided in next year's Annual Remuneration Report.

Executive Share Plan (ESP): 2022 Awards (vesting at the end of the year to 31 March 2025)

In June 2022, the Executive Directors received awards of performance shares under the ESP. The performance targets for these ESP awards are set out below. The vesting criteria are 50% EPS-related and 50% ROTIC-related.

Metric		Below Threshold	Threshold	Maximum
Adjusted[1] EPS growth	Performance level:	<5%	5%	12% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
ROTIC[2]	Performance level:	<11%	11%	17% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
Total vesting		**0.0%**	**25%**	**100%**

1 Adjusted earnings per share growth over the three-year performance period. See note 3 to the Accounts for details of the adjustments made.
2 Average ROTIC over the performance period. See note 3 to the Accounts for details of alternative performance measures.
3 There is straight line vesting between threshold and maximum vesting.

The three-year period over which these two performance metrics are measured ended on 31 March 2025. Average ROTIC was 14.71% (the average ROTIC for financial years 2023, 2024 and 2025) and Adjusted EPS growth was an average of 13.52% per annum for the period from 1 April 2022 to 31 March 2025, resulting in vesting of 85.72% of the awards. The estimated vesting value of the awards granted in June 2022 are included in the 2025 single figure of total remuneration for Directors and are detailed in the table below:

Executive Director	Interest held	Face value at grant £000	Vesting %	Interest vesting	Three-month average price at year end	Estimated vesting value £000	of which value attributable to share price £000	and value attributable to corporate performance £000
Marc Ronchetti	**89,965**	**1,746**	**85.72%**	**77,118**	**2796p**	**2,156**	**660**	**1,496**
Jennifer Ward	**47,208**	**916**		**40,467**		**1,131**	**345**	**786**

Awards normally lapse if they do not vest on the third anniversary of their award. These awards are subject to a two-year post-vesting holding period. Dividend equivalents accrue over the vesting period and are paid in cash at the end of the vesting period, and only on those shares that vest. All awards are subject to tax and social security deductions. In line with regulations, the values disclosed above and in the single total figure of remuneration table on page 129 capture the number of interests vesting for performance to 31 March 2025. As the market price on the date of vesting is unknown at the time of reporting, the values are estimated using the average market value over the three-month period to 31 March 2025 of 2796p. The actual values at vesting will be trued-up in the next Annual Remuneration Report.

Incentive Awards granted during 2025 (audited)

Long-term incentive – Performance Share Plan Awards (granted during the year to 31 March 2025)

In June 2024, the Executive Directors, excluding Carole Cran were granted conditional share awards and on 28 February 2025, Carole Cran was granted a conditional share award under the ESP. All awards are subject to ROTIC and Adjusted EPS growth performance over a three-year period measured from 1 April 2024 to 31 March 2027. Specifically, the ROTIC element will be based on the average ROTIC for 2025, 2026 and 2027. The EPS element will be based on EPS growth from 1 April 2024 to 31 March 2027.

These two elements are equally weighted at 50% each. The performance targets applying to these awards are as set out in the table below:

Metric		Below Threshold	Threshold	Maximum
Adjusted[1] EPS growth	Performance level:	<5%	5%	12% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
ROTIC[2]	Performance level:	<11%	11%	17% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
Total vesting		**0.0%**	**25%**	**100%**

1 Adjusted earnings per share growth over the three-year performance period. See note 3 to the Accounts for details of adjustments made.
2 Average ROTIC over the performance period. See note 3 to the Accounts for details of alternative performance measures.
3 There is straight line vesting between the threshold and maximum points.

The awards vest on the third anniversary from the date of grant, 24 June 2027 for the Executive Directors excluding Carole Cran and 28 February 2028 for Carole Cran. The awards are subject to a two-year post-vesting holding period.

Executive Director	% of salary	Face value at award date £000	Five-day average market price at award date (p)	Awards made during the year
Marc Ronchetti	**300%**	**2,817**	**2644**	**106,561**
Steve Gunning	**250%**	**1,541**	**2644**	**58,289**
Carole Cran (started as CFO Designate on 8 January 2025)	**250%**	**1,545**	**2845**	**54,301**
Jennifer Ward	**200%**	**972**	**2644**	**36,774**

Long-term incentive – Deferred Share Awards (granted during the year to 31 March 2025)

In June 2024, the Executive Directors, excluding Carole Cran were granted deferred share awards under the ESP in respect of one-third of the total bonus earned for the financial year ended 31 March 2024. Carole started her role as CFO Designate in January 2025 and as such she was not entitled to a bonus or deferred share award in respect of the 2024 financial year. Awards are not subject to performance conditions as they are deferred awards relating to bonus earned for the year ended 31 March 2024. Awards vest in full on the second anniversary of the date of grant (June 2026).

Executive Director	Bonus to 31 March 2024 £000	Proportion awarded in share	Face value at award date £000	Five-day average market price at award date	Awards made during the year
Marc Ronchetti	1,710	**33.3%**	**570**	**2644p**	**21,554**
Steve Gunning	1,026	**33.3%**	**342**		**12,932**
Jennifer Ward	810	**33.3%**	**270**		**10,212**

Single figure of total remuneration for non-executive Directors (audited)

The following table sets out the total remuneration for the Chair and the non-executive Directors for the year end 31 March 2025.

Non-executive Director[1]	2025 £000	2024 £000
Dame Louise Makin (Chair)	**437**	423
Roy Twite[2]	**14**	75
Carole Cran[2]	**76**	96
Jo Harlow	**119**	109
Dharmash Mistry	**77**	75
Sharmila Nebhrajani OBE	**82**	75
Liam Condon	**77**	39
Giles Kerr	**77**	13

1 Fees have been rounded to the nearest £1,000.
2 Roy Twite stepped down from the Board on 7 June 2024 and Carole ceased to be a non-executive Director on 7 January 2025, when she became CFO Designate.

Implementation of the Policy for the year to 31 March 2026

Base Salary, effective 1 June 2025

The Group Chief Executive will receive a salary increase of 8%, awarded to reflect Marc Ronchetti's outstanding leadership. This increase ensures that Marc's base salary aligns broadly with the median of the FTSE 100, excluding financial services. The Chief Talent, Culture and Communications Executive, Jennifer Ward, will also receive a salary increase of 8%. This increase recognises her sustained strong performance in the role. The Committee is pleased with Carole Cran's performance as the Chief Financial Officer and as such, she has been awarded an increase of 4%, in line with the average increase granted to the wider workforce. The Committee unanimously supported these increases, especially in light of the excellent business performance.

Executive Director	Salary for 2026	Salary for 2025
Marc Ronchetti	**£1,015,800**	£940,500
Carole Cran (started as CFO Designate on 8 January 2025)	**£642,800**	£618,000
Jennifer Ward	**£527,100**	£488,020

Pension

UK employees are offered a maximum company pension contribution rate of 10.5% of salary, along with a tiered contribution structure, which benefits our lowest paid the most.

Pension cash supplements for Executive Directors will be 10.5% of salary in line with the maximum rate offered to UK employees.

Annual bonus

The maximum annual bonus opportunity for the 2026 financial year is 200% of salary for the Group Chief Executive and 180% of salary for the other Executive Directors. One-third of the bonus earned will be deferred into a share award which vests in full after two years. Bonus payments will be subject to malus and clawback during a period of three years from the date of payment.

Bonuses for the 2026 financial year will be based on EVA performance against a weighted average target of EVA for the past three years. We will also continue to use Diversity, Equity and Inclusion (DEI) as a non-financial target. The weightings for EVA performance and DEI will be 95% and 5% respectively.

For DEI, we are looking to achieve gender balance of 35% on our company boards, which is aligned to our over-arching ambition to achieve at least 40% gender balance on our company boards by 2030. We continue to believe that this ambition contributes to long-term shareholder value and fosters an inclusive Halma culture. You can find more on page 58, where we set out details of our accomplishments.

As our financial target is commercially sensitive, details are not disclosed at this time but will be in next year's Remuneration Report.

The Remuneration Committee must be satisfied that Halma's underlying performance over the financial year justifies the payout. When making this judgement the Committee has scope to consider such factors as it deems relevant. The Committee believes that this approach will ensure fairness to both shareholders and participants.

Long-term incentive – Performance Share Awards (to be granted)

Under the ESP, performance share plan awards and deferred bonus awards will be made in June 2025, based on the Policy. The number of shares over which awards will be made is determined by the average share price for the five trading days prior to the date of award. The value of each performance share award is as follows:

Executive Director	Salary for 2026	Performance Share Award	Value of award
Marc Ronchetti	**£1,015,800**	300%	**£3,047,400**
Carole Cran	**£642,800**	250%	**£1,607,000**
Jennifer Ward	**£527,100**	200%	**£1,054,200**

The performance share awards will be subject to an Adjusted EPS growth performance target for 50% of the award and a ROTIC target for 50% of the award measured over the three financial years 2026, 2027 and 2028.

The full performance conditions are set out in detail in the table below.

Metric		Below Threshold	Threshold	Maximum
Adjusted[1] EPS growth	Performance level:	<5%	5%	12% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
ROTIC[2]	Performance level:	<11%	11%	17% or more
	% of award vesting[3]:	**0.0%**	**12.5%**	**50%**
Total vesting		**0.0%**	**25%**	**100%**

1 Adjusted earnings per share growth over the three-year performance period. See note 3 to the Accounts for details of adjustments made.
2 Average ROTIC over the performance period. See note 3 to the Accounts for details of alternative performance measures.
3 There is straight line vesting between the threshold and maximum points.

Chair and non-executive Director fees

A market review was carried out in respect of our Chair's fee, which was subsequently increased with effect from January 2025. A review of the non-executive Directors' fees was carried out and the Board made a decision to increase the base fees with effect from January 2025. The specific Senior Independent Director and Committee Chair fees were left unchanged. Fees are subject to an annual review and to align with timings for Executive Directors and the wider workforce salary reviews, any future changes will be effective in June 2026.

Fees	Annual fees for 2025	Annual fees for 2024
Chair	**£447,000**	£434,000
Base fee	**£78,000**	£76,000
Senior Independent Director	**£20,000**	£20,000
Audit Committee Chair	**£22,500**	£22,500
Remuneration Committee Chair	**£22,500**	£22,500
Committee Member	**nil**	nil

Group Chief Executive pay ratio

The following table sets out our Group Chief Executive's pay ratios as at 31 March 2025. All figures are calculated using pay and benefits data for the year to 31 March 2025 and for part-time employees, the full-time equivalent salary and benefits are used.

Year	Method	25th Percentile: pay ratio, total pay and benefits (salary)	50th Percentile: pay ratio, total pay and benefits (salary)	75th Percentile: pay ratio, total pay and benefits (salary)
2025	**Option A**	**180:1**	**133:1**	**85:1**
		£28,044	**£38,151**	**£59,285**
		(£27,280)	**(£34,733)**	**(£53,203)**

Historical information

		25th Percentile: pay ratio	50th Percentile: pay ratio	75th Percentile: pay ratio
2024	Option A	127:1	99:1	63:1
2023	Option A	138:1	104:1	68:1
2022	Option A	145:1	110:1	70:1
2021	Option A	141:1	110:1	68:1
2020	Option A	183:1	139:1	86:1

Option A was chosen again this year as it is the most statistically accurate method, considered best practice by the Government, in line with shareholder expectations and is directly comparable to the Group Chief Executive's remuneration. This method requires calculation of pay and benefits for all UK employees using the same methodology that is used to calculate the Group Chief Executive's single figure per the table on page 129.

Commentary

The Group Chief Executive is remunerated predominantly on performance-related elements (bonus and share awards), based on the delivery of strong growth and returns. As a result, remuneration of the Group Chief Executive is weighted more heavily towards variable pay than that of the wider workforce and strongly reflects shareholder experience.

The increase in the Group Chief Executive's remuneration is predominantly because of very strong operational results which have led to consistent share price growth over the performance period and the strong bonus payout and LTI vesting outcome. The associated pay ratio reflects the exceptionally strong performance in 2025, where record levels of growth and returns have been achieved across the Group. The ratio has therefore increased, which reflects the correlation between pay and performance.

The pay ratio will fluctuate each year depending on the performance of the company and as such the Remuneration Committee considers pay ratios as one of many reference points when reviewing executive remuneration.
The Committee considers that the median pay ratio for 2025 is consistent with the pay, reward and progression policies for the Company.

Percentage change in Directors' remuneration versus employees

The table below shows the percentage change in the salary/fees, benefits and bonus outcomes of the Directors and this is compared to the average percentage change in remuneration for other Halma plc employees over five financial years ending 31 March.

	Salary/fees (% change)					Benefits (% change)					Annual Bonus (% change)				
	2025	2024	2023	2022	2021	**2025**	2024	2023	2022	2021	**2025**	2024	2023	2022	2021
Executive Directors															
Marc Ronchetti[1]	**4%**	35%	38%	19%	(5%)	**3%**	34%	7%	(17%)	41%	**4%**	102%	(5%)	187%	(40%)
Steve Gunning[2]	**2%**	370%	–	–	–	**3%**	374%	–	–	–	**3%**	445%	–	–	–
Carole Cran[3]	**–**	–	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Jennifer Ward	**3%**	5%	16%	19%	(5%)	**0%**	(17%)	(3%)	4%	–	**3%**	40%	(19%)	187%	(40%)
Non-executive Directors															
Dame Louise Makin[4]	**3%**	3%	38%	3,612%	–		–	–	–	–		–	–	–	–
Jo Harlow	**9%**	15%	27%	15%	10%		–	–	–	–		–	–	–	–
Dharmash Mistry	**2%**	–	20%	–	–		–	–	–	–		–	–	–	–
Sharmila Nebhrajani OBE	**9%**	–	217%	–	–										
Liam Condon[5]	**95%**	–	–	–	–		–	–	–	–		–	–	–	–
Giles Kerr[5]	**504%**	–	–	–	–		–	–	–	–		–	–	–	–
Former Directors							–	–	–	–		–	–	–	–
Roy Twite[5]	**(81%)**	(74%)	16%	19%	(5%)		(76%)	3%	(13%)	(6%)		(100%)	(19%)	218%	(40%)
Carole Cran[3]	**(21%)**	1%	20%	13%	(5%)										
Other Halma plc Employees	**5%**	5%	7%	6%	–	**10%**	–	8%	3%	(2%)	**12%**	17%	(36%)	230%	(43%)

1 Marc Ronchetti became Group Chief Executive on 1 April 2023. He was CEO Designate between 16 June 2022 and 31 March 2023 and Chief Financial Officer prior to that.
2 Steve Gunning joined the Board on 16 January 2023.
3 Carole Cran became an Executive Director on 8 January 2025 when she started in her role as CFO Designate. Prior to that she was a non-executive Director for nine years until 7 January 2025. This is why she is listed twice in this table.
4 Dame Louise Makin was appointed as non-executive Director on 9 February 2021 and became Chair at the Annual General Meeting on 22 July 2021 as evidenced by the change in percentage in financial year 2022.
5 Liam Condon and Giles Kerr joined the Committee on 25 September 2023 and 1 February 2024 respectively. Roy Twite stepped down from the Board on 7 June 2024.

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (ie dividends and share buybacks) from the financial year ended 31 March 2024 to the financial year ended 31 March 2025.

	2025 £m	2024 £m	% change
Distribution to shareholders	**87.3**	81.5	7.1%
Employee remuneration (gross)	**600.1**	563.0	6.7%

The Directors are proposing a final dividend for the year ended 31 March 2025 of 23.12p per share (2024: 13.2p).

Ten-year performance graph and history of the Group Chief Executive's remuneration

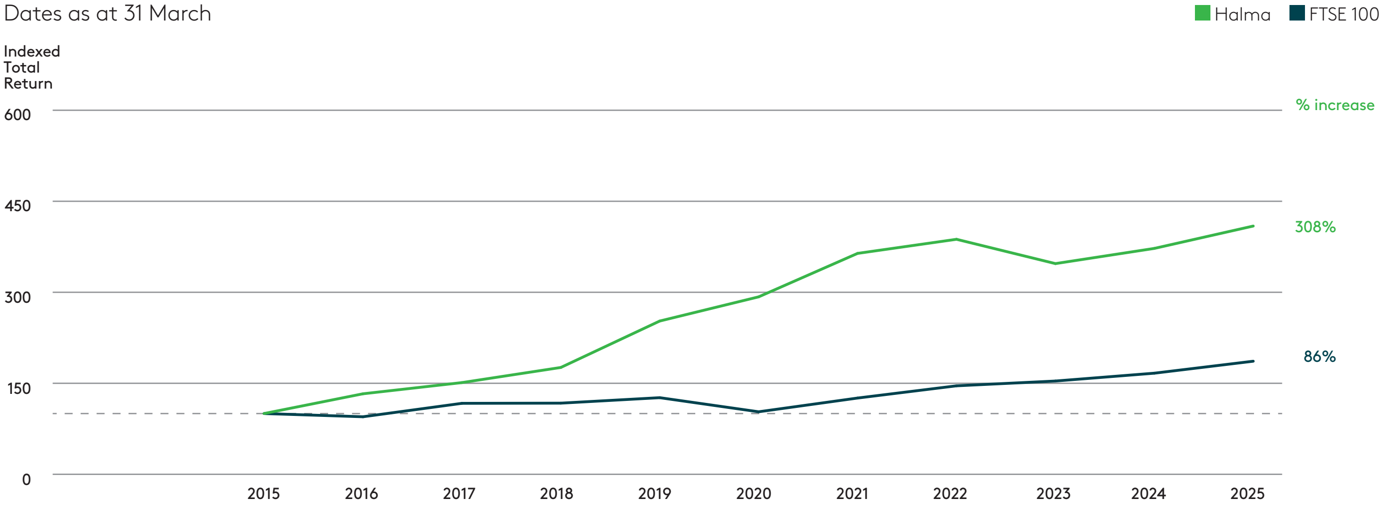
The graph below shows Halma's Total Shareholder Return (TSR) performance over the 10 years to 31 March 2025 as compared to the FTSE 100 index. Over the period indicated, Halma's TSR was 308% compared with 86% for the FTSE 100. The table below the graph details the Group Chief Executive's single figure of total remuneration and actual variable pay outcomes over the same period.

The FTSE 100 has been selected because it is widely used and Halma has been a constituent of this index since December 2017. Prior to that, Halma was a constituent of the FTSE 250.

Total Shareholder Return graph

as rebased to 100

Dates as at 31 March



History of Group Chief Executive's remuneration

	CEO	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
Single figure of remuneration (£000)	Marc Ronchetti[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,748	**5,056**
	Andrew Williams	2,423	2,337	3,429	3,954	3,912	3,258	3,365	3,576	n/a	**n/a**
Annual bonus outcome (% of maximum)[2]	Marc Ronchetti[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	95%	**95%**
	Andrew Williams	53%	34%	89%	100%	81%	48%	100%	70%	n/a	**n/a**
ESP vesting outcome (% of maximum)[2]	Marc Ronchetti[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	84%	**86%**
	Andrew Williams	95%	92%	90%	90%	91%	74%	61%	95%	n/a	**n/a**

1 Marc Ronchetti became Group Chief Executive on 1 April 2023, with Andrew Williams as Group Chief Executive prior to that.
2 Rounded to whole percentage figures.

Payments to past Directors and for loss of office (audited)

On his retirement from the Board in June 2023, Andrew Williams retained the following interests under the ESP, which vested during the year:

- 18,596 deferred bonus awards granted in 2023 will vest on 26 June 2025.
- 46,639 time pro-rated ESP shares vesting at 85.72% based on performance to 31 March 2025 will vest on 27 June 2025, with an estimated vesting value of £1,117,811. As the market price on the date of vesting is unknown at the time of reporting, the value is estimated using the average market value over the three-month period to 31 March 2025 of 2796p.

Directors' interests in Halma shares (audited)

The interests of the Directors in office during the year ended 31 March 2025 (and their connected family members) in the ordinary shares of the Company are below. During the period between 31 March 2025 and 12 June 2025 (the latest practicable date prior to the publication), no changes to Directors' interests were disclosed to the Company.

	31 March 2025	31 March 2024
Dame Louise Makin	**10,000**	10,000
Marc Ronchetti	**114,117**	85,864
Carole Cran	**10,000**	2,000
Steve Gunning	**18,552**	18,414
Jennifer Ward	**27,077**	57,632
Jo Harlow	**2,000**	2,000
Dharmash Mistry	**2,563**	2,563
Sharmila Nebhrajani OBE	**187**	–
Liam Condon	**1,000**	1,000
Giles Kerr	**2,000**	2,000

Directors' interests in Halma share plans (audited)

Details of Directors' outstanding deferred share awards (DSA), conditional share awards (ESP) and free shares under the SIP are outlined in the tables below:

Executive Share Plans		Date of grant	As at 1 April 2024	Granted/ (vested) in the year	Five-day average share price on grant (p)	As at 31 March 2025
Marc Ronchetti	ESP	28-Jun-21	27,252	(23,011)	2715.9	**–**
	ESP	23-Jul-21	17,531	(14,803)	2787.8	**–**
	DSA	27-Jun-22	15,237	(15,237)	1941.2	**–**
	ESP	27-Jun-22	89,965		1941.2	**89,965**
	DSA	26-Jun-23	12,529		2247.6	**12,529**
	ESP	26-Jun-23	119,967		2247.6	**119,967**
	DSA	24-Jun-24		21,554	2644.4	**21,554**
	ESP	24-Jun-24		106,561	2644.4	**106,561**
Steve Gunning	ESP	27-Feb-23	68,181		2200.0	**68,181**
	DSA	26-Jun-23	2,789		2247.6	**2,789**
	ESP	26-Jun-23	66,577		2247.6	**66,577**
	DSA	24-Jun-24		12,932	2644.4	**12,932**
	ESP	24-Jun-24		58,289	2644.4	**58,289**
Carole Cran	ESP	28-Feb-25		54,301	2845.2	**54,301**
Jennifer Ward	ESP	28-Jun-21	18,645	(15,743)	2715.9	**–**
	ESP	23-Jul-21	10,043	(8,480)	2787.8	**–**
	DSA	27-Jun-22	12,208	(12,208)	1941.2	**–**
	ESP	27-Jun-22	47,208		1941.2	**47,208**
	DSA	26-Jun-23	8,554		2247.6	**8,554**
	ESP	26-Jun-23	42,000		2247.6	**42,000**
	DSA	24-Jun-24		10,212	2644.4	**10,212**
	ESP	24-Jun-24		36,774	2644.4	**36,774**

The balance of ESP awards that did not vest during the year have lapsed.

The DSAs do not have any attaching performance conditions and ordinarily vest in full on the second anniversary of the award unless the Remuneration Committee determines otherwise. The performance conditions attached to the 2022, 2023 and 2024 ESP awards are described earlier in this Report, on page 134.

Share Incentive Plan	Date of grant	As at 1 April 2024	Granted in the year	Share price on award (p)	As at 31 March 2025
Marc Ronchetti	01-Oct-22	179		2011	**179**
	01-Oct-23	185		1939	**185**
	01-Oct-24		138	2608	**138**
Steve Gunning	01-Oct-23	185		1939	**185**
	01-Oct-24		138	2608	**138**
Jennifer Ward	01-Oct-22	179		2011	**179**
	01-Oct-23	185		1939	**185**
	01-Oct-24		138	2608	**138**

The SIP shares are held in trust and become the employee's, subject to the rules of the plan, after three years. There are tax benefits for retaining the shares in the trust for at least five years from award date. Carole Cran started as CFO Designate on 8 January 2025 and will be due to receive her first SIP shares with effect from 1 October 2025.

There have been no variations to the terms and conditions for share awards during the financial year.

Share Ownership Guidelines

Executive Directors are expected to build a holding in the Company's shares to a minimum value broadly equivalent to their ESP award maximum opportunity: 300% for Group Chief Executive, 250% for Chief Financial Officer and 200% for other Executive Directors. In addition, Executive Directors are required to hold shares after cessation of employment. The requirement is to hold shares to the value of the share ownership guidelines or actual shareholding (if lower) for a period of two years post-cessation of employment.

Jennifer Ward and Marc Ronchetti have met the Share Ownership Guideline. Steve Gunning and Carole Cran are yet to meet the Share Ownership Guideline. Until such time as this threshold is achieved, they are required to retain no less than 50% of the net of tax value of any vested conditional share or deferred share awards. There are no other non-beneficial interests of Directors. There were no changes in Directors' interests from 31 March 2025 to 12 June 2025.

Consideration of conditions elsewhere in the Group

The Committee considers the remuneration and employment conditions elsewhere in the Group when determining remuneration for Executive Directors. In addition to the employee engagement detailed on page 58, we have established a mean gender pay gap figure for our UK and US companies and the CEO pay ratio is available to employees. As part of Committee/workforce engagement, our non-executive Directors held sessions with a cross-section of employees on site visits to our companies. A breakfast meeting was also held with selected employees at our Accelerate leadership conference, held in October 2025. At these sessions there were productive conversations on the role of Remuneration Committee, executive and employee remuneration and a range of other topics including job satisfaction and company culture.

Consideration of shareholder views

When determining remuneration, the Committee takes into account the views of our shareholders and guidelines set by shareholder representative bodies.

We have regularly engaged with shareholders in the past on remuneration matters and remain committed to doing so. However, the Committee agreed that it was not necessary this year, but hopes that shareholders find the rationale behind pay decisions laid out in this report clear and welcomes any feedback.

Detail on the votes received on the Remuneration Policy and Remuneration Report at the 2024 Annual General Meeting is provided on page 142.

The Remuneration Committee also seeks ongoing advice from its external advisers on wider shareholder views, to ensure that it is kept up to date with any changes in market practice and shareholder sentiment.

External advisers

In June 2020, after a thorough and competitive tender process, WTW was appointed by the Committee as the independent remuneration adviser and continued in this capacity through the year.

WTW is a member of the Remuneration Consultants' Group and voluntarily operates under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. This is based upon principles of transparency, integrity, objectivity, competence, due care and confidentiality by executive remuneration consultants. WTW has confirmed that it has adhered to that Code of Conduct throughout the year for all remuneration services provided to the Company. Therefore, the Committee is satisfied that the advice from WTW is independent and objective. The Remuneration Consultants' Group Code of Conduct is available at **www.remunerationconsultantsgroup.com**.

WTW's fee for the year with respect to executive remuneration matters was £59,200 (2024: £58,785) based on an agreed fee. WTW also provided services to the Company globally which comprise remuneration benchmarking and other consultancy advice.

Compliance statement

This Report has been prepared in accordance with the requirements of the Companies Act 2006 and the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and subsequent amendments.

The Report also meets the relevant requirements of the Listing Rules of the Financial Conduct Authority and describes how the Board has applied the Principles relating to Directors' remuneration in the UK Corporate Governance Code. No changes are proposed to the Policy, which was approved at the 2024 Annual General Meeting, but the Directors' Remuneration Report will be subject to an advisory vote by shareholders at the 2025 Annual General Meeting.

External directorships

The Committee acknowledges that Executive Directors may be invited to become independent non-executive Directors of other listed companies which have no business relationship with the Company and that these roles can broaden their experience and knowledge to Halma's benefit.

Executive Directors are permitted to accept one such appointment with the prior approval of the Chair. Approval will only be given where the appointment does not present a conflict of interest with the Group's activities and the wider exposure gained will be beneficial to the development of the individual. Where fees are payable in respect of such appointments, these are retained by the Executive Director.

Executive Directors with external appointments retain those fees.

Shareholder vote at 2024 Annual General Meeting

The following table shows the results of the binding vote on the Policy and the advisory vote on the Directors' Remuneration Report at the Annual General Meeting held on 25 July 2024.

	For	Against	Total	Withheld
Remuneration Policy (2024)				
Total number of votes	275,901,581	16,666,499	292,568,080	61,981
% of votes cast	94.30%	5.70%	100%	
Directors' Remuneration Report (2024)				
Total number of votes	278,375,180	14,198,149	292,573,329	56,732
% of votes cast	95.15%	4.85%	100%	

Jo Harlow
Committee Chair

For and on behalf of the Board, 12 June 2025

This section of the Report sets out a summary of our Remuneration Policy (the "Policy"). The current Remuneration Policy for Executive Directors came into effect from 25 July 2024, the date of the 2024 Annual General Meeting and applies for three years, until the 2027 Annual General Meeting. The full Policy can be found in the 2024 Annual Report and Accounts, which is available at **www.halma.com/investors**.

Principles underpinning our Policy

The Committee determined that the principles which underpin our current Policy would remain unchanged as they reflect our culture of strong governance and clear purpose.

These principles are:

- A strong pay for performance culture, focusing on the long-term success of the organisation and the alignment to business strategy.
- A balance of focus on growth and returns ensuring the creation of shareholder value.
- A dedication to attracting, retaining and motivating the right quality of talent, acknowledging Halma's DNA.
- A focus on being a good corporate citizen in line with our culture, the UK Corporate Governance Code and market best practice.

Alignment to the UK Corporate Governance Code

The table below shows how the Remuneration Policy addresses each of the factors set out in provision 40 of the UK Corporate Governance Code.

Clarity	We ensure pay for performance and our policy is designed to be logical and transparent. We believe this is clearly communicated to and understood by our stakeholders and participants.
Simplicity	Remuneration for Executive Directors is comprised of distinct elements: fixed pay, annual bonus award and the long-term incentive award.
Risk	A number of features within the Remuneration Policy exist to manage different kinds of risks; these include: – Malus and clawback provisions operating across all incentive plans. – A post-cessation shareholding requirement. – Deferral of remuneration and holding periods. – Remuneration Committee discretion to override formulaic outturns to ensure incentive payouts reflect underlying business performance and shareholder experience. – Limits on awards specified within the policy and plan rules.
Predictability	Target ranges and potential maximum payments under each element of remuneration are disclosed. The Committee regularly reviews the performance of the inflight awards, so it understands the likely outcomes.
Proportionality	The Committee believes that poor performance should not be rewarded. Therefore, a significant portion of remuneration is performance-based and requires achievement against challenging performance targets.
Alignment to Culture	Our business is performance-orientated and our remuneration structure is appropriately aligned to our culture, with performance measures for variable awards being aligned to the Company's wider strategy.

The Remuneration Policy table

The table below summarises the key components of the Policy:

Fixed Pay: Salary	
Purpose and link to strategy	**A fair, fixed remuneration reflecting the size and scope of the executive's responsibilities which attracts and retains high calibre talent necessary for the delivery of the Group's strategy.**
Operation	Reviewed annually or following a material change in responsibilities. Salary is benchmarked to market median levels periodically against appropriate comparators of a similar size and operating in a similar sector and is linked to individual performance and contribution. Salary is the only element of remuneration that is pensionable.
Maximum opportunity	Base salary increases will be applied in line with the outcome of annual reviews (normally with effect from 1 June). Salaries for the financial year under review (and the following year) are disclosed in the Annual Remuneration Report. Salary increases for Executive Directors will not normally exceed the average of the wider employee population other than in exceptional circumstances. Where increases are awarded in excess of the wider employee population, for example where there is a material change in the responsibility, size or complexity of the role, the Committee will provide the rationale in the relevant year's Annual Remuneration Report.
Performance metrics	Not Applicable.

Fixed Pay: Benefits	
Purpose and link to strategy	**To provide benefits that are competitive within the relevant market.**
Operation	Benefits are appropriate to the location of the Director and typically comprise (but are not limited to) a car allowance, life insurance, permanent disability insurance, private medical insurance, relocation and tax advice for international assignments.
Maximum opportunity	Benefits may vary by role, and the level is determined to be appropriate for the role and circumstances of each individual Director. The maximum value will equate to the reasonable market cost of such benefits. The Committee retains the discretion to approve a higher cost of benefits in exceptional circumstances (eg relocation expenses or on expatriation allowance on recruitment, etc) or in circumstances where factors outside the Company's control have changed materially (eg market increases in insurance costs). The rationale behind the exercise of such discretion will be provided in the relevant year's Annual Remuneration Report.
Performance metrics	Not Applicable.

Fixed Pay: Pension	
Purpose and link to strategy	**To provide competitive post-retirement benefits, or the cash allowance equivalent, to provide the opportunity for executives to save for their retirement.**
Operation	Executive Directors participate in a Defined Contribution pension plan. Cash supplements in lieu of Company pension contributions may be made to some individuals at a level dependent upon seniority and length of service. Cash supplements may be reduced to reflect the additional employer social costs thereon. To the extent the pension contributions exceed the local tax allowance, the contributions may be paid to the executive, subject to taxes and social charges.
Maximum opportunity	Defined Contribution: maximum contribution of 10.5% of salary. Cash supplement: Halma contributes up to 10.5% of salary. Defined Contribution members whose contributions exceed the local tax allowance are paid the excess contributions, on pensionable salary, as a cash supplement, net of employer social costs.
Performance metrics	Not Applicable.

Annual Bonus	
Purpose and link to strategy	**To incentivise and focus management on the achievement of objective annual targets which are set to support the short to medium-term strategy of the Group.**
Operation	The structure of the Annual Bonus is reviewed at the start of the year to ensure that the performance measures and their weightings remain appropriately aligned with the Group's strategy and are sufficiently challenging. Performance targets are calibrated and set at the start of the year, with reference to a range of relevant reference points including the annual budget agreed by the Board. At the end of the year, the Committee determines the extent to which these targets have been achieved. Payment of one-third of any bonus is in the form of an award of shares that is deferred for two years. Dividend equivalents accrue over the vesting period. Dividend equivalents are paid in cash or shares at the end of the vesting period. Deferral into shares provides a link to the long-term strategy of the Group. A recovery and withholding provision enables the Company to recoup overpayments either through withholding future remuneration or requiring the executive to repay the requisite amount in the event of misstatement, error or misconduct; serious reputational damage to the business by the individual; and/or a breach of the company code of conduct.
Maximum opportunity	Maximum opportunity: 200% of salary for Group Chief Executive, 180% for other Executive Directors. Bonus payable at threshold: 0% of salary. The Committee can exercise discretion to override the formulaic bonus outcome within the limits of the scheme where it believes the outcome is not truly reflective of performance and to ensure fairness to both shareholders and participants.
Performance metrics	The bonus is based on the achievement of financial performance targets, including Economic Value Added (EVA). Other financial measures may supplement EVA at the discretion of the Committee. Such financial measures must comprise at least 80% of the overall bonus opportunity. The balance of up to 20% may be utilised, at the Committee's discretion, to support non-financial, but measurable, strategic growth priorities.

Long-term Incentive: Executive Share Plan (ESP)	
Purpose and link to strategy	**To incentivise executives to achieve superior returns to shareholders over a three-year period rewarding them for sustained performance against challenging longer term targets; to retain key individuals and align interests with shareholders, reflecting the sustainability of the business model over the longer term and the creation of shareholder value.**
Operation	Executive Directors are granted annual awards over Halma plc shares or a cash equivalent where required as determined by the Committee; awards vest after a period of at least three years based on Group performance. Dividend equivalents accrue over the vesting period. Dividend equivalents are paid in cash or shares at the end of the vesting period, and only on those shares which vest. A recovery and withholding provision enables the Company to recoup overpayments either through withholding future remuneration or requiring the executive to repay the requisite amount in the event of misstatement, error or misconduct; serious reputational damage to the business by the individual; and/or a breach of the company code of conduct. A mandatory two-year holding period applies.
Maximum opportunity	Maximum opportunity: Up to 300% of salary for Group Chief Executive, 250% of salary for Chief Financial Officer and 200% of salary for other Executive Directors. The Committee can exercise discretion to override the formulaic ESP outcome within the limits of the scheme where it believes the outcome is not truly reflective of performance and to ensure fairness to both shareholders and participants and will ensure formulaic outturns do not result in windfall gains. Threshold performance will result in the vesting of 25% of the maximum award.
Performance metrics	Vesting of performance share awards is subject to continued employment and the Company's performance over a three-year performance period. Financial measures must comprise at least 80% of the overall ESP opportunity. The balance of up to 20% may be utilised, at the Committee's discretion, to support non-financial, but measurable, strategic growth priorities.

Share Incentive Plan (SIP)	
Purpose and link to strategy	**To encourage share ownership across all UK-based employees using HMRC-approved schemes.**
Operation	The SIP is an HMRC-approved arrangement. It entitles all eligible UK-based employees to receive Halma shares in a potentially tax advantageous manner.
Maximum opportunity	Participation limits are in line with those set by HMRC from time to time.
Performance metrics	Not applicable.

Share Ownership Guideline	
Purpose and link to strategy	**Align Executive Directors' interests with those of long-term interests of shareholders.**
Operation	Executive Directors are expected to build a holding in the Company's shares to a minimum value equivalent to their ESP award maximum opportunity: 300% for Group Chief Executive, 250% for Chief Financial Officer and 200% for other Executive Directors. In addition, Executive Directors are required to hold shares after cessation of employment. The requirement is to hold shares to the value of the share ownership guidelines or actual shareholding (if lower) for a period of two years post-cessation of employment. Progress towards the share ownership guideline is monitored on an annual basis.
Maximum opportunity	No maximum holding but there is a requirement to build to minimum value.
Performance metrics	Not applicable.

Notes to the Policy table

Differences in remuneration for employees

The Remuneration Policy for the Executive Directors is more heavily weighted towards variable and share-based pay than for other employees, to make a greater part of their pay conditional on the successful delivery of business strategy. This aims to create a clear link between the value created for shareholders and the remuneration received by the Executive Directors.

Due to annual allowance restrictions, our current Executive Directors receive cash supplements as opposed to being in the pension arrangement offered to eligible UK employees. They receive a cash supplement of 10.5% of salary, which is the maximum company contribution rate available to UK employees. All UK-based employees have the opportunity to participate in the Share Incentive Plan.

The table below summarises how the Policy applies across the Group.

	Executive Directors	Executive Board	Other senior Halma employees	Others
Fixed pay				
Salary	●	●	●	●
Benefits	●	●	●	●
Pension/Pension supplement	●	●	●	●
Short-term incentive				
Annual Bonus	●	●	●	●
Long-term incentive				
Executive Share Plan	●	●	●	○
Share Incentive Plan[1]	●	●	●	●

1 Available to UK-based employees only.

Directors' report

The Directors present their report on the affairs of the Company, together with the audited financial statements and Independent Auditors' Report, for the year ended 31 March 2025.

Activities

The Company's principal activity is to act as a holding company. The Company is incorporated and domiciled in England and Wales. A list of its subsidiary companies is set out on pages 232 to 238. Subsidiaries of the Company have established branches in a number of different countries in which they operate. As permitted under Section 414C (11) of the Companies Act 2006, the information set out below, which forms part of this Directors' Report and is incorporated by reference, can be located in the Strategic Report on pages 2 to 92:

- Future developments in the Group's business.
- Activities of the Group in the field of research and development.
- Environmental matters, including greenhouse gas emissions.

Dividends

The Directors' recommend a final dividend of 14.12p per share and, if approved, the dividend will be paid on 15 August 2025 to ordinary shareholders on the register at the close of business on 11 July 2025. Together with the interim dividend of 9.00p per share already paid, this will make a total dividend of 23.12p (2024: 21.61p) per share for the financial year.

Political donations

In line with our Group Anti-Bribery and Corruption Policy, the Group did not make any political donations or incur any political expenditure during the year.

Directors and Directors' interests

The Directors of the Company as at the date of this Report, together with their biographical details, are shown on pages 96 and 97. The Remuneration Report on page 123 provides details of the interests of each Director in the shares of the Company.

Liability insurance and indemnities

The Company has agreed to indemnify, to the extent permitted by law, the Company's Directors against any liability incurred in respect of acts or omissions arising in the course of their office. Qualifying third-party indemnities were in force during the financial year and at the date of approval of the Financial Statements. Each Director is covered by appropriate Directors' and Officers' liability insurance, at the Company's expense.

Financial risk management objectives and policies

Disclosures relating to financial risk management objectives and policies are set out in note 27 to the financial statements, along with exposures relating to credit risk and liquidity risk.

Share capital and capital structure

Details of the share capital, together with details of the movements in the share capital during the year, are shown in note 23 to the accounts. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no other classes of share capital. There are no specific restrictions on the size of a holding nor on the transfer of shares, with both governed by the general provisions of the Company's Articles of Association and prevailing legislation. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Rights and obligations of ordinary shares

Holders of ordinary shares are entitled to attend and speak at general meetings of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, one or more corporate representatives. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not themselves being a member, shall have one vote, as shall proxies (unless they are appointed by more than one holder, in which case they may vote both for and against the resolution in accordance with the holders' instructions). On a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share of which they are the holder.

Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before the meeting.

A holder of ordinary shares can lose the entitlement to vote at general meetings where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as set out above and as permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

The Company has established an Employee Benefit Trust and the trustee has waived its right to vote and its right to all dividends.

Restrictions on transfer of shares

The Directors may refuse to register a transfer of a certificated share that is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or, where the Company has a lien over that share. The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is: (i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; (ii) in respect of only one class of shares; (iii) in favour of a person who is not a minor, infant, bankrupt or a person of unsound mind; or (iv) in favour of not more than four persons jointly.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except certain restrictions which may from time to time be imposed by laws and regulations (for example insider trading laws); or where a shareholder with at least a 0.25% interest in the Company's certificated shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Employees

An overview of the Board's engagement with employees along with the mechanisms for sharing information and taking account of their views in decision-making are included on page 48 of the Strategic Report and page 109 of the Governance Report. Aligning the interests of employees in the Company's performance is achieved through a variety of share and bonus schemes.

The Company gives full and fair consideration to applications of employment from disabled people. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability. In the event of an existing employee becoming disabled, every effort will be made to ensure that their employment with the Group continues and that appropriate support is provided.

Halma has a group-wide diversity and inclusion policy which sets out our commitment that all candidates are considered fairly, regardless of their gender, race, age, sexual orientation, professional or academic background and it is our practice to ensure that there is a diverse selection of candidates before we commence the assessment process. While appointments are ultimately based on merit – taking account of an individual's relevant skills and experience for the role – we recognise the strong benefits that a diverse workforce brings. Accordingly, we require recruiters to make diversity a priority in their selection of potential candidates, which ensures that we factor diversity and inclusion into our process at the outset.

The work that Halma is doing to improve diversity across the Group, along with our open and inclusive culture, ensures that all candidates are fairly considered for each role. We continue to include a DEI target within executive remuneration to align our drive for a diverse and inclusive culture throughout the Group.

Stakeholder engagement

A description of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of Director engagement with our stakeholders, is set out on pages 48 to 53. Examples of how the Directors had regard to stakeholder interests when making principal decisions during the year are set out on pages 105 to 106.

Appointment and removal of Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. Directors can be appointed by the Company by ordinary resolution at a general meeting or by the Board. If a Director is appointed by the Board, such a Director will hold office until the next Annual General Meeting (AGM) and shall then be eligible for election at that meeting. In accordance with the Articles of Association and UK Corporate Governance Code, each of the Directors, being eligible, will offer themselves for election or re-election at this year's AGM. The Company can remove a Director from office, including by passing a special resolution or by notice being given by all the other Directors. The Articles themselves may be amended by special resolution of the shareholders.

Powers of Directors

The powers of Directors are set out in the Articles of Association and a full list of the matters reserved for decision by the Board can be found on our website, **www.halma.com**.

Contracts of significance and change of control

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, principally bank loan agreements, private placement debt and employee share plans.

There are two significant agreements, in terms of the likely impact on the business of the Group as a whole, containing such provisions:

- The £550m syndicated Revolving Credit Facility which, if after 30 days of a change of control notice to the loan agent, can result in 30 days' notice being given to the Company by any Lender, for all amounts outstanding to that Lender, to be immediately due and payable, at which time the commitment of that Lender will be cancelled. If all of the Lenders give this notice the whole facility would be cancelled.

- The US$430m US Private Placement Note Purchase Agreement under which, in the event of a change of control, the Company is required (within 10 days of a change of control) to make an offer to the holders of the US Private Placement notes to prepay the principal amount of the notes together with interest accrued. The US$425m US Private Placement Note Purchase Agreement entered into in April 2024 has the same change of control requirements.

The Group has contractual arrangements with a wide range of suppliers. The Group is not unduly dependent upon contractual arrangements with any particular customer. While the loss or disruption to certain of these arrangements could temporarily affect the Group's business, none are considered to be essential.

The Company's share plans contain provisions as a result of which awards may vest and become exercisable on a change of control of the Company in accordance with the rules of the plans.

There are no agreements between the Company, its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Allotment authority

Under the Companies Act 2006 the Directors may only allot shares if authorised by shareholders to do so. At the AGM an ordinary resolution will be proposed which, if passed, will authorise the Directors to allot and issue shares up to an aggregate nominal value of £12,500,000 (up to 125,000,000 for ordinary shares of 10p each), being just less than one-third of the issued share capital of the Company (excluding treasury shares) as at 12 June 2025 (the latest practicable date prior to the publication of the Notice of Meeting).

In accordance with the Directors' stated intention to seek annual renewal, the authority will expire at the earlier of the conclusion of the AGM of the Company in 2026 and 30 September 2026.

Passing this resolution will give the Directors flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. As at 12 June 2025, the Company had 379,645,332 ordinary shares of 10p each in issue.

The Companies Act 2006 also requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. At the AGM a special resolution will be proposed which, if passed, will authorise the Directors to issue a limited number of shares for cash and/or sell treasury shares without offering them to shareholders first.

The authority is for an aggregate nominal amount of up to 10% of the aggregate nominal value of the issued share capital of the Company as at 12 June 2025 of £3,780,000. The resolution will also modify statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights issue or other pre-emptive offer or issue. The authority will expire at the same time as the resolution conferring authority on the Directors to allot shares. The Directors consider this authority necessary in order to give them flexibility to deal with opportunities as they arise, subject to the restrictions contained in the resolution. There are no present plans to issue shares.

Substantial shareholdings

As at 31 March 2025, the Company had been notified, in accordance with DTR 5 of the Disclosure Guidance and Transparency Rules, of the following interests in voting rights in its shares.

	Year ended 31 March 2025		
	No. of ordinary shares	Percentage of voting rights and issued share capital	No of holdings
BlackRock, Inc.	**23,932,882**	**6.30**	**Indirect**

During the period between 31 March 2025 and 12 June 2025 (the latest practicable date prior to the publication), no changes to substantial shareholdings were disclosed to the Company.

Purchase of the Company's own shares

The Company was authorised at the 2024 AGM to purchase up to 37,900,000 of its own 10p ordinary shares in the market. This authority expires at the earlier of the conclusion of the AGM of the Company in 2025 and 30 September 2025. The Company did not purchase any of its own shares under this authority during the year. In accordance with the Directors' stated intention to seek annual renewal, a special resolution will be proposed at the AGM to renew this authority until the earlier of the end of the Company's 2026 AGM and 30 September 2026, in respect of up to 37,900,000 ordinary shares, which is approximately 10% of the Company's issued share capital as at 12 June 2025.

Annual General Meeting

The Company's AGM will be held on 24 July 2025.

The Notice of Meeting, together with an explanation of the proposed resolutions, is enclosed with this Annual Report and Accounts and is also available on the Company's website at **www.halma.com**.

Independent auditors

Each of the persons who is a Director at the date of approval of this Annual Report and Accounts confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware.
- The Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP (PwC) has expressed its willingness to continue in office as Independent Auditor and a resolution to appoint PwC will be proposed at the forthcoming AGM.

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 on pages 68 to 78. 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.

Post-balance sheet events

Events subsequent to the year end are reported in note 32 to the Accounts on page 223.

Disclosure required under the Listing Rules and the Disclosure Guidance and Transparency Rules

For the purposes of compliance with DTR 4.1.5 R(2), the required content of the management report can be found in this Directors' Report and the Strategic Report, including the sections of the Annual Report and Accounts incorporated by reference.

Relevant disclosures required by LR 9.8.4 R can be located as follows:

	Page
Details of long-term incentives	123
Contracts of significance	148
Shareholder waiver of dividends	147
Shareholder waiver of future dividends	147

Corporate Governance Statement

The Company's statement on corporate governance can be found in the Governance Report on page 94. The Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Mark Jenkins
Company Secretary

By order of the Board 12 June 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 96 and 97 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.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware;
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information; and
- the financial statements on pages 152 to 243 were approved by the Board of Directors on 12 June 2025 and signed on its behalf by Marc Ronchetti and Carole Cran.

On behalf of the Board

Marc Ronchetti
Group Chief Executive

Carole Cran
Chief Financial Officer

12 June 2025

Financial Statements

Our Financial Statements provide a comprehensive overview of the Group's financial performance and position for the year ending 31 March 2025.

In this section

Report on the audit of the financial statements

Opinion

In our opinion:

- Halma plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2025 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 March 2025; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Cash Flow Statement, and the Consolidated and Company Statement of Changes in Equity for the year then ended; the accounting policies; and the notes to the financial statements.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 6 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We identified three significant, due to risk or size, operating components within the Group;
- We performed audit procedures over 47 of the 330 reporting components in the group to provide sufficient Group wide coverage on all financial statement line items; and
- This provided coverage of approximately 72% of revenue, approximately 76% of profit before tax on an absolute basis, and approximately 87% of net assets.

Key audit matters

- Acquisition accounting – valuation of acquired intangibles (group)
- Assessment of impairment of goodwill and acquired intangible assets (group)
- Impairment of investments and recoverability of intercompany receivables (parent)

Materiality

- Overall group materiality: £22,970,000 (FY24: £19,820,000) based on 5% of adjusted profit before taxation.
- Overall company materiality: £21,983,000 (FY24: £19,132,000) based on 1% of total assets.
- Performance materiality: £17,227,500 (FY24: £14,865,000) (group) and £16,487,250 (FY24: £14,300,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Acquisition accounting – valuation of acquired intangibles (group) Refer to Accounting Policies for the disclosure of relevant critical accounting judgements and estimates together with Note 25 – Acquisitions. During the year ended 31 March 2025, the Group completed seven business acquisitions with a combined total consideration of £120.5m, including total estimated contingent consideration of £3.3m. Acquired intangibles recognised in these transactions totalled £84.1m. There is a risk of material misstatement to the financial statements from the application of IFRS 3 'Business combinations', and the related valuation of the assets acquired, the liabilities assumed, and the consideration paid, including contingent consideration. The risk of material misstatement is inherently higher for the acquired intangible assets as a result of the methodology and assumptions used in the valuation. Management engaged third party valuation experts to assist them in the valuation of acquired intangible assets for the five largest acquisitions during the year. There were a further two acquisitions for which the acquired intangibles amounted to £2.0m in total. Therefore in aggregate the risk of a material misstatement in the valuation of these acquisitions is not deemed to be significant. The key estimates and assumptions assessed were: – the completeness of the identified intangible assets which have been recognised in the business combinations; – the methodology and assumptions used in the valuation; and – management's estimate of the future forecast cash flows at the respective acquisition date.	We focused our audit procedures on the five largest acquisitions which in aggregate led to the recognition of acquired intangible assets totalling £82.1m. In respect of these five acquisitions we: – Obtained and read key documentation and agreements relating to these acquisitions together with the acquisition models, internal management due diligence reports and the final purchase price allocations performed by management's experts; – Agreed the appropriateness of the trade names, customer relationships and technology recognised as separately identified intangible assets in each of these acquisitions where relevant; – Performed detailed testing of the opening balance sheet and the related fair value adjustments for each acquisition; – Used our internal valuation experts to evaluate the methodology used by management's experts and confirmed that appropriate income approach techniques had been utilised in valuing the identified intangible assets. Our internal valuations experts also evaluated the assumptions used by management's experts, including assessing discount rates, royalty rates and attrition rates; – Challenged the key assumptions used in these areas including the royalty rates, attrition rates and expected revenue from new customers, and performed sensitivity analysis; – Examined the detailed acquisition cash flow forecasts and confirmed that they reflect the nature of the businesses acquired and management's planned actions as at the acquisition date, and that these actions align with those which could foreseeably be achieved by another market participant. These were compared to historic growth rates and margins and industry reports where available; and – Reviewed the disclosures in the Annual Report, including in note 25, and checked that these are consistent with our audit work performed and the disclosure requirements of IFRS 3. Based on the work performed, as summarised above, we concluded the Group's acquisition accounting is materially appropriate and the recognised acquired intangible assets have been appropriately valued and disclosed.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of goodwill and acquired intangible assets (group) Refer to Accounting Policies for the disclosure of critical accounting judgements and estimates around goodwill and acquired intangibles impairment, Note 11 – Goodwill and Note 12 – Other Intangible Assets of the financial statements. The Group holds significant goodwill and acquired intangible assets balances totalling £1,263.3m (2024: £1,211.0m) and £518.4m (2024: £510.4m) respectively as at 31 March 2025. The valuation of these assets involves estimation and there is a risk they may be impaired. Under IAS 36 'Impairment of Assets', goodwill must be tested for impairment at least annually and finite life intangible assets tested to the extent there is any indication that an asset may be impaired. Management has performed an annual impairment review for each of the 11 CGU groups ('CGUG'), which is the lowest level at which goodwill is monitored by the Group. The impairment reviews performed by management contain a number of estimates such as the forecast cash flows, growth rates and discount rates. They also include climate change related additional capital expenditure in their base case model and adjustments to the long term growth rates where industries have been identified as having the potential to be adversely impacted. As per management's impairment model, there is headroom in the base case for all CGUG's. The CGUG with the lowest headroom is Life Sciences, for which there is a higher risk of an impairment in this CGUG and hence we performed additional procedures. For the remaining ten CGUG's the impairment of goodwill has been assessed as a normal audit risk given the level of headroom in these. Management also assessed whether there are any indications that acquired intangible assets may be impaired. Where such indications were identified, management has performed value in use calculations to assess the recoverable amount of these assets by comparing them to the carrying amounts. No impairment losses have been recognised as a result of this assessment.	The audit procedures we performed to address the risk of impairment of goodwill and acquired intangibles were: – Assessed the methodology and approach applied by management in performing its impairment reviews, including the identification of CGUG's and the allocation of businesses and assets, particularly for acquisitions within the period. This was undertaken to ensure that the allocation was consistent and in line with the requirements of IAS 36 'Impairment of Assets'; – Obtained management's goodwill annual impairment assessment for all 11 CGUG's and ensured the calculations were mathematically accurate and the methodology used was appropriate'; – Tested the underlying data on which the impairment assessment was based. We evaluated the year one cash flows and assessed the short and long-term growth rates applied to them to determine the value in use. In doing so, we compared the; cash flow forecasts to the latest Board approved budgets and sector forecasts, prior year budgets to actual results, and historical cash generation, in order to assess the accuracy of the forecasting process; – Ensured consistency of management's climate change assumptions through comparison to the strategic report and the TCFD analysis including the current year 2050 Net Zero commitment targets for scope 3 emissions; – Tested the growth rate assumptions by comparing them to management's strategic plans, historic growth rates, and industry reports where available; – For the Life Sciences CGUG, due to the lower headroom, we also used our valuation experts to calculate an independent WACC rate and long-term growth rate; In addition to the above, for acquired intangible assets we tested management's impairment assessment, evaluating the approach and ensuring that the underlying triggers used were appropriate; – Where triggers were identified in acquired intangibles, we reviewed managements value in use calculations in line with the useful economic lives of those assets, discussed performance with local, sector and group management, along with external expectations for the markets and industries to which other intangibles relate; – Assessed management's sensitivity analysis of key assumptions and applied our own independent sensitivities to determine whether any changes in these assumptions would either individually or collectively, result in any of the goodwill or acquired intangible assets becoming impaired; and – Reviewed the adequacy of disclosures made in the financial statements and assessed compliance with IAS 36. Based on our work summarised above, we concluded that the goodwill and acquired intangible balances are materially accurate at 31 March 2025 and that appropriate disclosures have been made in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments and recoverability of intercompany receivables (parent) Refer to Note C1 – Accounting Policies, Note C5 – Investments and Note C6 – Debtors. At 31 March 2025, the Company held investments in subsidiaries with a carrying value of £696.4m (2024: £636.0m) and intercompany receivables of £1,293.5m (2024: £1,194.6m). There is a risk that the recoverable amount of investments and intercompany debtors held at 31 March 2025 falls below their current carrying value. The investment amount consists of the direct ownership of all UK subsidiaries in addition to indirect investments in the remaining Group entities. The realisation of the carrying value of these investments and debtors is dependent on the future performance of the trading entities within the Group. The assessment therefore involves estimation, particularly around forecasting future cash flows, the discount rate applied and the long term growth rate. Management initially prepared a trigger assessment to identify those investments with impairment indicators, before preparing detailed Value in Use (VIU) models. The areas of audit focus were the key assumptions in the VIU model including investment specific operating assumptions, discount rates and growth rates along with adjustments for any external debt and intercompany loans outside of the investment sub-group. Through this assessment management concluded that no investment impairment was required, and that no impairment was required in relation to intercompany receivables.	The audit procedures we performed to address the risk around the carrying value of investments in subsidiaries and recoverability of intercompany receivables were: – Discussed with management the basis of its impairment review and, where triggers were identified, the key assumptions supporting the cash flow forecasts, comparing these against the goodwill and acquired intangible models where applicable; – Supported by PwC valuations experts, reviewed management's discount rate and long term growth rate calculation for appropriateness; – Tested all current year acquisitions and disposals back to the supporting documentation and reconciled the closing positions from management's detailed schedules to the financial statements at 31 March 2025; – Compared the total market capitalisation of the Group to the carrying value of investments and net intercompany debtors, adjusted for net debt, which did not identify any impairment triggers; – Sensitised management's assumptions in the VIU model in particular around the forecast cash flow growth rates based on historic performance and industry expected growth rates; and – In respect of intercompany balances recoverability, reviewed the expected cash flows of the associated entity to ensure this is appropriately recorded and recoverable. Based on the work performed, as summarised above, we concluded that the investments balance is materially accurate at 31 March 2025.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is split into three sectors being Safety, Environmental & Analysis and Healthcare. Each sector consists of a number of businesses spread globally across more than 20 countries. The businesses are further disaggregated into 330 reporting components within the consolidation.

Beyond the parent company we have identified one component in the photonics CGUG that is significant due to size and one component in the fire safety CGUG that is significant due to risk due to the valuation of the defined benefit pension scheme giving rise to an elevated risk at the group level. We determined the most efficient approach to scoping was to perform full scope procedures over a further 26 reporting components where statutory audits are already required in the UK, Belgium, Germany, France, Spain, Switzerland, Italy, Australia and Cyprus.

Full scope procedures were also performed in relation to the component holding all consolidation adjustments. In addition, specified audit procedures were performed over all material balances for 15 components in the United States, which includes the significant due to size operating component. Additional audit procedures were performed on specific financial statement line items for a further 3 components in China and the UK. This approach ensured that appropriate audit coverage has been obtained across all financial statement line items.

Where work was performed by component auditors, we determined the appropriate level of involvement we needed to have in that audit work to ensure we could conclude that sufficient appropriate audit evidence had been obtained for the Group financial statements as a whole. We issued written instructions to all component auditors and had regular communications with them throughout the audit cycle. We have held remote meetings with members of each component team during the planning phase of our work and reviewed all matters of significance reported.

In addition, the Group Engagement Leader and a senior member of the Group engagement team performed various site visits to the US, Germany and within the UK during the execution phase of the audit to provide additional oversight to the component teams. Working paper reviews have also been performed for all components which are individually material to the Group; that is components with profit before taxation exceeding Group materiality or where otherwise selected.

Based on the detailed audit work performed across the Group, we have gained coverage of approximately 72% of total revenue, approximately 76% of profit before tax on an absolute basis, and approximately 87% of net assets.

The impact of climate risk on our audit

As part of our audit we have made enquiries of management to understand the process they adopted to assess the extent of the potential impact of climate risk on the financial statements and support the disclosures made in relation to climate risk within the Strategic report, TCFD Report and Sustainability report. We performed enquiries with management and read management's underlying working papers for updates to its TCFD risk assessment and Scope 3 2050 Net Zero risk assessment. We assessed the completeness of management's climate risk assessment by: reading external reporting made by management including the Carbon Disclosure Project submissions to ensure consistency. The Board has made commitments to interim and final Scope 3 Net Zero targets in 2035 and 2050 respectively, as well as Scope 1 and Scope 2 interim and final Net Zero targets in 2030 and 2040. These targets are set in line with a 1.5 degree trajectory, to reduce Scope 1 and Scope 2 emissions by 42% from management's 2020 baseline.

Management continues to assess that there is no material impact on the financial reporting judgements and estimates arising from its considerations, consistent with previous assessments made by the business.

Using our knowledge of the business, we evaluated management's risk assessment, its estimates as set out in the Statement of Accounting Policies and resulting disclosures where significant. In particular we have considered how climate risk would impact the assumptions made in the forecasts prepared by management used in its impairment analyses, as referenced in the key audit matters in relation to the impairment of goodwill, acquired intangible assets and investments above. We also considered the consistency of the disclosures in relation to climate change within the Strategic report, TCFD Report and the Sustainability report within the financial statements, and our knowledge obtained from the audit. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters, for the year ended 31 March 2025. Our responsibility over other information is further described in the "Reporting on other information" section of our report. We have not been engaged to provide assurance over the accuracy of these disclosures.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£22,970,000 (FY24: £19,820,000).	£21,983,000 (FY24: £19,132,000).
How we determined it	5% of adjusted profit before taxation	1% of total assets capped at 90% of Group materiality for the purposes of the Group audit
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, adjusted profit before taxation is considered as the primary measure used by the shareholders in assessing the underlying performance of the Group. This benchmark excludes the impact of adjustments in respect of amortisation and impairment of acquired intangible assets, acquisition items, significant restructuring costs and profit or loss on disposal of operations.	We determined our materiality based on total assets, which is more applicable than a performance-related measure as the company is an investment holding company for the group. The higher company materiality level was used for the purposes of testing balances not relevant to the group audit, such as investments in subsidiary undertakings and intercompany balances.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £0.1m to £20.7m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (FY24: 75%) of overall materiality, amounting to £17,227,500 (FY24: £14,865,000) for the group financial statements and £16,487,250 (FY24: £14,300,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,148,000 (group audit) (FY24: £990,000) and £1,099,150 (company audit) (FY24: £990,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the appropriateness of the underlying cash flow forecasts and performing a retrospective review of actual performance to the prior year model;
- Reviewing the debt agreements to confirm the terms and conditions, including covenants. The covenants were consistent with those used in management's going concern assessment;
- Agreeing borrowings currently in place to third-party confirmations and considered the Group's available financing and maturity profile. This supported the Directors' conclusion that sufficient liquidity headroom remained throughout the assessment period;
- Testing the mathematical accuracy of the covenant calculations, including confirming that the adjustments recorded to determine proforma EBITDA were appropriate;
- Reviewing management's base case and severe but plausible downside scenario, ensuring the directors have considered all appropriate factors, including the cash flows, the liquidity position of the Group, available borrowing facilities, the timing of contractual debt repayments and the relevant financial and non-financial covenants; and
- Performing sensitivity analysis to assess the impact of movements in significant assumptions on the overall liquidity headroom and the banking covenants.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration
In our opinion, the part of the Annual Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Employment regulation, Health and safety regulation, Data Protection regulations, Task Force on Climate-Related Financial Disclosures and Streamlined Energy and Carbon Reporting (SECR), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as The Listing Rules, applicable tax legislation, Pensions legislation, The UK Corporate Governance Code 2018 and Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, either in the underlying books and records or as part of the consolidation process, and management bias in accounting estimates and judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management and the Group's legal team, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of selected component auditors' working papers;
- Challenging estimates and judgements made by management in its critical accounting judgements and estimates that involve considering future events that are inherently uncertain or that may be subject to management bias. In particular, we focused our work on impairment of goodwill and acquired intangible assets, valuation of acquired intangible assets, defined benefit pension liabilities and contingent consideration;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Testing all material consolidation adjustments to ensure these were appropriate in nature and magnitude.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Annual Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 20 July 2017 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is 8 years, covering the years ended 31 March 2018 to 31 March 2025.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Christopher Richmond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

12 June 2025

Consolidated Income Statement

	Notes	Year ended 31 March 2025 Adjusted* £m	Adjustments* (note 1) £m	Total £m	Year ended 31 March 2024 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	14	**(0.3)**	**(1.0)**	**(1.3)**	(0.3)	–	(0.3)
Profit on disposal of operations	30	**–**	**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	6	**459.4**	**(75.1)**	**384.3**	396.4	(56.1)	340.3
Taxation	9	**(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	10						
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	29	**(30.0)**	(12.0)
Tax relating to components of other comprehensive income that will not be reclassified	9	**7.4**	3.0
Unrealised losses in the fair value of equity investments at fair value through other comprehensive income	14	**(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	27	**1.7**	(2.1)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	9	**(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	30	**(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 as described in note 27.

Consolidated Balance Sheet

	Notes	31 March 2025 £m	31 March 2024 £m
Non-current assets			
Goodwill	11	**1,263.3**	1,211.0
Other intangible assets	12	**576.0**	569.0
Property, plant and equipment	13	**283.2**	236.8
Interest in associates and other investments	14	**12.5**	19.8
Retirement benefit asset	29	**4.0**	32.0
Tax receivable	31	**–**	14.7
Deferred tax asset	22	**4.4**	4.9
		2,143.4	2,088.2
Current assets			
Inventories	15	**300.3**	304.8
Trade and other receivables	16	**485.9**	460.9
Tax receivable		**14.7**	2.6
Cash and bank balances		**313.2**	142.7
Derivative financial instruments	27	**1.1**	0.7
		1,115.2	911.7
Total assets		**3,258.6**	2,999.9
Current liabilities			
Trade and other payables	17	**343.3**	296.5
Borrowings	19	**35.6**	0.3
Lease liabilities	28	**23.1**	19.5
Provisions	20	**44.5**	35.0
Tax liabilities		**10.5**	18.2
Derivative financial instruments	27	**0.8**	2.6
		457.8	372.1
Net current assets		**657.4**	539.6
Non-current liabilities			
Borrowings	19	**703.8**	711.9
Lease liabilities	28	**86.5**	64.2
Retirement benefit obligations	29	**2.0**	1.1
Trade and other payables	21	**24.5**	23.9
Provisions	20	**11.2**	10.7
Deferred tax liabilities	22	**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	23	**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	26	**492.4**	385.0
Cash flows from investing activities			
Purchase of property, plant and equipment – owned assets	13	**(43.8)**	(32.8)
Purchase of computer software	12	**(1.1)**	(2.0)
Purchase of other intangibles	12	**(0.7)**	(0.4)
Proceeds from sale of property, plant and equipment and capitalised development costs		**0.9**	1.6
Development costs capitalised	12	**(13.8)**	(16.4)
Interest received		**4.9**	1.2
Acquisition of businesses, net of cash acquired	25	**(116.2)**	(238.8)
Disposal of business, net of cash disposed	30	**5.9**	1.6
Purchase of equity investments	14	**–**	(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	26	**38.9**	513.2
Repayment of bank borrowings	26	**(337.0)**	(465.7)
Repayment of acquired debt on acquisition	26	**(46.6)**	(17.1)
Drawdown of loan notes	26	**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	26	**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	26	**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	26	**8.9**	(30.4)
Net debt acquired	26	**(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	**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.

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 on pages 68 to 78. 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.

Key accounting policies continued

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.

Key accounting policies continued

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. Further details are provided in note 11. 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. Further details are provided in note 31.

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. See notes 20 and 27 for details of the changes in estimates made in the year and the sensitivity of contingent consideration payables to further changes.

Critical accounting judgements and key sources of estimation uncertainty continued

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 note 12.

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. Further details are provided in note 11.

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 note 29.

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.

Other accounting policies continued

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 (see note 6). 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.

Other accounting policies continued

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.

Other accounting policies continued

(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.

Other accounting policies continued

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. Further details of derivative financial instruments are disclosed in note 27. 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.

Other accounting policies continued

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.

Note 27 sets out details of the fair values of the derivative instruments used for hedging purposes and the movements in the Hedging reserve in equity.

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 deem 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.

Other accounting policies continued

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

Employee share plans

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

(a) Share incentive plan

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

(b) Executive share plan

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

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

(c) Cash-settled

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

Dividends

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

Notes to the Accounts

1 Segmental analysis and revenue from contracts with customers

Sector analysis and disaggregation of revenue

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

Nature of goods and services

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

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

Safety Sector generates revenue by providing products that protect people, assets and infrastructure in commercial industrial and public spaces. The technologies play a critical role in reducing safety risks in hazardous situations, increasing efficiency and helping create a safe and more sustainable future for everyone. Markets include: Fire Safety solutions that detect, 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.

1 Segmental analysis and revenue from contracts with customers continued

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

1 Segmental analysis and revenue from contracts with customers continued

Segment revenue disaggregation continued

	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

1 Segmental analysis and revenue from contracts with customers continued

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

		Acquisition items					
	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 30) £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 Instrumatics (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.

1 Segmental analysis and revenue from contracts with customers continued

Segment results continued

	Amortisation and impairment of acquired intangible assets £m	Acquisition items: Transaction costs £m	Acquisition items: Adjustments to contingent consideration £m	Acquisition items: Release of fair value adjustments to inventory £m	Total amortisation charge and acquisition items £m	Disposal of operations and restructuring £m	Total £m
							Year ended 31 March 2024
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.

Before goodwill, interest in associates and other investments and acquired intangible assets are allocated to specific segment assets/liabilities	Assets 31 March 2025 £m	Assets 31 March 2024 £m	Liabilities 31 March 2025 £m	Liabilities 31 March 2024 £m
Safety	**377.5**	358.7	**125.7**	127.4
Environmental & Analysis	**285.4**	279.3	**108.3**	105.3
Healthcare	**258.4**	253.4	**90.6**	83.0
Total segment assets/liabilities excluding goodwill, interest in associates and other investments and acquired intangible assets	**921.3**	891.4	**324.6**	315.7
Goodwill	**1,263.3**	1,211.0	**–**	–
Interest in associate and other investments	**12.5**	19.8	**–**	–
Acquired intangible assets	**518.4**	510.4	**–**	–
Total segment assets/liabilities including goodwill, interest in associates and other investments and acquired intangible assets	**2,715.5**	2,632.6	**324.6**	315.7

After goodwill, interest in associates and other investments and acquired intangible assets are allocated to specific segment assets/liabilities	Assets 31 March 2025 £m	Assets 31 March 2024 £m	Liabilities 31 March 2025 £m	Liabilities 31 March 2024 £m
Safety	**1,005.8**	940.3	**125.7**	127.4
Environmental & Analysis	**667.3**	657.1	**108.3**	105.3
Healthcare	**1,042.4**	1,035.2	**90.6**	83.0
Total segment assets/liabilities including goodwill, interest in associates and other investments and acquired intangible assets	**2,715.5**	2,632.6	**324.6**	315.7
Cash and bank balances/borrowings	**313.2**	142.7	**739.4**	712.2
Derivative financial instruments	**1.1**	0.7	**0.8**	2.6
Other unallocated assets/liabilities	**228.8**	223.9	**294.4**	232.9
Total Group	**3,258.6**	2,999.9	**1,359.2**	1,263.4

Segment assets and liabilities, excluding the allocation of goodwill, interest in associate and other investments and acquired intangible assets, have been disclosed separately above as this is the measure reported to the Group Chief Executive for the purpose of monitoring segment performance and allocating resources between segments. Other unallocated assets include land and buildings, right-of-use assets, retirement benefit assets, deferred tax assets and other central administration assets. Unallocated liabilities include contingent purchase consideration, retirement benefit obligations, deferred tax liabilities, lease liabilities and other central administration liabilities.

1 Segmental analysis and revenue from contracts with customers continued

Other segment information

	Additions to non-current assets		Depreciation, amortisation and impairment	
	31 March 2025 £m	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m
Safety	**111.9**	50.5	**37.2**	35.9
Environmental & Analysis	**38.5**	115.0	**21.8**	21.6
Healthcare	**54.7**	184.4	**33.4**	30.0
Total Segment additions/depreciation, amortisation and impairment	**205.1**	349.9	**92.4**	87.5
Unallocated	**67.9**	5.5	**32.0**	21.1
Total Group	**273.0**	355.4	**124.4**	108.6

Non-current asset additions comprise acquired and purchased goodwill, other intangible assets, property, plant and equipment, interests in associates and other investments.

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.

Geographic information

The Group's non-current assets by geographic location are detailed below:

	Non-current assets	
	31 March 2025 £m	31 March 2024 £m
United States of America	**900.5**	922.8
Mainland Europe	**671.0**	614.5
United Kingdom	**377.5**	320.1
Asia Pacific	**124.2**	133.9
Other countries	**61.8**	45.3
	2,135.0	2,036.6

Non-current assets comprise goodwill, other intangible assets, interest in associate and other investments, and property, plant and equipment.

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:

2 Earnings per share continued

Basic earnings per share

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m	Per share Year ended 31 March 2025 pence	Per share 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	Per share Year ended 31 March 2025 pence	Per share 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 26 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 tax[1]	**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 Capital[3]	**2,374.1**	2,165.9
Return on Total Invested Capital (ROTIC)[4]	**15.0%**	14.4%

3 Alternative performance measures continued

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 profit[1] 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 Employed[3]	**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:

a. removing from the year of acquisition their entire revenue and profit before taxation;

b. 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

c. 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:

3 Alternative performance measures continued

Group

	Revenue Year ended 31 March 2025 £m	Revenue Year ended 31 March 2024 £m	Revenue % 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.

3 Alternative performance measures continued

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 26)	**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 (note 24)	**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 Profit before taxation

Profit before taxation comprises:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Revenue	**2,248.1**	2,034.1
Direct materials/direct labour	**(944.9)**	(873.5)
Production overhead	**(169.6)**	(156.8)
Selling costs	**(203.3)**	(187.1)
Distribution costs	**(35.0)**	(33.6)
Administrative expenses	**(485.8)**	(415.4)
Operating profit	**409.5**	367.7
Share of loss and impairment of associate	**(1.3)**	(0.3)
Profit on disposal of operations	**3.0**	0.5
Profit before interest and taxation	**411.2**	367.9
Net finance expense	**(26.9)**	(27.6)
Profit before taxation	**384.3**	340.3

Included within administrative expenses are the amortisation and impairment of acquired intangible assets, transaction costs, and adjustments to contingent consideration. Included within direct materials/direct labour is the release of fair value adjustments to inventory.

		Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Profit before taxation is stated after charging/(crediting):			
Depreciation		**50.9**	44.2
Amortisation		**69.3**	61.2
Impairment of other intangible assets		**3.1**	3.0
Impairment of property, plant and equipment		**0.1**	0.2
Net impairment loss on trade receivables (reversed)/recognised (note 16)		**(0.5)**	0.7
Research costs*		**94.6**	87.4
Foreign exchange loss		**1.1**	1.6
Profit on disposal of operations (note 30)		**(3.0)**	(0.5)
Profit on sale of property, plant and equipment and computer software		**(0.2)**	(0.2)
Cost of inventories recognised as an expense		**1,100.6**	1,030.3
Staff costs (note 7)		**600.1**	563.0
Auditors' remuneration	Audit services to the Company	**0.7**	0.7
	Audit of the Company's subsidiaries	**2.4**	2.4
	Total audit fees	**3.1**	3.1
	Audit related fees – interim review	**0.1**	0.1
	Other services**	**–**	–
	Total non-audit fees	**0.1**	0.1
	Total fees	**3.2**	3.2

* A further £13.8m (2024: £16.4m) of development costs has been capitalised in the year. See note 12. Following a review by management certain costs in relation to one company have been reclassified as non-R&D related costs. This has resulted in a restatement of the prior year Research costs which has reduced by £3.4m from that previously disclosed.

** Refer to the Audit Committee Report on pages 116 to 122 for further details.

7 Employee information

The average number of persons employed by the Group (including Directors) by entity location was:

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
United States of America	**3,025**	2,856
Mainland Europe	**1,786**	1,685
United Kingdom	**2,734**	2,564
Asia Pacific	**1,225**	1,288
Other countries	**268**	222
	9,038	8,615

The monthly average number of persons employed by the Group (including Directors) by employee location was:

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
United States of America	**2,985**	2,881
Mainland Europe	**1,803**	1,605
United Kingdom	**2,652**	2,486
Asia Pacific	**1,320**	1,277
Other countries	**278**	366
	9,038	8,615

Group employee costs comprise:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages and salaries	**488.8**	460.0
Social security costs	**63.9**	60.5
Pension costs (note 29)	**21.1**	19.6
Share-based payment charge (note 24)	**26.3**	22.9
	600.1	563.0

8 Directors' remuneration

The remuneration of the Directors is set out on pages 125 to 148 within the audited sections of the Annual Remuneration Report, which forms part of these financial statements.

Directors' remuneration comprises:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages, salaries and fees	**8.0**	7.0
Pension costs	**–**	–
Share-based payment charge	**4.6**	3.1
	12.6	10.1

9 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.

9 Taxation continued

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 (note 22)		
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 (note 22)		
Change in estimated excess tax deductions related to share-based payments	**(0.8)**	(0.6)
	(1.7)	(0.5)

10 Dividends

	Per ordinary share			
	Year ended 31 March 2025 pence	Year ended 31 March 2024 pence	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
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.

11 Goodwill

	31 March 2025 £m	31 March 2024 £m
Cost		
At beginning of year	**1,211.0**	1,120.5
Additions (note 25)	**72.7**	115.0
Acquisition adjustments to prior years (note 25)	**5.6**	0.6
Disposals (note 30)	**(2.0)**	(1.6)
Exchange adjustments	**(24.0)**	(23.5)
At end of year	**1,263.3**	1,211.0
Provision for impairment		
At beginning and end of year	**–**	–
Carrying amounts	**1,263.3**	1,211.0

The Group identifies cash generating units (CGUs) at the operating company level as this represents the lowest level at which cash inflows are largely independent of other cash inflows. However, often the goodwill which arises as a result of a business acquisition, will benefit more than one CGU and so at acquisition, goodwill is allocated to the groups of CGUs that are expected to benefit from that business combination.

Where goodwill has been allocated to a CGU group and part of the operation within that group is disposed of, the goodwill associated with the disposed operation must be included in the carrying amount when determining the gain or loss on disposal. The amount included is measured on the basis of the relative values of the operation disposed and the portion of the CGU group that is retained.

Before recognition of any impairment losses, the carrying amount of goodwill has been allocated to CGU groups as follows:

	31 March 2025 £m	31 March 2024 £m
Safety		
Fire	**190.5**	181.3
Doors, Security and Elevators	**108.3**	105.0
Safety Interlocks and Corrosion Monitoring	**124.5**	103.5
Bursting Discs	**9.0**	9.2
	432.3	399.0
Environmental & Analysis		
Water	**146.1**	137.6
Analysis	**78.8**	80.4
Environmental Monitoring	**32.8**	33.1
Gas Detection	**25.2**	25.6
	282.9	276.7
Healthcare		
Life Sciences	**38.6**	39.4
Healthcare Assessment	**233.4**	238.3
Therapeutic Solutions	**276.1**	257.6
	548.1	535.3
Total Group	**1,263.3**	1,211.0

11 Goodwill continued

Impairment testing

Goodwill values have been tested for impairment by comparing them against the "value in use" in perpetuity of the relevant CGU group. The "value in use" calculations were based on projected cash flows, derived from the latest Board approved budgets prepared by management and strategic plans, discounted at CGU group specific, risk adjusted, discount rates to calculate their net present value.

Key assumptions used in "value in use" calculations

The calculation of 'value in use' is most sensitive to the following assumptions:

- CGU specific operating assumptions that are reflected in the budget period for the financial year to March 2026;
- Discount rates; and
- Growth rates used to extrapolate risk adjusted cash flows beyond the forecast period.

CGU specific operating assumptions applicable to the forecasted cash flows for the year to March 2026 relate to revenue forecasts, expected project outcomes, forecast operating margins and fixed asset and working capital requirements. The relative value ascribed to each assumption will vary between CGUs as the forecasts are built up from the underlying operating companies within each CGU group. Careful consideration has been given to ensure inflation and future cash flows reflect expectations for cost and price increases.

A short-term growth rate is applied to the March 2026 budget to derive the cash flows arising in the years to March 2027 and March 2028 based on the average growth rate calculated in the relevant sector strategic plan. A long-term rate is applied to these values for the year to March 2029 and onwards capped at the weighted average forecast GDP growth rates of the markets into which that CGU group sells.

Each year the Group consider the results of ongoing climate and emerging risk reviews and include the potential impacts of climate change on long-term growth rates where relevant. For example, since April 2021, where any CGU group has exposure to customers in the oil and gas industry a reduction in the long-term growth has been applied. In the year to 31 March 2025, additional physical risks, impacting both one-off cash flows and long-term growth rates, have been included in cash flow estimates. Immaterial additional capital expenditure to meet the Group's emission targets have also been factored in to future cash flow estimates.

Discount rates are based on estimations of the assumptions that market participants operating in similar sectors to Halma would make, using the Group's economic profile as a starting point and adjusting appropriately. The methodology for calculating the discount rate has not changed year-on-year and the market economic data sources are consistent with prior years. The Group has calculated the discount rate to be 11.73% (2024: 12.19%). Consistent with previous years this is a notional discount rate, calculated using externally published global market assumptions. The discount rate, which is pre-tax and is based on short-term variables, may differ from the Weighted Average Cost of Capital (WACC). Discount rates are adjusted for economic risks that are not already captured in the specific operating assumptions for each CGU group. This results in the impairment testing using discount rates ranging from 10.16% to 15.55% (2024: 10.81% to 15.76%) across the CGU groups.

Significant CGU groups

CGU groups to which 10% or more of the total goodwill balance is allocated are deemed to be significant. In addition to the operating assumptions, the assumptions used to determine "value in use" for these CGU groups are:

	Risk adjusted discount rate		Short-term growth rates		Long-term growth rates	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024	**31 March 2025**	31 March 2024
Fire	**15.55%**	15.76%	**10.77%**	12.32%	**2.09%**	2.37%
Water	**12.26%**	12.33%	**10.32%**	11.47%	**1.94%**	2.11%
Healthcare Assessment	**14.09%**	14.65%	**8.43%**	8.79%	**2.18%**	2.30%
Therapeutic Solutions	**13.68%**	13.62%	**8.43%**	8.79%	**2.06%**	1.88%

Sensitivity to changes in assumptions

For all CGU groups, the Directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying value of any CGU group to materially exceed its recoverable amount.

12 Other intangible assets

	Acquired intangible assets				Internally generated capitalised development costs[4] £m	Computer software £m	Other intangibles[5] £m	Total £m
	Customer and supplier relationship[1] £m	Technical know-how[2] £m	Trademarks, brands and patents[3] £m	Total £m				
Cost								
At 1 April 2023	465.1	261.5	107.6	834.2	140.4	22.5	6.4	1,003.5
Assets of businesses acquired	78.7	55.8	20.4	154.9	–	–	0.4	155.3
Additions at cost	–	–	–	–	16.4	2.0	0.4	18.8
Assets of business sold	(1.7)	(0.7)	(0.4)	(2.8)	(1.1)	–	–	(3.9)
Disposals and retirements	–	–	–	–	(1.2)	(1.2)	–	(2.4)
Exchange adjustments	(9.8)	(5.4)	(2.5)	(17.7)	(2.4)	(0.3)	(0.1)	(20.5)
At 31 March 2024	**532.3**	**311.2**	**125.1**	**968.6**	**152.1**	**23.0**	**7.1**	**1,150.8**
Assets of businesses acquired (note 25)	**39.4**	**29.2**	**6.6**	**75.2**	**–**	**–**	**–**	**75.2**
Transfer between categories	**–**	**–**	**–**	**–**	**(0.7)**	**0.7**	**–**	**–**
Additions at cost	**–**	**–**	**–**	**–**	**13.8**	**1.1**	**0.7**	**15.6**
Assets of business sold	**(0.1)**	**(0.1)**	**(0.1)**	**(0.3)**	**–**	**(0.3)**	**–**	**(0.6)**
Disposals and retirements	**–**	**–**	**–**	**–**	**(4.1)**	**(0.9)**	**(0.3)**	**(5.3)**
Exchange adjustments	**(9.8)**	**(6.6)**	**(2.8)**	**(19.2)**	**(2.2)**	**(0.1)**	**(0.1)**	**(21.6)**
At 31 March 2025	**561.8**	**333.7**	**128.8**	**1,024.3**	**158.9**	**23.5**	**7.4**	**1,214.1**
Accumulated amortisation & impairment								
At 1 April 2023	269.2	88.0	60.9	418.1	90.8	19.3	3.0	531.2
Charge for the year	23.2	20.7	5.6	49.5	9.2	1.8	0.7	61.2
Impairment	–	–	–	–	3.0	–	–	3.0
Assets of business sold	(0.5)	(0.2)	(0.1)	(0.8)	–	–	–	(0.8)
Disposals and retirements	–	–	–	–	(1.2)	(1.1)	–	(2.3)
Exchange adjustments	(5.3)	(2.0)	(1.3)	(8.6)	(1.5)	(0.3)	(0.1)	(10.5)
At 31 March 2024	**286.6**	**106.5**	**65.1**	**458.2**	**100.3**	**19.7**	**3.6**	**581.8**
Charge for the year	**26.3**	**24.0**	**6.6**	**56.9**	**10.4**	**1.3**	**0.7**	**69.3**
Transfer between categories	**–**	**–**	**–**	**–**	**(0.7)**	**0.7**	**–**	**–**
Impairment	**–**	**–**	**–**	**–**	**3.1**	**–**	**–**	**3.1**
Assets of business sold	**(0.1)**	**–**	**–**	**(0.1)**	**–**	**(0.3)**	**–**	**(0.4)**
Disposals and retirements	**–**	**–**	**–**	**–**	**(4.1)**	**(0.8)**	**–**	**(4.9)**
Exchange adjustments	**(5.3)**	**(2.5)**	**(1.3)**	**(9.1)**	**(1.5)**	**(0.3)**	**0.1**	**(10.8)**
At 31 March 2025	**307.5**	**128.0**	**70.4**	**505.9**	**107.5**	**20.3**	**4.4**	**638.1**
Carrying amounts								
At 31 March 2025	**254.3**	**205.7**	**58.4**	**518.4**	**51.4**	**3.2**	**3.0**	**576.0**
At 31 March 2024	245.7	204.7	60.0	510.4	51.8	3.3	3.5	569.0

1 Customer and supplier relationship assets are amortised over their useful economic lives estimated to be between 3 and 25 years. Within this balance individually significant balances relate to: MK Test: £17.6m, IZI: £14.3m (2024: £15.7m); FirePro: £37.0m (2024: £40.6m); Sewertronics: £10.3m (2024: £11.2m); TeDan: £14.9 (2024: £16.0m) and Rovers: £18m (2024: £25.6m). The remaining amortisation periods for these assets are 11, 12, 13, 11, 20 and 24 years respectively.
2 Technical know-how assets are amortised over their useful economic lives, estimated to be between 3 and 25 years. Within this balance individually material balances relate to: Lamidey: £13.8m, IZI: £29.9m (2024: £33.0m); FirePro: £24.5m (2024: £26.5m); and NovaBone: £15.8m (2024: £17.8m); TeDan: £11.3m (2024: £12.7m) and Rovers: £19.9m (2024: £21.3m). The remaining amortisation periods for these assets are 15, 12, 16, 10, 9 and 19 years respectively.
3 Trademarks, brands and patents (which include protected intellectual property) are amortised over their useful economic lives estimated to be between 3 and 20 years. There are no individually material balances as at 31 March 2025.
4 Internally generated capitalised development costs are amortised over their useful economic lives estimated to be 3 years from the date of product launch. There are no individually material items within this balance, which comprises capitalised costs arising from the development phase of the R&D projects undertaken by the Group.
5 Other intangibles comprise license and product registration costs, and customer lists, amortised over their useful economic lives, estimated to be between 3 and 5 years.

None of the intangible assets have been pledged as security.

13 Property, plant and equipment

	Right-of-use assets (Note 28) £m	Owned assets			Total £m
		Freehold land and buildings £m	Leasehold buildings and improvements £m	Plant, equipment and vehicles £m	
Cost					
At 1 April 2023	160.7	72.3	26.1	227.9	487.0
Transfer between category	0.4	(0.2)	1.2	(1.4)	–
Assets of businesses acquired	3.2	8.2	0.3	5.0	16.7
Assets of business sold	(0.7)	–	–	(0.2)	(0.9)
Additions at cost	15.4	1.2	5.9	25.7	48.2
Disposals and retirements	(8.3)	–	(0.6)	(18.0)	(26.9)
Exchange adjustments	(4.5)	(1.0)	(0.6)	(4.9)	(11.0)
At 31 March 2024	**166.2**	**80.5**	**32.3**	**234.1**	**513.1**
Transfer between category	**–**	**(0.7)**	**3.0**	**(2.3)**	**–**
Assets of businesses acquired (note 25)	**3.4**	**2.4**	**1.0**	**4.2**	**11.0**
Assets of business sold	**(1.9)**	**–**	**–**	**(4.8)**	**(6.7)**
Additions at cost	**49.1**	**5.4**	**6.0**	**32.4**	**92.9**
Disposals and retirements	**(5.8)**	**(0.1)**	**(0.7)**	**(8.1)**	**(14.7)**
Exchange adjustments	**(2.7)**	**(0.7)**	**(0.5)**	**(3.1)**	**(7.0)**
At 31 March 2025	**208.3**	**86.8**	**41.1**	**252.4**	**588.6**
Accumulated depreciation & impairment					
At 1 April 2023	77.7	19.3	16.2	150.9	264.1
Transfer between category	(0.3)	–	0.6	(0.3)	–
Charge for the year	19.8	1.3	2.7	20.4	44.2
Impairment	–	–	–	0.2	0.2
Assets of business sold	(0.7)	–	–	(0.1)	(0.8)
Disposals and retirements	(7.6)	–	(0.5)	(16.9)	(25.0)
Exchange adjustments	(2.1)	(0.3)	(0.3)	(3.7)	(6.4)
At 31 March 2024	**86.8**	**20.3**	**18.7**	**150.5**	**276.3**
Transfer between category	**–**	**(0.3)**	**1.1**	**(0.8)**	**–**
Charge for the year	**24.9**	**1.5**	**3.5**	**21.0**	**50.9**
Impairment	**–**	**–**	**–**	**0.1**	**0.1**
Assets of business sold	**(1.2)**	**–**	**–**	**(3.8)**	**(5.0)**
Disposals and retirements	**(4.8)**	**–**	**(0.5)**	**(7.6)**	**(12.9)**
Exchange adjustments	**(1.8)**	**(0.2)**	**(0.3)**	**(1.7)**	**(4.0)**
At 31 March 2025	**103.9**	**21.3**	**22.5**	**157.7**	**305.4**
Carrying amounts					
At 31 March 2025	**104.4**	**65.5**	**18.6**	**94.7**	**283.2**
At 31 March 2024	79.4	60.2	13.6	83.6	236.8

Note 28 Leases contains further details of the Group's right-of-use assets. None of the property, plant and equipment has been pledged as security.

14 Interest in associate and other investments

	31 March 2025 £m	31 March 2024 £m
Interest in associate	**0.5**	1.8
Financial assets at fair value through other comprehensive income – Equity instruments	**12.0**	18.0
	12.5	19.8

Interest in associate

	31 March 2025 £m	31 March 2024 £m
At beginning of the year	**1.8**	2.1
Impairment of investment	**(1.0)**	–
Group's share of loss of associate	**(0.3)**	(0.3)
At end of year	**0.5**	1.8

During the year, the Group reviewed its investment in OneThird B.V. as the business was behind growth targets. "Value in use" calculations were prepared based on projected cash flow forecasts prepared by the management team of One Third B.V. Based on these calculations, the Group recognised an impairment of the investment value of £1.0m (2024: £nil). One Third B.V. successfully concluded a funding round in December 2024, the Group did not participate and consequently it now owns 22.9% of One Third B.V. (2024: 31.0%).

OneThird B.V. has its registered office at Almelosestraat 19, 7495 TG Ambt Delden, Netherlands. The Group owns 23,142 preferred A3 shares which represents 37% of the total preferred A3 shares issued (2024: 37%). The Group also owns 30,000 preferred A1 which is 100% of the A1 preferred shares issued (2024: 100% restated). The company also has common shares, A2 preference shares and A4 preference shares in issue of which the Group does not have any holdings.

	31 March 2025 £m	31 March 2024 £m
Aggregated amounts relating to associate		
Non-current assets	**2.0**	2.0
Current assets	**0.7**	0.8
Current liabilities	**(0.2)**	(0.1)
Net assets	**2.5**	2.7
Group's share of net assets of associate	**0.6**	0.8
Revenue	**0.6**	0.3
Loss	**(1.5)**	(1.0)
Group's share of loss of associate	**(0.3)**	(0.3)

Financial assets at fair value through other comprehensive income (FVOCI)

Movements in equity investments at FVOCI comprise the following:

	31 March 2025 £m	31 March 2024 £m
Unlisted securities		
At beginning of the year	**18.0**	18.9
Additions in the year	**–**	0.3
Changes in fair value recognised in other comprehensive income	**(6.0)**	(1.2)
At end of year	**12.0**	18.0

Unlisted securities comprise of investments in Oxa Autonomy Ltd and VAPAR Innovation PTY Ltd. During the year the management teams at Owlytics Healthcare Limited and Valencell Inc began formal proceedings to wind up their respective business operations. The Group had fully impaired its investments in both of these companies in the year to 31 March 2024 and this impairment has now been recycled to retained earnings. Further information on methods and assumptions used in determining fair value is provided in note 27.

15 Inventories

	31 March 2025 £m	31 March 2024 £m
Raw materials and consumables	**188.4**	175.5
Work in progress	**31.9**	28.4
Finished goods and goods for resale	**80.0**	100.9
	300.3	304.8

The above is stated net of provision for slow-moving and obsolete stock, movements of which are shown below:

	31 March 2025 £m	31 March 2024 £m
At beginning of the year	**55.6**	44.5
Write downs of inventories recognised as an expense	**5.3**	8.7
Recognition of provisions for businesses acquired	**1.6**	5.2
Derecognition of provisions for businesses disposed	**(0.1)**	0.1
Utilisation and amounts reversed against inventories previously impaired	**(0.7)**	(1.9)
Exchange adjustments	**(0.8)**	(1.0)
At end of the year	**60.9**	55.6

In the year ended 31 March 2025, previous write-downs against inventory were reversed as a result of increased sales in certain markets or where previously written down inventories have been disposed.

There is no material difference between the original cost of inventories and their cost of replacement. None of the inventory has been pledged as security.

16 Trade and other receivables

	31 March 2025 £m	31 March 2024 £m
Trade receivables	**376.1**	361.0
Allowance for doubtful debts	**(6.3)**	(7.1)
	369.8	353.9
Other receivables	**29.2**	26.5
Prepayments	**32.7**	31.3
Contract assets (note 18)	**54.2**	49.2
	485.9	460.9

Other receivables comprise various assets across the Group, including sales tax receivables and other non-trade balances.

The movement in the allowance for doubtful debts in respect of trade receivables during the year was as follows:

	31 March 2025 £m	31 March 2024 £m
At beginning of the year	**7.1**	6.9
Net impairment (reversal)/loss	**(0.5)**	0.7
Amounts recovered against trade receivables previously written down/amounts utilised	**(0.9)**	(0.8)
Recognition of provisions for businesses acquired	**0.7**	0.5
Exchange adjustments	**(0.1)**	(0.2)
At end of the year	**6.3**	7.1

The Group assesses on a forward-looking basis the expected credit losses associated with its trade and other receivables carried at amortised cost.

The fair value of trade and other receivables approximates to book value due to the short-term maturities associated with these items.

There is no impairment risk identified with regards to other receivables where no amounts are past due. The Group assessed that no provisions or impairments were required in relation to contract assets (2024: £nil).

16 Trade and other receivables continued

The ageing of trade receivables was as follows:

	Gross trade receivables		Trade receivables net of doubtful debts	
	31 March 2025 £m	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m
Not yet due	**293.1**	281.2	**292.8**	280.8
Up to one month overdue	**52.5**	50.5	**52.4**	50.4
Between one and two months overdue	**10.9**	11.5	**10.8**	11.4
Between two and three months overdue	**5.3**	4.2	**5.2**	3.8
Over three months overdue	**14.3**	13.6	**8.6**	7.5
	376.1	361.0	**369.8**	353.9

17 Trade and other payables: falling due within one year

	31 March 2025 £m	31 March 2024 £m
Trade payables	**131.5**	117.5
Other taxation and social security	**12.2**	12.9
Other payables	**6.7**	9.7
Accruals	**140.0**	121.5
Contract liabilities (note 18)	**50.9**	34.7
Deferred government grant income	**2.0**	0.2
	343.3	296.5

Other payables comprise various balances across the Group including share-based payments related amounts of £3.1m (2024: £1.8m), deferred R&D expenditure tax credits and other non-trade payables. These comprise £5.8m (2024: £8.8m) of financial liabilities and £0.9m (2024: £0.9m) of non-financial liabilities. Deferred government grant income relates to a subsidy received for purchase of a building during the year.

18 Contract balances

	31 March 2025 £m	31 March 2024 £m
Contract costs	**1.4**	1.6
Contract assets (note 16)	**54.2**	49.2
Contract liabilities current (note 17)	**(50.9)**	(34.7)
Contract liabilities non-current (note 21)	**(18.1)**	(18.8)
Total contract liabilities	**(69.0)**	(53.5)

Contract costs represent an asset the Group has recognised in relation to costs to fulfil long-term contracts. This is presented within other receivables in the balance sheet.

	Contract assets		Contract liabilities	
	31 March 2025 £m	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 Restated* £m
Amounts included in contract balances at the beginning of the year	**49.2**	38.7	**(53.5)**	(53.0)
Transfers to receivables during the year	**(46.7)**	(37.5)		
Performance obligations arising in the current reporting year				
Increases as a result of billing ahead of performance			**(96.1)**	(59.8)
Decreases as a result of revenue recognised in the year			**80.5**	61.0
Increases as a result of performance in advance of billing	**52.7**	48.8		
Amounts arising through business combinations	**–**	–	**(0.5)**	(2.2)
Exchange movements	**(1.0)**	(0.8)	**0.6**	0.5
Amounts included in contract balances at the end of the year	**54.2**	49.2	**(69.0)**	(53.5)

* The balances for increases as a result of billing ahead of performance and decreases as a result of revenue recognised in the year for the year ended 31 March 2024 have been restated where amounts were presented net in error in a small number of companies. There was no change to the closing balance of contract liabilities.

In some cases, the Group receives payments from customers based on a billing schedule, as established in our contracts. The contract assets relate to revenue recognised for performance in advance of scheduled billing and has increased as the Group has provided more services ahead of the agreed payment schedules for certain contracts. The contract liability relates to payments received in advance of performance under contract and varies based on performance under these contracts.

19 Borrowings

	31 March 2025 £m	31 March 2024 £m
Overdrafts	**0.5**	0.3
Unsecured loan notes falling due within one year	**35.1**	–
Total borrowings falling due within one year	**35.6**	0.3
Unsecured loan notes falling due after more than one year	**659.9**	370.9
Unsecured bank loans falling due after more than one year	**43.9**	341.0
Total borrowings falling due after more than one year	**703.8**	711.9
Total borrowings	**739.4**	712.2

In the current year, the loan notes falling due after more than one year relate to the United States Private Placement completed in May 2022 and the new Private Placement completed during the year, in April 2024.

Information concerning the security, currency, interest rates and maturity of the Group's borrowings is given in note 27.

20 Provisions

Provisions are presented as:

	31 March 2025 £m	31 March 2024 £m
Current	**44.5**	35.0
Non-current	**11.2**	10.7
	55.7	45.7

	Contingent purchase consideration £m	Dilapidations £m	Product warranty £m	Legal, contractual and other £m	Total £m
At 31 March 2024	**29.2**	**3.6**	**8.0**	**4.9**	**45.7**
Additional provision in the year	**6.2**	**0.8**	**5.0**	**15.4**	**27.4**
Arising on acquisition (note 25)	**3.3**	**0.1**	**0.2**	**–**	**3.6**
Liabilities of business sold	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Utilised during the year	**(10.4)**	**–**	**(1.4)**	**(5.2)**	**(17.0)**
Released during the year	**(0.9)**	**(0.3)**	**(1.2)**	**(0.6)**	**(3.0)**
Exchange adjustments	**(0.4)**	**–**	**(0.2)**	**(0.2)**	**(0.8)**
At 31 March 2025	**27.0**	**4.2**	**10.4**	**14.1**	**55.7**

20 Provisions continued

Contingent purchase consideration

The provision at the beginning of the year comprised £29.2m, of which £24.5m was payable within one year, included amounts based on actual results for the final earnout period for VIR and Apriomed. It also included estimates for the final earnout period for Visiometrics, Infinite Leap and Sewertronics.

The £6.2m additional provision in the year related to revisions to the estimate of Rovers and Infinite Leap which both fall due in the 12 months following year-end.

The £10.4m utilised during the year related to the payments for Sewertronics, VIR, Tedan and the holdback for Apriomed.

The £0.9m released during the year related to the revisions to the estimates of VIR and Alpha.

The closing total provision of £27.0m, of which £23.3m is payable within one year, includes amounts based on the latest estimate for the final earnout period for Visiometrics, Infinite Leap, Alpha Instrumatics, Remlive, Rovers and GFE.

The balance due after more than one year of £3.7m comprises the estimated future earnouts for Safe-com, ZED, Sewertronics and VIR.

The total contingent purchase consideration payable in future for the existing acquisitions is a minimum of £10.1m with a maximum possible payable of £71.1m.

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

The basis for the calculation of each contingent consideration arrangement is set out in note 27, including sensitivity of the estimation of the liabilities to changes in the assumptions.

Dilapidations

The dilapidations provisions are for the continuing obligations under leases in respect of property dilapidation and reinstatement provisions. The provisions comprise the Directors' best estimates of future payments to restore the fabric of buildings to their original condition where it is a condition of the leases, prior to return of the properties.

These commitments cover the period from 2025 to 2046 though they predominantly fall due within five years.

Product warranty

Product warranty provisions reflect commitments made to customers on the sale of goods in the ordinary course of business and included within the Group companies' standard terms and conditions. The warranties represent assurance type warranties within the definition of IFRS 15. Warranty commitments cover a period of between one and five years and typically apply for a 12-month period. The provision represents the Directors' best estimate of the Group's liability based on past experience.

Legal, contractual and other

Legal, contractual and other provisions comprise mainly amounts reserved against open legal and contractual disputes. The Company has on occasion been required to take legal or other actions to defend itself against proceedings brought by other parties. Provisions are made for the expected costs associated with such matters, based on past experience of similar items and other known factors, taking into account professional advice received, and represent the Directors' best estimate of the likely outcome. The timing of utilisation of these provisions is frequently uncertain reflecting the complexity of issues and the outcome of various court proceedings and negotiations.

Contractual and other provisions represent the Directors' best estimate of the cost of settling future obligations. Unless specific evidence exists to the contrary, these reserves are shown as current.

However, no provision is made for proceedings which have been or might be brought by other parties against Group companies unless the Directors, taking into account professional advice received, assess that it is more likely than not that such proceedings may be successful.

Management's assessment of the potential impacts of climate change, as well as the Group's climate strategy as laid out on pages 54 to 91, has not resulted in the recognition of any additional provisions or disclosure of any contingent liabilities.

21 Trade and other payables: falling due after one year

	31 March 2025 £m	31 March 2024 £m
Other payables	**1.4**	3.8
Other taxation and social security	**–**	–
Accruals	**4.2**	0.7
Contract liabilities (note 18)	**18.1**	18.8
Deferred government grant income	**0.8**	0.6
	24.5	23.9

22 Deferred tax

	Retirement benefit obligations £m	Acquired intangible assets £m	Accelerated tax depreciation £m	Short-term timing differences £m	Share-based payment £m	Goodwill timing differences £m	Capitalised development costs £m	Total £m
At 1 April 2024	**(7.9)**	**(123.4)**	**(8.6)**	**13.2**	**8.3**	**24.2**	**19.6**	**(74.6)**
Credit/(charge) to Consolidated Income Statement	**(0.1)**	**14.8**	**(1.4)**	**11.7**	**1.3**	**(8.3)**	**(2.5)**	**15.5**
Credit/(charge) to Consolidated Statement of Comprehensive Income and Expense	**7.4**	**–**	**–**	**(0.1)**	**–**	**–**	**–**	**7.3**
Credit to equity	**–**	**–**	**–**	**–**	**0.8**	**–**	**–**	**0.8**
Arising on acquisition (note 25)	**–**	**(18.5)**	**–**	**(0.5)**	**–**	**0.2**	**0.3**	**(18.5)**
Disposal of business	**–**	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**
Exchange adjustments	**–**	**2.7**	**0.2**	**(1.9)**	**–**	**(0.5)**	**(0.1)**	**0.4**
At 31 March 2025	**(0.6)**	**(124.3)**	**(9.8)**	**22.4**	**10.4**	**15.6**	**17.3**	**(69.0)**

	Retirement benefit obligations £m	Acquired intangible assets £m	Accelerated tax depreciation £m	Short-term timing differences £m	Share-based payment £m	Goodwill timing differences £m	Capitalised development costs £m	Total £m
At 1 April 2023	(9.6)	(97.8)	(7.4)	7.6	5.7	24.0	10.3	(67.2)
Credit/(charge) to Consolidated Income Statement	(0.4)	11.8	(1.4)	5.9	2.0	(9.0)	9.5	18.4
Credit/(charge) to Consolidated Statement of Comprehensive Income and Expense	2.1	–	–	0.2	–	–	–	2.3
Credit to equity	–	–	–	–	0.6	–	–	0.6
Arising on acquisition	–	(40.1)	–	(0.6)	–	9.8	–	(30.9)
Disposal of business	–	0.6	–	(0.1)	–	–	–	0.5
Exchange adjustments	–	2.1	0.2	0.2	–	(0.6)	(0.2)	1.7
At 31 March 2024	(7.9)	(123.4)	(8.6)	13.2	8.3	24.2	19.6	(74.6)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31 March 2025 £m	31 March 2024 £m
Deferred tax liability	**(73.4)**	(79.5)
Deferred tax asset	**4.4**	4.9
Net deferred tax liability	**(69.0)**	(74.6)

Deferred tax balances expected to unwind in less than one year are insignificant.

Movement in net deferred tax liability:

	31 March 2025 £m	31 March 2024 £m
At beginning of year	**(74.6)**	(67.2)
(Charge)/credit to Consolidated Income Statement:		
UK	**(2.0)**	(0.8)
Overseas	**17.5**	19.2
Charge to Consolidated Statement of Comprehensive Income	**7.3**	2.3
Credit to equity	**0.8**	0.6
Arising on acquisition (note 25)	**(18.8)**	(30.9)
Deferred tax of business sold	**0.1**	0.5
Exchange adjustments	**0.7**	1.7
At end of year	**(69.0)**	(74.6)

22 Deferred tax continued

It is likely that the unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption such that no UK tax would be due upon remitting those earnings to the UK. However, £132.6m (2024: £113.8m) of those earnings may still result in a tax liability, principally as a result of the dividend withholding taxes levied by the overseas jurisdictions in which those subsidiaries operate.

These deferred tax liabilities of £8.5m (2024: £7.2m) have not been recognised as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. Temporary differences in connection with the interest in associate are insignificant.

At 31 March 2025, deferred tax assets of £2.3m and £3.7m (2024: £2.3m and £4.8m) in respect of unused capital tax losses and other tax losses have not been recognised.

23 Share capital

	Issued and fully paid	
	31 March 2025 £m	31 March 2024 £m
Ordinary shares of 10p each	**38.0**	38.0

The number of ordinary shares in issue at 31 March 2025 was 379,645,332 (2024: 379,645,332), including shares held by the Employee Benefit Trust of 1,943,659 (2024: 2,457,205); this represents 0.5% of called up share capital (2024: 0.6%). The number of own shares purchased during the year by the EBT was 232,000 (2024: 890,000) with a nominal value of £0.0m (2024: £0.1m).

24 Share-based payments

The total cost recognised in the Consolidated Income Statement in respect of share-based payment plans (the 'employee share plans') was as follows:

	Year ended 31 March 2025			Year ended 31 March 2024		
	Equity-settled £m	**Cash-settled £m**	**Total £m**	Equity-settled £m	Cash-settled £m	Total £m
Share incentive plan	**1.0**	**–**	**1.0**	1.2	–	1.2
Executive share plan	**24.7**	**0.6**	**25.3**	21.7	–	21.7
	25.7	**0.6**	**26.3**	22.9	–	22.9

Share incentive plan

Shares awarded under this Plan are purchased in the market by the Plan's trustees at the time of the award and are held in trust until their transfer to qualifying employees; vesting is conditional upon completion of three years' service. Forfeited shares are reallocated in subsequent grants. The costs of providing this Plan are recognised in the Consolidated Income Statement over the three-year vesting period.

Executive share plan (ESP)

Under the ESP, in which Executive Directors and certain senior employees participate, deferred share awards are made as either performance awards or deferred awards. Performance awards vest after three years based on Earnings Per Share and Return on Total Invested Capital (ROTIC) targets, and after two or three years for deferred share awards based on continuing service of the employee only. Awards which do not vest lapse on the second or third anniversary of their grant. Shares awarded under this Plan are purchased in the market by the Plan's trustees and are held as Own Shares until their transfer to qualifying employees. Under the terms of the trust deed, Halma is required to provide the trust with the necessary funds to purchase the shares ahead of vesting. Dividends accrue on unvested awards and are settled in cash on vesting.

The following table shows the number of deferred shares granted and outstanding at the beginning and end of the reporting period for the ESP:

	2025 Number of shares awarded	2024 Number of shares awarded
Outstanding at beginning of year	**3,109,381**	2,662,100
Granted during the year	**1,183,577**	1,302,974
Vested during the year (pro-rated for 'good leavers')	**(883,967)**	(569,806)
Lapsed during the year	**(201,938)**	(285,887)
Outstanding at end of year	**3,207,053**	3,109,381
Exercisable at end of year	**–**	–

Included in Retained earnings are accumulated credits of £43.1m (2024: £35.0m) representing the provision for the value of unvested awards under the Group's equity settled share plans. The performance shares outstanding at 31 March 2025 had a weighted average remaining contractual life of 14 months (2024: 15 months). The weighted average share price at the date of exercise of vested shares during the year was 2,687p (2024: 2,254p).

24 Share-based payments continued

The fair value of the awards was calculated using an appropriate simulation method, with the inputs below:

	2025	2024	2023
Expected life (years)	**2 or 3**	2 or 3	2 or 3
Share price on date of grant (p)	**2,356.0**	2,240.0	2,060.0
Option price (p)	**Nil**	Nil	Nil
Fair value per option (%)	**100%**	100%	100%
Fair value per option (p)	**2,356.0**	2,240.0	2,060.0

Cash-settled

Awards under the above plans are normally settled in shares but may be settled in cash at the Board's discretion or where required by local regulations. Cash-settled awards follow the same vesting conditions as the plans under which they are awarded.

Net settlement feature for withholding tax obligations

On vesting, a debit is recognised to Retained earnings at a weighted average cost of the shares purchased and held for this purpose. Shares are transferred from Own Shares to the qualifying employee. The deferred shares granted under the ESP include a net settlement feature under which shares are withheld in order to settle the employee's tax obligations. The Group withholds an amount for an employee's tax obligation associated with a share-based payment and transfers that amount in cash to the relevant tax authority on the employee's behalf.

Where permitted by local regulations, the Group settle the deferred share grant on a net basis by withholding the number of shares with a fair value equal to the monetary value of the employee's tax obligation and only issuing the remaining shares on completion of the vesting period. An amount of £3.5m was withheld and paid to the taxation authority in relation to the deferred shares that vested during the year (2024: £5.4m). For the UK population, for the year ended 31 March 2025, the Group settled the deferred share award on a gross basis with all shares vesting into the participants name at the point of vest. Shares with a fair value equal to the monetary value of the employee's tax obligation were immediately sold following vesting and paid to the taxation authority.

25 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.

25 Acquisitions continued

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.

25 Acquisitions continued

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.

25 Acquisitions continued

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 period, 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.

25 Acquisitions continued

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.

25 Acquisitions continued

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 recognised 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.

25 Acquisitions continued

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, Chirurgle 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.

25 Acquisitions continued

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.

25 Acquisitions continued

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.

26 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

26 Notes to the Consolidated Cash Flow Statement continued

	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.

27 Financial instruments

Treasury Policy

The Group's treasury policies seek to minimise financial risks and to ensure sufficient liquidity for the Group's operations and strategic plans. No complex derivative financial instruments are used, and no trading or speculative transactions in financial instruments are undertaken. Where the Group does use financial instruments, these are mainly to manage the currency risks arising from normal operations and its financing. Operations are financed mainly through retained profits.

The most significant financial risk faced by the Group is market risk – comprised of foreign currency risk and interest rate risk. There has been no change to the Group's exposure to market risks or in the manner in which these risks are managed and measured.

The Group has no significant concentration of credit risk, with the exposure spread across a diverse customer portfolio. Liquidity risk is mitigated by the headroom in borrowing facilities entered into by the Group and strong cash conversion.

The Board reviews and agrees policies for managing each of these risks and these policies are summarised below. There were no significant changes to the Group's policies during the year. Details of the material accounting policy information and methods adopted (including the criteria for recognition, the basis of measurement and the basis of recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in the Accounting Policies note.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19 to the Financial Statements, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

The Group is not subject to externally imposed capital requirements.

Market risk

Market risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Within market risk the Group is exposed to foreign currency risk and interest rate risk. The Group does not enter into speculative derivatives, with hedging instruments only used to manage exposure to risks associated with interest rate and exchange rate fluctuations, the impact of which could be material to the Group. Derivative products entered into by the Group are not complex and are generally available within the derivatives market.

Foreign currency and interest rate exposures are measured using sensitivity analysis as described below.

Foreign currency risk

Foreign currency risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency exchange risk as a consequence of both trading with foreign companies and owning subsidiaries located in foreign countries.

The Group enters into financial instruments to manage its exposure to foreign currency risk, including:

- foreign currency denominated loans to hedge the exchange rate risk arising on translation of the Group's investment in foreign operations which have the Euro, US Dollar, New Zealand Dollar and Swiss Franc as their functional currencies as described below under translational exposures; and
- forward foreign exchange contracts to hedge the exchange rate risk arising on the export of goods to and from the USA, Mainland Europe, APAC and the UK as described below under transactional exposures.

Translational exposures

The Group earns a significant proportion of its profit in currencies other than Sterling. This gives rise to translational currency risk, where the Sterling value of profits earned by the Group's foreign subsidiaries fluctuates with the strength of Sterling relative to their operating (or 'functional') currencies. The Group does not hedge this risk, so its reported profit is sensitive to the strength of Sterling, particularly against the US Dollar and Euro.

The Group has significant investments in overseas operations in the US and EU, with further investments in Australia, New Zealand, Canada, Switzerland, Brazil, China and India. As a result, the Group's balance sheet can be affected by movements in these jurisdiction's exchange rates. Where significant and appropriate, the Group mitigates this risk by matching the net assets of overseas operations with borrowings denominated in their functional currencies.

Bank loans and loan notes with a carrying value set out in the table on page 214 as well as non-GBP intercompany loans are used as net investment hedges for foreign currency net assets with a carrying value of €450.0m (2024: €409.7m), US$210.0m (2024: US$203.5m), CHF90.0m (2024: CHF90.0m) and NZ$13.3m (2024: NZ$12.1.m). The hedging ratio was 1:1. The change in the carrying value of the borrowings that was recognised in other comprehensive income was a gain of £11.3m (2024: gain of £13.2m).

27 Financial instruments continued

Transactional exposures

The Group also has transactional currency exposures. These arise on sales or purchases by operating companies in currencies other than the companies' functional currency. Significant sales and purchases are matched where possible and a proportion of the net exposure is hedged by means of forward foreign currency contracts.

Foreign currency movements impact the value of monetary assets and liabilities not denominated in a company's functional currency, such as cash, overdrafts, debtors and creditors. Foreign currency movements give rise to net currency gains and losses recognised in the Consolidated Income Statement. The exposures are predominantly US Dollar and Euro. Group policy is for a significant portion of foreign currency exposures, including sales and purchases, to be hedged by forward foreign exchange contracts in the company in which the transaction is recorded.

Foreign currency sensitivity analysis

The US Dollar and the Euro are the Group's main currency exposures.

It is estimated, by reference to the Group's US Dollar and Euro denominated profits, that a one per cent change in the value of the US Dollar relative to Sterling and Euro relative to Sterling would have impacted the Group's profit before tax for the year ended 31 March 2025 by £2.8m (2024: £2.2m) and £0.7m (2024: £0.6m) respectively.

The carrying amount of the Group's US Dollar and Euro denominated assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	31 March 2025 £m	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m
US Dollar – Total	**1,325.1**	1,323.3	**441.7**	389.3
US Dollar – Monetary assets/liabilities	**299.7**	266.1	**407.1**	367.2
Euro – Total	**683.6**	616.0	**518.2**	450.6
Euro – Monetary assets/liabilities	**103.3**	89.1	**515.5**	449.9

If Sterling increased by 10% against the US Dollar and the Euro, profits before taxation and other equity would decrease as follows:

	US Dollar		Euro	
	31 March 2025 £m	31 March 2024 £m	**31 March 2025 £m**	31 March 2024 £m
Profit	**25.4**	19.7	**6.1**	5.2
Other equity	**80.3**	84.9	**15.0**	15.0

The profit sensitivity arises mainly from the translation of overseas profits earned during the year. 10% is the sensitivity rate which management assesses to be a reasonably possible change in foreign exchange rates. The Group's profit sensitivity has increased against the US Dollar because more of the Group's profit is earned in this currency. The other equity movement arises mainly from the translation of net assets of overseas subsidiary companies with US Dollar and Euro functional currencies.

Interest rate risk

Interest rate risk: the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate fluctuations on its borrowings and cash deposits. The Group uses a proportion of fixed rate debt to manage its exposure to interest rate fluctuations.

Where bank borrowings are used to finance operations they tend to be short-term with floating interest rates. Longer-term funding is provided by the Group's bank loan facilities which are at floating rates, or by the Group's fixed rate United States Private Placements completed in November 2015, May 2022 and April 2024. Surplus funds are placed on short-term fixed rate deposit or in floating rate deposit accounts.

Interest rate risk profile

The Group's financial assets which are subject to interest rate fluctuations comprise interest-bearing cash equivalents which totalled £177.0m at 31 March 2025 (2024: £23.7m). These comprised Sterling denominated bank deposits of £152.1m (2024: £11.7m), Euro bank deposits of £21.9m (2024: £7.0m) and US Dollar bank deposits of £3.0m (2024: £4.5m) (in the prior year there were Renminbi bank deposits of £0.5m) which earn interest at local market rates. Cash balances of £136.2m (2024: £119.0m) earn interest at local market rates.

The financial liabilities which are subject to interest rate fluctuations comprise bank loans and overdrafts which totalled £44.4m at 31 March 2025 (2024: £341.3m). Bank loans bear interest at floating rates based either on the EURIBOR or risk-free overnight rates of the currency in which the liabilities arise plus a margin. Bank overdrafts bear interest at local market rates. Where interest is based on EURIBOR rates the fixed period can be up to six months.

The loan notes related to the United States Private Placement attract interest at a weighted average fixed rate of 3.39%.

The Group's weighted average interest cost on net debt for the year was 4.27% (2024: 4.47%). Excluding IFRS 16 lease liabilities, the weighted average interest cost on net debt for the year was 4.16% (2024: 4.59%).

27 Financial instruments continued

Analysis of interest-bearing financial liabilities

The following table provides an analysis of interest-bearing financial liabilities by currency.

	31 March 2025 £m	31 March 2024 £m
Sterling denominated bank loans	–	–
US Dollar denominated bank loans	–	83.9
Euro denominated bank loans	–	213.2
Swiss Franc denominated bank loans	**43.9**	43.9
Total bank loans	**43.9**	341.0
Overdrafts (principally Sterling and US Dollar denominated)	**0.5**	0.3
Sterling denominated loan notes	**120.0**	120.0
US Dollar denominated loan notes	**162.9**	79.2
Euro denominated loan notes	**377.0**	136.6
Swiss Franc denominated loan notes	**35.1**	35.1
Total overdrafts and loan notes	**695.5**	371.2
Total interest-bearing financial liabilities	**739.4**	712.2

Interest rate risk sensitivity analysis

For the year ended 31 March 2025, it is estimated that a general increase of one percentage point in interest rates would have reduced the Group's profit before tax by £0.7m (2024: £3.0m).

Hedging

The Group's policy is to hedge significant sales and purchases denominated in foreign currency using forward currency contracts. In addition the Group entered into a pre-issuance hedge contract to fix the interest rate on the Private Placement in April 2024. Subsequently, it was decided to no longer hedge account with the full balance recognised in the Consolidated Statement of Income in the year.

The following table details the foreign currency and interest rate contracts outstanding as at the year end, which mostly mature within one year and, therefore, the cash flows and resulting effect on profit and loss are expected to occur within the next 12 months:

	Average exchange rate/£		Foreign currency		Contract value		Fair value	
	31 March 2025	31 March 2024	31 March 2025 m	31 March 2024 m	31 March 2025 £m	31 March 2024 £m	31 March 2025 £m	31 March 2024 £m
Foreign currency forward contracts not in a designated cash flow hedge								
US Dollars vs GBP	–	1.27	–	0.5	–	0.4	–	–
Euros vs GBP	**1.20**	1.17	**0.3**	5.8	**0.3**	4.9	–	–
Other currencies	–	–	–	–	**18.5**	18.9	**(0.1)**	(0.6)
					18.8	24.2	**(0.1)**	(0.6)
Foreign currency forward contracts in a designated cash flow hedge								
US Dollars vs GBP	**1.27**	1.26	**14.8**	15.9	**11.5**	12.6	**0.2**	0.1
Euros vs GBP	**1.17**	1.15	**25.3**	29.6	**21.2**	25.3	**0.2**	0.2
Other currencies	–	–	–	–	**15.9**	9.8	**0.2**	(0.2)
					48.6	47.7	**0.6**	0.1
Total foreign currency forward contracts								
US Dollars vs GBP	**1.27**	1.26	**14.8**	16.4	**11.5**	13.0	**0.2**	0.1
Euros vs GBP	**1.17**	1.15	**25.6**	35.4	**21.4**	30.2	**0.2**	0.2
Other currencies	–	–	–	–	**34.5**	28.7	**0.1**	(0.8)
					67.4	71.9	**0.5**	(0.5)
Interest rate swap contracts in a designated cash flow hedge								
Euros				169.0	–	133.8	–	(1.1)
US Dollars				72.0	–	61.5	–	(0.3)
					–	195.3	–	(1.4)
Total					**67.4**	267.2	**0.5**	(1.9)

	31 March 2025 £m	31 March 2024 £m
Amounts recognised in the Consolidated Income Statement	**(0.1)**	(0.6)
Amounts recognised in the Consolidated Statement of Comprehensive Income and Expenditure	**0.6**	(1.3)
	0.5	(1.9)

27 Financial instruments continued

The fair values of the forward contracts and interest rate swaps are disclosed as a £1.1m (2024: £0.7m) asset and £0.8m (2024: £2.6m) liability in the Consolidated Balance Sheet. Of the £18.5m (2024: £18.9m) of open contracts for other currencies not in a designated cash flow hedge £6.2m (2024: £2.1m) relates to a Czech Koruna and £4.8m (2024: £9.3m) relates to a Swiss Franc contracts for expected repayment of intercompany loan balances.

Any movements in the fair values of the contracts in a designated cash flow hedge are recognised in equity until the hedged transaction occurs, when gains/losses are recycled to finance income or finance expense.

	31 March 2025 £m	31 March 2024 £m
Analysis of movement in the Hedging reserve		
Amounts removed from Consolidated Statement of Comprehensive Income and Expenditure and included in Consolidated Income Statement during the year	**1.1**	(0.8)
Amounts recognised in the Consolidated Statement of Comprehensive Income and Expenditure	**0.6**	(1.3)
Net movement in the Hedging reserve in the year in relation to the effective portion of changes in fair value of cash flow hedges	**1.7**	(2.1)

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

There was no material ineffectiveness arising with regards to net investment hedges or forward contracts in a designated cash flow hedge.

The foreign currency forwards are denominated in the same currency as the highly probable future transactions. With the exception of currency exposures, the disclosures in this note exclude short-term receivables and payables.

Credit risk

Credit risk: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group is exposed to credit risk by the possibility that a counterparty will default on its contractual obligations resulting in financial loss to the Group. To mitigate this risk the Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit ratings are supplied by independent agencies where available, and if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed regularly.

Trade receivables consist of a large number of customers, spread across diverse industries and geographic areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The carrying amount of trade, tax and other receivables, contract assets, derivative financial instruments and cash of £782.2m (2024: £590.3m) represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held. The ageing of trade receivables is disclosed in note 16, with 2.3% of debtors over three months overdue (2024: 2.1%).

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There have been no changes to the credit ratings of these counterparties in the last financial year.

Liquidity risk

Liquidity risk: the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group is exposed to liquidity risk on its financial liabilities when they are required to be settled. This risk is mitigated by the Group's strong cash flow.

A significant amount of the Group's cash balances are within cash pooling arrangements to enable efficient central management of funds. Funds are placed on deposit with secure, highly rated banks with maximum counterparty limits. For short term working capital purposes, some operating companies who are not in a cash pooling arrangement utilise local bank overdrafts. These practices allow a balance to be maintained between continuity of funding, security and flexibility.

The financial covenants on the facilities at year-end require leverage (net debt/adjusted EBITDA) of not more than 3.5 times and adjusted interest cover of not less than 4 times. All covenants have been complied with.

27 Financial instruments continued

Borrowing facilities

The Group's principal sources of long-term funding are its unsecured five-year £550m Revolving Credit Facility, its £336m United States Private Placement completed in April 2024, its £330m United States Private Placement completed in May 2022 and £35m of United States Private Placement completed in November 2015.

The Revolving Credit Facility was refinanced in May 2022 and, following the exercise of the second one-year extension during the year, matures in May 2029.

A United States Private Placement of £330m was completed in May 2022. The unsecured loan notes were drawn on 12 July 2022 as £85m, €160m, US$100m and CHF40m at a weighted average fixed interest rate of 2.81%. The loan notes have yearly maturities from year four to year ten, with the first tranche of £48m maturing in July 2026. Interest is payable half yearly.

Unsecured loan notes of £35m drawn on 6 January 2016 at a fixed interest rate of 3.05% remain outstanding and mature in January 2026.

In April 2024, a new Private Placement of £336m was completed. The issuance consists of a US Dollar tranche of US$110m maturing in April 2035, with an amortisation profile giving it a 9.5 year average life and a Euro tranche of €290m maturing in April 2034, with an amortisation profile giving it a 7.75 year average life.

The Group has an additional short-term unsecured and committed US bank facility of £6.0m maturing in May 2027. The facility was undrawn at 31 March 2025.

Other short-term operational funding is provided by cash generated from operations, a £100m uncommitted money market line and by local bank overdrafts. These facilities are uncommitted and are generally renewed on an annual or ongoing basis and hence the facilities expire within one year or less.

As part of our cash pooling arrangements UK companies have cross-guaranteed net overdraft facilities of £23.1m (2024: £18.1m). Total net overdrafts relating to cash pooling as at 31 March 2025 were £nil (2024: £nil). Total overdrafts for the Group as at 31 March 2025 were £0.5m (2024: £0.3m).

Maturity of financial liabilities

The gross contractual maturities of the Group's non-derivative financial liabilities that are neither current nor on demand are as follows.

	One to two years £m	Between two and five years £m	After more than five years £m	Gross maturities £m	Effect of discounting/ financing rates £m	Total £m
At 31 March 2025						
Accruals	**3.0**	**–**	**1.2**	**4.2**	**–**	**4.2**
Other payables	**0.8**	**0.3**	**0.3**	**1.4**	**–**	**1.4**
Contingent purchase consideration	**3.9**	**–**	**–**	**3.9**	**–**	**3.9**
Bank loans	**–**	**43.9**	**–**	**43.9**	**–**	**43.9**
Loan notes	**69.5**	**253.8**	**467.2**	**790.5**	**(130.6)**	**659.9**
Lease liabilities	**28.0**	**63.5**	**28.1**	**119.6**	**(33.1)**	**86.5**
	105.2	**361.5**	**496.8**	**963.5**	**(163.7)**	**799.8**

	One to two years £m	Between two and five years £m	After more than five years £m	Gross maturities £m	Effect of discounting/ financing rates £m	Total £m
At 31 March 2024						
Accruals	0.1	0.2	0.4	0.7	–	0.7
Other payables	1.8	0.2	2.1	4.1	–	4.1
Contingent purchase consideration	3.9	0.8	–	4.7	–	4.7
Bank loans	–	341.0	–	341.0	–	341.0
Loan notes	45.6	163.8	205.6	415.0	(44.1)	370.9
Lease liabilities	19.8	41.9	21.8	83.5	(19.3)	64.2
	71.2	547.9	229.9	849.0	(63.4)	785.6

The Group's bank loans are revolving credit facilities and the amount and timing of future payments and drawdowns is unknown. It is therefore not possible to calculate the interest arising on these loans and we have therefore not disclosed the maturity of the gross cash flows (including interest) in relation to these liabilities.

27 Financial instruments continued

Classification of financial assets and liabilities

All financial assets and liabilities, with the exception of financial assets at fair value through other comprehensive income, derivatives and contingent purchase consideration, are classified as amortised cost for accounting purposes.

Derivatives in a hedging relationship are classified as cash flow hedging instruments. Derivatives not in a hedging relationship are classified as fair value through profit or loss.

Contingent purchase consideration is classified as fair value through profit or loss.

Fair values of financial assets and financial liabilities

With the exception of the Group's fixed rate loan notes, there were no significant differences between the book value and fair value (as determined by market value) of the Group's financial assets and liabilities.

The fair value of floating borrowings approximates to the carrying value because interest rates are reset to market rates at intervals of less than one year.

The fair value of the Group's fixed rate loan notes arising from the United States Private Placement completed in November 2015, May 2022 and April 2024 is estimated to be £690.3m. The fair value is estimated by discounting the future contracted cash flow using readily available market data and represents a level 2 measurement in the fair value hierarchy under IFRS 7.

The fair value of derivative financial instruments is estimated by discounting the future contracted cash flow, using readily available market data, and represents a level 2 measurement in the fair value hierarchy under IFRS 7.

The fair value of equity investments held at fair value through other comprehensive income is based on the latest observable price where available. Where there are no recent observable prices, adjustments are made based on qualitative indicators, such as the financial performance of the entity, performance against operational milestones and future outlook. This represents a level 3 measurement in the fair value hierarchy under IFRS 7.

The fair value of deferred contingent consideration arising on acquisitions is calculated by estimating the possible future cash flows for the acquired company identified as best, base and worst-case scenarios, using probability weightings of 25%, 50% and 25% respectively. These scenarios are based on management's knowledge of the business and how the current economic environment is likely to impact it. The relevant future cash flows are dependent on the specific terms of the sale and purchase agreement.

As at 31 March 2025 the terms for deferred contingent consideration who's calculation is dependent on possible future cash flows are as follows:

- VIR – Based on gross margin for the 12 months ending 31 March 2025 and 31 March 2026. The maximum earnout is $1.2m (£1.0m) per year.
- Safe-com – Based on EBIT for the 12 months ending 31 March 2026, with the possibility of the previous owner choosing to defer and base the consideration on the 12 months ending 31 March 2027. The maximum earnout is $3m (£2.3m).

This calculation represents a level 3 measurement in the fair value hierarchy under IFRS 7. The fair value is sensitive to the weighting assigned to the expected future cash flows. For those earnouts where the payable is based on expectations of future cash flows, a change in weighting of 10 percentage points towards the best-case scenario would result in an increase in the estimate of future cash flows as follows:

	Current expected future cash flow £m	After 10 pp shift in weighting towards upside expectation £m
VIR	**0.2**	0.2
Safe-com	**2.2**	2.3

28 Leases

The Group has lease contracts for land and buildings, as well as various items of plant, machinery, vehicles and other equipment used in its operations. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets by asset category

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period, split by asset category:

	Land and buildings £m	Plant, equipment and vehicles £m	Total £m
Cost, net of accumulated depreciation and accumulated impairment			
At 1 April 2024	**73.1**	**6.3**	**79.4**
Assets of businesses acquired	**3.3**	**0.1**	**3.4**
Additions	**44.6**	**4.5**	**49.1**
Transfer between category	**–**	**–**	**–**
Disposals and retirements (including disposal of business)	**(1.5)**	**(0.2)**	**(1.7)**
Depreciation charge for the year	**(22.1)**	**(2.8)**	**(24.9)**
Exchange adjustments	**(0.7)**	**(0.2)**	**(0.9)**
At 31 March 2025	**96.7**	**7.7**	**104.4**
At 31 March 2025			
Cost	**195.9**	**12.4**	**208.3**
Accumulated depreciation and accumulated impairment	**(99.2)**	**(4.7)**	**(103.9)**
Net carrying amount	**96.7**	**7.7**	**104.4**

Lease liabilities

Set out below are the carrying amounts of lease liabilities included under current and non-current liabilities and the movements during the period:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At 1 April 2024	**83.7**	87.9
Additions and remeasurements	**49.5**	15.2
Disposals	**(0.8)**	–
Accretion of interest	**4.6**	3.2
Payments	**(28.8)**	(24.1)
Liabilities of business acquired (note 25)	**3.2**	3.2
Exchange adjustments	**(1.8)**	(1.7)
At 31 March 2025	**109.6**	83.7
Current	**23.1**	19.5
Non-current	**86.5**	64.2
At 31 March 2025	**109.6**	83.7

The maturity analysis of lease liabilities is disclosed in note 27.

The following are the amounts recognised in Consolidated Income Statement:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Depreciation expense of right-of-use assets	**24.9**	19.8
Interest expense on lease liabilities	**4.6**	3.2
Expense relating to short-term leases and leases of low-value assets	**0.3**	0.3
Total amount recognised in Consolidated Income Statement	**29.8**	23.3

The Group had total cash outflows for leases in the year of £28.8m (2024: £24.1m).

28 Leases continued

Extension options

Some leases of buildings contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practical, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not the lessors. For extension options exercisable within five years of commencement the Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. For options that are exercisable more than five years from commencement the Group assesses whether it is reasonably certain to exercise the option when this option becomes exercisable within five years. The Group will also reassess whether it is reasonably certain to exercise the option where there is a significant event or change in circumstances within its control.

As at 31 March 2025, potential future cash outflows of £13.4m (undiscounted) (2024: £14.7m) have not been included in the lease liability because it is not reasonably certain that the leases will be extended. During the current year the financial effect of revising lease terms to reflect the exercising of extension and termination options was an increase in recognised lease liabilities and right-of-use assets of £0.0m (2024: £0.0m). No other lease modifications occurred during the year.

The future cash outflows relating to leases that have not yet commenced are £3.1m (2024: £17.3m).

29 Retirement benefits

Group companies operate both defined benefit and defined contribution pension plans. The Halma Group Pension Plan and the Apollo Pension and Life Assurance Plan (both UK) have defined benefit sections with assets held in separate trustee administered funds. Both of these sections had already closed to new entrants in 2002/03 and closed to future benefit accruals from December 2014. From that date, the former defined benefit members could join the defined contribution section within the Halma Group Pension Plan (which has now been superseded by a defined contribution Master Trust with Aegon).

Overseas subsidiaries have adopted mainly defined contribution plans, with the exception of small defined benefit plans in the Swiss entities of Medicel AG and Robutec AG.

Total pension costs of £21.1m (2024: £19.6m) recognised in employee costs (note 7), comprise £20.3m (2024: £19.0m) related to defined contribution plans and £0.8m (2024: £0.6m) related to defined benefit plans, including administration expenses of £nil (2024: £nil).

Defined contribution plans

The amount charged to the Consolidated Income Statement in respect of defined contribution plans was £20.3m (2024: £19.0m) and represents contributions payable to these plans by the Group at rates specified in the rules of the plans. The assets of the plans are held separately from those of the Group in funds under the control of asset managers or trustees.

Defined benefit plans

The Group's significant defined benefit plans were for qualifying employees of its UK subsidiaries. Under the plans, members are entitled to retirement benefits of up to two-thirds of final pensionable salary on attainment of a retirement age of 60, for former members of the Executive Board, and 65, for all other qualifying employee members. No other post-retirement benefits are provided. The plans are funded plans.

On 6 September 2024, the Group's two main defined benefit plans, Halma Group Pension Plan and the Apollo Pension and Life Assurance Plan, purchased buy-in policies with Phoenix Life which required the sale and transfer of the majority of each schemes' assets. The buy-in policies are assets of the pension plans with the fair value being the present value of the schemes defined benefit obligations, excluding the allowances in respect of Guaranteed Minimum Pension (GMP) equalisation and any liabilities that may be recognised in the future related to the 2024 Virgin Media pension ruling. Movements in the fair value of the buy-in policies are recognised in the Consolidated Statement of Comprehensive Income and Expenditure. The remaining asset surplus consists of the residual cash in the pension plans that was not required to cover the pension buy-in policies. The buy-in transactions had no cash effect on the Group. On an IAS 19 basis, £30.0m of actuarial losses have been recognised in the Consolidated Statement of Comprehensive Income and Expenditure; this includes the revaluation of the insurance assets which had no impact on the income statement.

The most recent actuarial valuation of the Halma Group Pension Plan was carried out for the Trustees of the Plan as at 30 November 2023 by Elaine Wilson, Fellow of the Institute and Faculty of Actuaries, of Mercer Limited.

The most recent actuarial valuation of the Apollo Pension and Life Assurance Plan was carried out for the Trustees of the Plan as at 1 April 2024 by Elaine Wilson, Fellow of the Institute and Faculty of Actuaries, also of Mercer Limited.

For both plans the previous actuarial valuation used the Projected Unit method, an accrued benefits valuation method in which the plan liabilities include an allowance for projected earnings, which reflected an expectation that the plan would continue to "run on" with the Trustees using the plan investments to meet member benefits as they fell due. For the most recent actuarial valuation, the methodology was updated to the Mercer Solvency method which estimates the cost of securing benefits with an insurer (the amount that would be required to settle the plan liabilities).

The change in valuation method reflects the impact of the buy-in which was completed before the valuations were finalised. The valuation date (the date on which assets and liabilities are measured) for both plans precedes the completion of the buy-in.

The latest triennial actuarial valuation estimate of solvency was £7.7m surplus as at 30 November 2023 for the Halma Group Pension Plan and £3.6m surplus as at 1 April 2024 for the Apollo Pension and Life Assurance Plan.

The plans' triennial actuarial valuation reviews, rather than the accounting basis, are used to evaluate the level of any required cash payments into the plans. Based on the latest valuations no contributions were required for either plan.

29 Retirement benefits continued

Following the decision to enter into a buy-in transaction, but before the actuarial valuation was completed, the trustees of the Halma Group Pension Plan agreed a contribution of £0.5m which was paid in November 2024 with the Group agreeing to pay all other expenses directly. This removed any requirement for contributions, that were suspended until April 2025, to resume. As the Apollo Pension and Life Assurance Plan is in surplus, no contributions were required and expenses continue to be covered by the plan.

At 31 March 2025 the Halma Group Pension Plan had a £0.8m net retirement benefit obligation caused by the allowance in respect of GMP equalisation in the defined benefit obligation not being covered by the buy-in policy. The Apollo Pension and Life Assurance Plan had a £4.0m surplus with cash in excess of the allowance in respect of GMP equalisation.

The Group and trustees of the Plans are monitoring the impact of the July 2024 Court of Appeal ruling that upheld the UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which resulted in certain amendments made to defined benefit pension schemes contracted-out on a Reference Scheme Test basis between 6 April 1997 and 5 April 2016 to be rendered void if they were not accompanied by actuarial certifications. Due to uncertainty around the impact of the judgement no adjustments have been made to the Consolidated Financial Statements at 31 March 2025. On 5 June 2025 the Department for Work and Pensions stated the UK Governments intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

	31 March 2025	31 March 2024	31 March 2023
Key assumptions used (UK plans):			
Discount rate	**5.70%**	4.75%	4.75%
Pension increases LPI 2.5%	**2.05%**	2.05%	2.10%
Pension increases LPI 3.0%	**2.30%**	2.35%	2.45%
Inflation – RPI	**3.05%**	3.15%	3.30%
Inflation – CPI	**2.30%**	2.40%	2.50%

Mortality assumptions

The base mortality tables utilised are consistent with those used in the last completed triennial valuations for the Halma Group Pension Plan scheme, for the Apollo Pension and Life Assurance Plan scheme the mortality tables used are consistent with those used in the previous triennial valuation due to the timing of the completion of the latest triennial valuation. For both plans the latest published CMI mortality projection tables (CMI2023) have been used with a long-term improvement rate of 1.25% pa and a 2023 W parameter of 20%. The assumed life expectations on retirement at age 65 are:

	31 March 2025 Years	31 March 2024 Years	31 March 2023 Years
Retiring today:			
Males	**21.5**	22.1	22.3
Females	**23.7**	24.5	24.7
Retiring in 25 years:			
Males	**22.8**	23.6	23.8
Females	**25.1**	26.0	26.2

The sensitivities regarding the principal assumptions used to measure the UK plan liabilities are set out below:

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease by 0.5%	Decrease by 6.1%/increase by 5.6%
Rate of inflation	Increase/decrease by 0.5%	Increase by 2.8%/decrease by 3.1%
Life expectancy	Increase by one year	Increase by 2.9%

These sensitivities have been calculated to show the impact on the plan liabilities in isolation and assume no other changes in market conditions at the reporting date. This may not be representative of the actual change as the changes in assumptions would likely not occur in isolation – for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the Group's Schemes.

Amounts recognised in the Consolidated Income Statement in respect of the UK and Swiss defined benefit plans are as follows:

	31 March 2025			31 March 2024		
	UK defined benefit plans £m	Other defined benefit plans £m	Total £m	UK defined benefit plans £m	Other defined benefit plans £m	Total £m
Current service cost	**–**	**0.8**	**0.8**	–	0.6	0.6
Net interest credit on pension plan assets/liabilities	**(1.5)**	**–**	**(1.5)**	(1.9)	–	(1.9)
	(1.5)	**0.8**	**(0.7)**	(1.9)	0.6	(1.3)

Actuarial gains and losses have been reported in the Consolidated Statement of Comprehensive Income and Expenditure. The actual return on plan assets was a loss of £52.4m (2024: loss of £2.7m).

The cumulative amount of actuarial losses recognised in the Consolidated Statement of Comprehensive Income and Expenditure since the date of transition to IFRS is £99.1m (2024: £69.1m).

29 Retirement benefits continued

The amount included in the Consolidated Balance Sheet arising from the Group's asset/obligations in respect of its defined benefit retirement plans is as follows:

	31 March 2025			31 March 2024		
	UK defined benefit plans £m	Other defined benefit plans £m	Total £m	UK defined benefit plans £m	Other defined benefit plans £m	Total £m
Present value of defined benefit obligations	**(199.9)**	**(14.6)**	**(214.5)**	(233.9)	(13.7)	(247.6)
Fair value of plan assets	**203.1**	**13.4**	**216.5**	265.9	12.6	278.5
Net retirement benefit asset/(obligation)	**3.2**	**(1.2)**	**2.0**	32.0	(1.1)	30.9
Plans with net retirement benefit assets	**4.0**	**–**	**4.0**	32.0	–	32.0
Plans with net retirement benefit obligations	**(0.8)**	**(1.2)**	**(2.0)**	–	(1.1)	(1.1)

Movements in the present value of the UK and Swiss defined benefit obligations were as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At beginning of year	**(247.6)**	(246.8)
Service cost	**(0.8)**	(0.6)
Interest cost	**(11.1)**	(11.3)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in financial assumptions	**25.6**	2.5
Actuarial gains arising from changes in demographic assumptions	**5.4**	2.2
Actuarial losses arising from experience adjustments	**4.0**	(0.8)
Contributions from plan members	**(0.4)**	(0.4)
Benefits paid	**10.4**	7.4
Exchange adjustments	**–**	0.2
At end of year	**(214.5)**	(247.6)

Movements in the fair value of the UK and Swiss plan assets were as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At beginning of year	**278.5**	284.7
Administration cost	**(1.0)**	(0.6)
Interest income	**12.6**	13.2
Actuarial losses excluding interest income	**(65.0)**	(15.9)
Contributions from the sponsoring companies	**1.4**	4.4
Contributions from plan members	**0.4**	0.4
Benefits paid	**(10.4)**	(7.4)
Exchange adjustments	**–**	(0.3)
At end of year	**216.5**	278.5

The net movement on actuarial gains and losses of the UK and Swiss plans was as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Defined benefit obligations	**35.0**	3.9
Fair value of plan assets	**(65.0)**	(15.9)
Net actuarial losses	**(30.0)**	(12.0)

29 Retirement benefits continued

The analysis of the UK plan assets at the balance sheet date were as follows:

Fair value of UK plan assets

	31 March 2025 £m	31 March 2024 £m
Equity instruments		
Quoted	–	6.2
Debt instruments		
Quoted	–	208.5
Unquoted	–	24.8
Property/infrastructure		
Unquoted	–	23.2
Cash and cash equivalent		
Unquoted	**5.0**	3.2
Assets held by insurance company		
Unquoted	**198.1**	–
	203.1	265.9

As at 31 March 2025 the assets of the plans are primarily held in buy-in policies which are unquoted. Plan assets include neither direct investments in the Company's ordinary shares, nor any property assets occupied by Group companies, nor other assets used by the Group. In the prior year the assets of the plans were primarily held in pooled investment vehicles which were unquoted. The pooled investment vehicles held both quoted and unquoted investments.

Equity instruments included UK and Overseas equity funds. Debt instruments included corporate, government and private debt funds. Property/infrastructure included private infrastructure funds and managed property funds. Cash and cash equivalent includes cash at bank and a liquidity fund. Assets held by insurance company is made up of the buy-in policies.

Assets in the non-UK plans are primarily insurance assets.

Based on the most recent actuarial valuations and agreements with the plan trustees, the estimated amount of contributions expected to be paid during the year ended 31 March 2026 is nil to the UK plans and £0.7m to the Swiss plans.

The levels of contributions are based on the current service cost and the expected future cash flows of the defined benefit pension plans. The Group estimates the plan liabilities on average to fall due over 18 and 22 years, respectively, for the Halma and Apollo plans.

The Group has considered the requirements of IFRIC 14 with respect to the UK plans and has determined that it has an unconditional right to a refund under the plans and therefore IFRIC 14 does not have any practical impact on the plans so no allowance for it (and, in particular, no allowance for the asset ceiling) has been made in the calculated figures.

The expected maturity analysis of the undiscounted pension obligation for the next 10 years is as follows:

	Less than one year £m	Between one and two years £m	Between two and five years £m	Between five and ten years £m	Total £m
At 31 March 2025					
Halma	**9.5**	**9.4**	**32.3**	**58.1**	**109.3**
Apollo	**1.5**	**1.9**	**5.6**	**13.6**	**22.6**

30 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).

31 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.

32 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.

33 Related party transactions

Trading transactions

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Associated companies		
Transactions with associated companies		
Sales to associated companies	**–**	–
Balances with associated companies		
Amounts due from associated companies	**–**	–
Other related parties		
Balances with other related parties		
Amounts due to other related parties	**–**	–

All the transactions above are on an arm's length basis and on standard business terms.

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 on pages 123 to 146.

	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

34 Commitments

Capital commitments

Capital expenditure relating to the purchase of equipment authorised and contracted at 31 March 2025 but not recognised in these accounts amounts to £3.4m (2024: £2.8m).

Company Balance Sheet

	Notes	31 March 2025 £m	31 March 2024 £m
Fixed assets			
Intangible assets	C3	**0.1**	0.1
Tangible assets	C4	**8.1**	8.5
Investments	C5	**696.4**	636.0
Retirement benefit asset	C13	**–**	21.6
Deferred tax	C10	**2.6**	–
Tax receivable		**–**	14.7
		707.2	680.9
Current assets			
Debtors	C6	**1,302.9**	1,203.7
Short-term deposits		**159.2**	22.3
Cash at bank and in hand		**29.0**	6.3
		1,491.1	1,232.3
Creditors: amounts falling due within one year			
Borrowings	C7	**41.7**	4.9
Tax payable		**8.6**	7.6
Creditors	C8	**178.6**	159.2
		228.9	171.7
Net current assets		**1,262.2**	1,060.6
Total assets less current liabilities		**1,969.4**	1,741.5
Creditors: amounts falling due after more than one year			
Borrowings	C7	**704.2**	712.8
Creditors	C9	**7.8**	14.2
Retirement benefit obligation	C13	**0.8**	–
Deferred tax	C10	**–**	2.9
		712.8	729.9
Net assets		**1,256.6**	1,011.6
Capital and reserves			
Share capital	C11	**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		**–**	(1.4)
Profit and loss account		**1,241.7**	1,009.2
Total equity		**1,256.6**	1,011.6

The Company reported a profit for the financial year ended 31 March 2025 of £334.1m (2024: £235.4m).

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

Company Statement of Changes in Equity

	Share capital £m	Share premium account £m	Own shares £m	Capital redemption reserve £m	Hedging reserve £m	Profit and loss account £m	Total £m
At 1 April 2024	**38.0**	**23.6**	**(58.0)**	**0.2**	**(1.4)**	**1,009.2**	**1,011.6**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**334.1**	**334.1**
Actuarial losses on defined benefit pension plan	**–**	**–**	**–**	**–**	**–**	**(23.3)**	**(23.3)**
Amounts reclassified to the income statement	**–**	**–**	**–**	**–**	**1.4**	**–**	**1.4**
Tax relating to components of other comprehensive income and expense	**–**	**–**	**–**	**–**	**–**	**5.8**	**5.8**
Total other comprehensive expense for the year	**–**	**–**	**–**	**–**	**1.4**	**(17.5)**	**(16.1)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(83.8)**	**(83.8)**
Share-based payment charge	**–**	**–**	**–**	**–**	**–**	**11.9**	**11.9**
Capital contribution to subsidiaries for share-based payment awards (note C5)	**–**	**–**	**–**	**–**	**–**	**9.4**	**9.4**
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)**
At 31 March 2025	**38.0**	**23.6**	**(46.9)**	**0.2**	**–**	**1,241.7**	**1,256.6**

	Share capital £m	Share premium account £m	Own shares £m	Capital redemption reserve £m	Hedging reserve £m	Profit and loss account £m	Total £m
At 1 April 2023	38.0	23.6	(46.1)	0.2	–	851.7	867.4
Profit for the year	–	–	–	–	–	235.4	235.4
Actuarial losses on defined benefit pension plan	–	–	–	–	–	(7.8)	(7.8)
Effective portion of losses in fair value of cash flow hedges	–	–	–	–	(1.4)	–	(1.4)
Tax relating to components of other comprehensive income and expense	–	–	–	–	–	2.0	2.0
Total other comprehensive expense for the year	–	–	–	–	(1.4)	(5.8)	(7.2)
Dividends paid	–	–	–	–	–	(78.2)	(78.2)
Share-based payment charge	–	–	–	–	–	8.3	8.3
Capital contribution to subsidiaries for share-based payment awards (note C5)	–	–	–	–	–	9.5	9.5
Deferred tax on share-based payment transactions	–	–	–	–	–	0.2	0.2
Excess tax deductions related to share-based payments on vested awards	–	–	–	–	–	(0.1)	(0.1)
Purchase of own shares	–	–	(19.7)	–	–	–	(19.7)
Performance share plan awards vested	–	–	7.8	–	–	(11.8)	(4.0)
At 31 March 2024	38.0	23.6	(58.0)	0.2	(1.4)	1,009.2	1,011.6

Notes to the Company Accounts

C1 Accounting policies

Corporate Information
Halma plc (the Company) is a public limited company incorporated and domiciled in England, United Kingdom (registration number 00040932). The registered address of the Company is Misbourne Court, Rectory Way, Amersham, Buckinghamshire, HP7 0DE, United Kingdom.

Basis of preparation
The separate Company financial statements are presented as required by the Companies Act 2006 and have been prepared on the historical cost and going concern basis, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' except for the revaluation of certain financial instruments, pension assets and contingent purchase consideration at fair value as permitted by the Companies Act 2006.

The Employee Benefit Trust (EBT) is consolidated on the basis that the company 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.

The principal accounting policies have been applied consistently In both the current and prior year.

Financial reporting standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46–52 of IFRS 2 Share-based payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- paragraph 79(a)(iv) of IAS 1;
- paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D,111 and 134–136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of IAS 7 Statement of Cash Flows and related notes;
- the effects of new but not yet effective IFRS;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

New Standards and Interpretations applied for the first time in the year ended 31 March 2025
There were no new Standards or Interpretations applied for the first time, with effect from 1 January 2025.

Critical accounting judgements and key sources of estimation uncertainty
The preparation of Company 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.

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
There are no critical accounting judgements used by management in preparing the Company's financial statements.

Key sources of estimation uncertainty
Significant accounting estimates are used in determining the value of the future defined benefit obligation which requires estimation in respect of the assumptions used to calculate present values. These include 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 obligation are disclosed in note 29 to the Group accounts, specifically page 220.

The Company's investments are assessed each reporting period for any indicators of impairment, both qualitative and quantitative. If there are deemed to be any indicators of impairment a 'value in use' calculation is performed, as reported in note C5. Where required, the 'value in use' calculation requires the Company to estimate the future cash flows expected to arise from the investments and apply suitable discount rates in order to calculate present values.

C1 Accounting policies continued

Summary of material accounting policy information

Foreign currencies

Transactions in foreign currency 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. Any gain or loss arising from subsequent exchange rate movements is included as an exchange gain or loss in the Profit and Loss Account.

Financial Instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit or loss – Derivative financial instruments are carried in the balance sheet at fair value with changes in fair value recognised in the Profit and Loss Account.

Amortised costs – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (other group companies), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's receivables relate entirely to balances due from other group companies. Where the intercompany receivable is payable on demand the Company determines whether any impairment provision is required by assessing the Company's ability to repay the loan. Where it is considered that the Company does not have the capacity to repay the loan or the loan is not repayable on demand, an expected credit loss model is used to calculate the impairment provision required.

Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss – These comprise out-of-the-money derivatives and contingent purchase consideration. They are carried in the balance sheet at fair value with changes in fair value recognised in the Profit and Loss Account.

At amortised cost – Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

Interest bearing loans and borrowings

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

Interest rate hedging

The Company enters into derivative financial instruments to manage its exposure to interest rate risk using interest rate swaps. The Company 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.

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.

Share-based payments

The cost of the equity-settled transactions with employees of other Group companies is measured by reference to the fair value at the date at which equity instruments are granted and, where it is not recharged to a Group company, is recognised as a capital contribution in investments in subsidiary undertakings over the vesting period, which ends on the date on which the employees become fully entitled to the award. A corresponding credit is recognised within equity. This credit is not distributable.

Investments

Investments are stated at cost less provision for impairment. In respect of IFRS 2 'Share-based payments', the Company records an increase in its investment in subsidiaries to reflect the share-based compensation recorded by its subsidiaries.

C1 Accounting policies continued

Fixed assets and depreciation

Fixed assets are stated at cost less provisions for impairment and depreciation which, with the exception of freehold land which is not depreciated, is provided on all fixed assets on the straight-line method, each item being written off over its estimated life. The principal annual rates used for this purpose are:

Freehold property	2%
Plant, equipment and vehicles	8% to 33.3%

Leases

The Company 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 Company 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 Company 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 Company 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 Company 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 Company has taken the practical expedient to not separate lease and non-lease components and so account for both as a single lease component.

Right-of-use assets are also subject to impairment testing under IAS 36, as described in the policy on Impairment of non-current assets In the Accounting Policies for the Group.

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 Company'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.

Pensions

The Company makes contributions to defined contribution pension plans, which are charged against profits when they become payable. The Company also operates a UK defined benefit pension plan. For defined benefit plans, the asset or liability recorded in the Company 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 the plan on an annual basis by an independent actuary 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 year in which they occur, and are taken to other comprehensive income.

Current and past service costs, along with the impact of settlements or curtailments, are charged to profit and loss. The unwinding of the discounting on the net liability is recognised within finance income or expense as appropriate.

Taxation

Tax on the profit or loss for the year comprises both current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised either in other comprehensive income or directly in 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, and any adjustments to tax payable in respect of previous years.

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are only recognised if recovery is considered more likely than not on the basis of all available evidence.

The recognition of deferred tax assets is dependent on assessments of future taxable income.

C2 Result for the year

As the Company is included in the consolidated financial statements, made up to 31 March each year, it is not required to present a separate profit and loss account as permitted by Section 408(3) of the Companies Act 2006, as such the Profit and Loss Account of Halma plc is not presented as part of these accounts. The Company has reported a profit after taxation for the financial year of £334.1m (2024: £235.4m).

Auditors' remuneration for audit services to the Company was £0.7m (2024: £0.7m). Total employee costs (including Directors) were:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages and salaries	**41.5**	33.4
Social security costs	**6.2**	4.9
Pension costs	**0.9**	0.8
	48.6	39.1

Included within wages and salaries are share-based payment charges under IFRS 2 of £11.9m (2024: £8.3m).

	Year ended 31 March 2025 Number	Year ended 31 March 2024 Number
Monthly average number of employees (UK)	**122**	113
Monthly average number of employees (Mainland Europe)	**4**	4
Monthly average number of employees (Other)	**1**	1
Monthly average number of employees	**127**	118

Details of Directors' remuneration are set out on pages 123 to 146 within the Annual Remuneration Report and form part of these financial statements.

C3 Fixed assets – intangible assets

	Computer software £m	Other intangibles £m	Total £m
Cost			
At 1 April 2024	**2.2**	**0.1**	**2.3**
At 31 March 2025	**2.2**	**0.1**	**2.3**
Accumulated amortisation			
At 1 April 2024	**2.2**	**–**	**2.2**
Charge for year	**–**	**–**	**–**
At 31 March 2025	**2.2**	**–**	**2.2**
Carrying amounts			
At 31 March 2025	**–**	**0.1**	**0.1**
At 31 March 2024	–	0.1	0.1

C4 Fixed assets – tangible assets

	Freehold properties £m	Plan, equipment and vehicles £m	Right of use assets £m	Total £m
Cost				
At 1 April 2024	**8.0**	**2.1**	**1.3**	**11.4**
Additions at cost	**0.1**	**0.1**	**0.2**	**0.4**
At 31 March 2025	**8.1**	**2.2**	**1.5**	**11.8**
Accumulated depreciation				
At 1 April 2024	**1.4**	**1.4**	**0.1**	**2.9**
Charge for year	**0.1**	**0.2**	**0.5**	**0.8**
At 31 March 2025	**1.5**	**1.6**	**0.6**	**3.7**
Carrying amounts				
At 31 March 2025	**6.6**	**0.6**	**0.9**	**8.1**
At 31 March 2024	6.6	0.7	1.2	8.5

C5 Investments

	31 March 2025 £m	31 March 2024 £m
At cost less amounts written off at beginning of year	**636.0**	576.8
Increase in investments	**59.6**	57.2
Contributions to subsidiary undertakings relating to share-based payments	**9.4**	9.5
Impairment charge	**(6.8)**	(7.5)
Foreign exchange movement	**(1.8)**	–
At cost less amounts written off at end of year	**696.4**	636.0

The increase of £59.6m in the year comprises additions from the acquisitions of and additional investments into MK Test of £54.0m and Remlive of £3.6m and additional investment into existing subsidiary Halma Euro Trading Limited of £2.0m.

During the year, the Company commenced a legal entity rationalisation project which included the liquidation of a number of dormant entities. This resulted in the recognition of an impairment charge of £6.8m.

In the current year, capital contributions to subsidiary undertakings of £9.4m were recorded (2024: £9.5m). These capital contributions arise where equity-settled share awards in the Company were granted to employees of subsidiary undertakings and no recharge was made to that subsidiary. More detail on the Company's share plans can be found in note 24 to the Consolidated Accounts. Capital contributions are not realised profits and so are non-distributable retained earnings for the Company until such time as they are realised either through impairment of the investment or sales of the relevant subsidiary.

In the prior year, the increase of £57.2m comprised additions from the acquisition of Alpha Instrumatics of £43.1m, Firemate UK of £0.5m and additional investments into existing subsidiaries Halma Euro Trading Limited of £10.5m and Halma Ventures Limited of £3.1m. The impairment charge of £7.5m was in respect of the Company's investment in three subsidiary undertakings.

C5 Investments continued

Subsidiaries

Details of the Company's subsidiaries at 31 March 2025 are below.

Name	Registered Address	Country	Class	Group %
A & G Security Electronics Limited	(1)	United Kingdom	Ordinary	100*
Accutome, Inc.	3222, Phoenixville Pike, Malvern, PA, 19355	United States	Ordinary	100
Adler Diamant BV	Simon Homburgstraat 21, 5431 NN Cuijk	Netherlands	Ordinary	100
Advanced Electronics Limited	The Bridges, Balliol Business Park, Newcastle Upon Tyne, Tyne and Wear, NE12 8EW	United Kingdom	Ordinary	100*
Advanced Fire Systems Inc.	25 Corporate Dr, Auburn Hills, MI 48326	United States	Common Stock	100
Advantronic Systems, S.L.U.	número 9, B1, calle del Yunque, Tres Canto, Madrid	Spain	Common Stock	100
Alicat Scientific BV	Geograaf 24, 6921EW Duiven	Netherlands	Ordinary	100
Alicat Scientific India Private Limited	Plot No. A/147, Road No. 24, Wagle Industrial Estate, Thane West, Thane 400064, Maharashtra, THANE 400064	India	Ordinary	100
Alicat Scientific, Inc.	7641 N Business Park Drive, Tucson, AZ 85743	United States	Common Stock	100
Alpha Instrumatics Holding Company Limited	Alpha House, 96 City Road, Bradford, West Yorkshire BD8 8ES	United Kingdom	Ordinary	100*
Alpha Moisture Systems Limited	Alpha House, 96 City Road, Bradford, West Yorkshire BD8 8ES	United Kingdom	Ordinary	100
Ampac Europe Limited	Unit 2, Waterbrook Estate, Waterbrook Road, Alton, Hampshire, GU34 2UD	United Kingdom	Ordinary	100*
Ampac NZ Limited	125 The Terrace, Wellington Central, Wellington, 6011	New Zealand	Ordinary	100
Ampac Pty Limited	7, Ledgar Road, Balcatta, Western Australia, 6021	Australia	Ordinary	100
AMSGRO Limited	Alpha House, 96 City Road, Bradford, West Yorkshire BD8 8ES	United Kingdom	Ordinary	100
Analytical Development Company Limited	(1)	United Kingdom	Ordinary	100*
Anton Industrial Services Limited	172 Brook Drive, Milton Park, Oxfordshire, OX14 4SD	United Kingdom	Ordinary	100*
Apollo (Beijing) Fire Products Co. Ltd	E-F Areas, Production Area of Building 1, No.5 Xinghai Road, Beijing Economic Technological Development Area, Beijing	China	Ordinary	100
Apollo America, Inc.	25 Corporate Drive, Auburn Hills MI 48326	United States	Common Stock	100
Apollo Fire Detectors Limited	36 Brookside Road, Havant, Hampshire, PO9 1JR	United Kingdom	Ordinary and Deferred	100*
Apollo GmbH	Am Anger 31, D-33332 Gütersloh	Germany	Ordinary	100
Applied Resins, S.L.	C/ Alejandro Rodríguez 22, Madrid	Spain	Ordinary	100
AprioMed AB	Virdings Allé 28, SE-754 50 Uppsala	Sweden	Ordinary	100
AprioMed Inc.	2711 Centorville Road, Suite 400, City of Wilmington, County of New Castle, State of Delaware 19808	United States	Common Stock	100
Aquionics, Inc.	4215, Suite E, Stuart Andrew Boulevard, Charlotte, NC, 28217	United States	Common Stock	100
Argus Security S.r.l.	Via Del Canneto, Muggia, 14 Cap, 34015	Italy	Quotas	100
Ashton Lister Investments Limited	Ramtech House, Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN	United Kingdom	Ordinary	100*
ASL Holdings Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, WW, NP44 3AW	United Kingdom	Ordinary	100*
Avire Australia Pty Limited	Unit 39,110-116 Bourke Road, Alexandria NSW 2015	Australia	Ordinary	100
Avire Elevator Technology Shanghai Ltd	Room 611, Building 1, No. 1999 Duhui Road, Minhang District, Shanghai	China	Ordinary	100
Avire Global PTE Ltd	80 Raffles Place, #32-01 UOB Plaza, 048624	Singapore	Ordinary	100
Avire Limited	Unit 2, The Switchback, Gardner Road, Maidenhead, Berkshire, EN, SL6 7RJ	United Kingdom	Ordinary	100
Avire s.r.o.	Okružní 2615, České Budějovice, 370 01	Czech Republic	Ordinary	100
Avire Trading Limited	Unit 2 The Switchback, Gardner Road, Maidenhead, Berkshire, EN, SL6 7RJ	United Kingdom	Ordinary	100*
Avo Photonics (Canada) Inc.	117, Leslie Street, Toronto, Ontario, M4M 3C6	Canada	A & B shares	100
Avo Photonics, Inc.	510, Virginia Drive, Fort Washington, Pennsylvania, PA 19034	United States	A & B Preferred stock and common stock	100

C5 Investments continued
Subsidiaries continued

Name	Registered Address	Country	Class	Group %
Axcess Surgical Innovations B.V.	Kantstraat 19, 5076NP Haaren	Netherlands	Ordinary	100
Axcess Surgical Innovations, LLC	141 California Ave, Suite 101, Half Moon Bay, CA 94019	United States	Membership interests	100
B.E.A. Holdings, Inc.	100 Enterprise Drive, RIDC Park West, Pittsburgh, PA 15275	United States	Ordinary	100
B.E.A. Inc.	100 Enterprise Drive, RIDC Park West, Pittsburgh, PA 15275	United States	Ordinary	100
B.E.A. Investments, Inc.	100 Enterprise Drive, RIDC Park West, Pittsburgh, PA 15275	United States	Ordinary	100
Baoding Longer Precision Pump Co., Ltd	3rd Floor, University Science Park Baoding National, No. 5699, North 2nd Ring Road, Baoding, Hebei, 071051	China	Ordinary	100
BEA Electronics (Beijing) Co Ltd	A-B Area, No.1 Building, No.5 Xinghai Road, Beijing Economic Technological Development Area, Beijing, 100176	China	Ordinary	100
BEA Electronics Singapore Pte Ltd.	16 Raffles Quay, #38-03, Hong Leong Building, Singapore, 048581	Singapore	Ordinary	100
BEA Japan KK	154-0012 Komazawa, Setagaya-ku 3-28-11, Tokyo	Japan	Ordinary	100
Beijing Ker'Kang Instrument Limited Company	Floor 3, No. 156, Jinghai 4th Road, BDA, Beijing, 101111	China	Ordinary	100
Berson Milieutechniek BV	PO Box 90, 5670 AB Nuenen	Netherlands	Ordinary	100
Bio-Chem Fluidics, Inc.	85 Fulton Street, Boonton, New Jersey 07005	United States	Ordinary	100
Bureau d'Electronique appliquée S.A.	Allée des Noisetiers 5, Liege Science Park, B-4031 LIEGE-Angleur	Belgium	Ordinary	100
Business Marketers Group, Inc.	N56 W24720 N. Corporate Circle, Sussex, WI, 53089	United States	Ordinary	100
Cardio Dinâmica Ltda	Avenida Paulista, 509, 3° andar, conjuntos 308, 309 e 310, Sao Paulo	Brazil	Quotas	100
Cardio Sistemas Comercial e Industrial Ltda	Avenida Paulista, 509, 1° e 2° andares, conjuntos 201, 212, 213 e 214, Bela Vista, São Paulo, Estado de São Paulo, CEP 01311-910	Brazil	Quotas	100
Castell Interlocks, Inc.	150, N Michigan Avenue, Chicago, Illinois, 60601	United States	Ordinary	100
Castell Locks Limited	(1)	United Kingdom	Ordinary	100*
Castell Safety International Limited	217 Kingsbury Road, London, NW9 9PQ	United Kingdom	Ordinary	100*
Castell Safety Technology Limited	(1)	United Kingdom	Ordinary	100*
CEF Safety Systems BV	Jan van Galenstraat 64, 3115 JG Schiedam	Netherlands	Ordinary	100
Celanova Limited	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
CenTrak, Inc.	826, Newtown-Yardley Road, Newtown, PA, 18940	United States	Common Stock	100
Chirurgie Innovation	3, Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370	France	Ordinary	100
Cosasco Middle East – FZE – Dubai	Dubai Silicon Oasis Office, Dubai	United Arab Emirates	Common Stock	100
Cosasco Middle East (FZE), Sharjah	PO Box 8186, SAIF Zone, Sharjah	United Arab Emirates	Common Stock	100
Cranford Controls Limited	Unit 2, Waterbrook Estate, Waterbrook Road, Alton, Hampshire, GU34 2UD, England	United Kingdom	Ordinary	100
Createch, S.A.	Sítio da Barracha, Parque Industrial Municipal, Caixa Postal, São Brás de Alporte, 610-A, 8150-017	Portugal	Common Stock	100
Crowcon Detection Instruments Limited	172 Brook Drive, Milton Park, Oxfordshire, OX14 4SD	United Kingdom	A & Ordinary	100*
Crowcon Gas Safety Trading LLC	B-04, Plot-04-013-LIU Phase 5, DSO-LIU, Dubai	United Arab Emirates	Ordinary	100
Dancutter A/S	Livøvej 1A, 8800 Viborg	Denmark	Ordinary	100
Deep Trekker Inc.	155, Washburn Drive, Unit 2, Kitchener, Ontario, N2R 1S1	Canada	Unlimited common shares	100
Deep Trekker SpA	Ruta 5 Sur Km. 1025 Bodega 5 – Megacentro 1, Puerto Montt, Región de Los Lagos	Chile	Common Stock	100
Deep Trekker Inc. (US)	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801	United States	Common Stock	100
Detection Instruments India Private Limited	Plot Notel-36, Electronics Zone, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 4000701	India	Ordinary	21
Diba Industries Limited	2 College Park, Coldhams Lane, Cambridge, CB1 3HD	United Kingdom	Ordinary	100*
Diba Industries, Inc.	4, Precision Road, Danbury, CT, 06810	United States	Common Stock	100

C5 Investments continued
Subsidiaries continued

Name	Registered Address	Country	Class	Group %
E&C Medical Intelligence, Inc.	100, Regency Forest Dr Ste 200, Cary, NC 27518	United States	Common Stock	100
Eco Rupture Disc Limited	(1)	United Kingdom	Ordinary	100*
Eiffel APAC PTE. LTD	9 Raffles Place, #15-06 Republic Plaza, 048619	Singapore	Ordinary	100
Eiffel Holdings Limited	(1)	United Kingdom	Ordinary	100
Eiffel Investments UK Limited†	(1)	United Kingdom	Ordinary	100
Elfab Hughes Limited	(1)	United Kingdom	Ordinary	100*
Elfab Limited	Alder Road, West Chirton Industrial Estate, North Shields, Tyne & Wear, NE29 8SD	United Kingdom	Ordinary	100*
F.I.R.E. Panel, LLC	8435 N. 90th St., Suite 2, Scottsdale AZ 85258	United States	Common Stock	100
Fabrication de Produits de Sécurité SaRL	21 Rue du Cuir, ZI Sidi Rezig, Mégrine, 2033	Tunisia	Ordinary	100
FFE B.V	J. Keplerweg 14, 2408AC Alphen aan den Rijn	Netherlands	Ordinary	100
FFE Holdings Limited	(1)	United Kingdom	Deferred A & Ordinary	100*
FFE Limited	9 Hunting Gate, Hitchin, Herts, SG4 0TJ	United Kingdom	Ordinary	100*
Fire Fighting Enterprises Limited	(1)	United Kingdom	Ordinary	100*
FirePro Eng. Co., Limited	1400, Hyeeum-ro, Gwangtan-myeon, Paju-Si, Gyeonggi-do	Korea (the Republic of)	Common Stock	60
FirePro Systems Ltd	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
Firetrace Aerospace, LLC	8435, Suite 7, N. 90th St., Scottsdale, AZ, 85258	United States	Ordinary	100
Firetrace USA, LLC	8435, Suite 7, N. 90th St., Scottsdale, AZ, 85258	United States	Ordinary	100
Fluid Conservation Systems, Inc.	1960 Old Gatesburg Rd, Ste #150, State College, PA 16803	United States	Ordinary	100
FluxData Incorporated	176, Suite F304, Anderson Avenue, Rochester, NY, 14607	United States	Ordinary	100
Fortress Interlocks Limited	2 Inverclyde Drive, Wolverhampton, West Midlands, WV4 6FB	United Kingdom	Ordinary & Preferred shares	100*
Fortress Interlocks Pty Ltd	Ross Wadeson Accountants, Unit 13, 20-30 Malcolm Road, Braeside, VIC, 3195	Australia	Ordinary	100
G.F.E. – Global Fire Equipment – Montagem De Equipamento Electrónico S.A.	Sítio da Barracha, Parque Industrial Municipal, Caixa Postal, São Brás de Alportel, 610-A, 8150-017	Portugal	Common Stock	100
GFE TEC – Desenvolvimento De Equipamentos Electrónicos, Unipessoal LDA	Lote 6, Urbanização Maria Teresa de Jesus Lopes Viegas, Brancanes, Olhão, 8700-256	Portugal	Quotas	100
Halma (China) Group	1st Floor, Building 18, 155 Yuanke Road, Minhang District, Shanghai	China	Ordinary	100
Halma Australasia Holdings Limited†	(1)	United Kingdom	Ordinary	100
Halma Australasia Pty Limited	7, Ledgar Road, Balcatta, Western Australia, 6021	Australia	Ordinary	100
Halma Do Brasil – Equipamentos De Segurança Ltda	Av. Tancredo Neves 620, Salas 1003/1004, Caminho das Árvores, Salvador, Bahia, 41.820-020	Brazil	Ordinary	100
Halma Euro Trading Limited†	(1)	United Kingdom	Ordinary	100*
Halma Europe DS B.V.	J Keplerweg 14, 2408 AC Alphen aan den Rijn	Netherlands	Ordinary	100
Halma Financing Limited†	(1)	United Kingdom	Ordinary	100
Halma Holding GmbH	PO Box 35, Bruckstrasse 31, D-72417 Jungingen	Germany	Ordinary	100
Halma Holdings Inc.	3500 Quadrangle Blvd., Orlando, FL 32817	United States	Ordinary	100
Halma India Private Limited	Prestige Shantiniketan', Gate 2, Tower C, 7th Floor, Whitefield Main Road, Mahadevapura, Bengaluru, Bangalore, Karnataka, 560048	India	Ordinary	100
Halma International BV	De Huufkes 23, 5674TL Nuenen	Netherlands	Ordinary	100
Halma International Limited†	(1)	United Kingdom	A & Ordinary	100*
Halma Investment Holdings Limited†	(1)	United Kingdom	Ordinary	100
Halma IT Services Limited	(1)	United Kingdom	Ordinary	100*
Halma Overseas Funding Limited†	(1)	United Kingdom	Ordinary	100
Halma PR Services Limited	(1)	United Kingdom	Ordinary	100*

C5 Investments continued
Subsidiaries continued

Name	Registered Address	Country	Class	Group %
Halma Resistors Unlimited	(1)	United Kingdom	Ordinary	100
Halma Safety Limited	(1)	United Kingdom	Ordinary	100*
Halma Saúde e Otica do Brasil – Importação, Exportação e Distribuição Ltda	Avenida Marcos Penteado de Ulhoa Rodrigues, n. 1119, 11th Floor, Suite 1102, Tambore, Barueri/São Paulo, 06.460-040	Brazil	Ordinary	100
Halma Services Limited	(1)	United Kingdom	Ordinary	100
Halma UK DS Limited	(1)	United Kingdom	Ordinary	100*
Halma US, Inc.	3500 Quadrangle Blvd., Orlando, FL 32817	United States	Common Stock	100
Halma Ventures Limited†	(1)	United Kingdom	Ordinary	100*
Hanovia Limited	780/781 Buckingham Avenue, Slough, Berkshire, SL1 4LA	United Kingdom	Ordinary	100*
Hathorn Corporation	181, Bay Street, Brookfield Place, Suite 4400, Toronto, Ontario, M5J 2T3	Canada	Common Stock	100
HWM-Water Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, Gwent, NP44 3AW	United Kingdom	Ordinary	100*
Hyfire Italy SRL	Via Achille Grandi 8, 20063 Cernusco sul Naviglio (MI)	Italy	Ordinary	100
Hyfire Wireless Fire Solutions Limited	B12a Holly Farm Business Park, Honiley, Kenilworth, Warwickshire, CV8 1NP	United Kingdom	Ordinary	100*
I.D. Infinity Developments Cyprus Limited	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
Ilumark GmbH	Hohenlindner Str. 11 c, 85622 Feldkirchen, Bavaria	Germany	Ordinary	100
Infinite Leap, Inc.	826, Newtown-Yardley Road, Newtown, PA, 18940	United States	Common Stock	100
InPipe GmbH	Jagerwinkel 1a, 6991 Riezlern	Austria	Ordinary	90
Instituto Cardios de Ensino e Pesquisa em Eletrocardiologia Não Invasiva e M.A.P.A.	Avenida Paulista, 509, 3° andar, conjuntos 308, 309 e 310, Sao Paulo	Brazil	Ordinary	100
International Light Technologies, Inc.	10 Technology Drive, Peabody, MA 01960	United States	Ordinary	100
Invenio Systems Limited	Ty Coch House Llantarnam Park Way, Cwmbran, NP44 3AW	United Kingdom	Ordinary	100*
Iso-Lok Limited	(1)	United Kingdom	Ordinary	100*
IZI Medical Products, LLC	54 Easter Court, Suite J, Owings Mills, Maryland 21117	United States	Ordinary	100
Jam Bidco Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD	United Kingdom	Ordinary	100
Jam Topco Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD	United Kingdom	A Ordinary, B Ordinary, C Ordinary	100*
Keeler Europe Distribution S.L.	Argenters, 8. Edifici 3, Parc Tecnològic del Vallès, 08290 Cerdanyola	Spain	Ordinary	100
Keeler Instruments, Inc.	3222, Phoenixville Pike, Malvern, PA, 19355	United States	Ordinary	100
Keeler Limited	Clewer Hill Road, Windsor, Berks, SL4 4AA	United Kingdom	Ordinary	100*
Kirk Key Interlock Company, LLC	9048, Meridian Circle NW, North Canton, OH, 44720	United States	Ordinary	100
Labsphere, Inc.	231, Shaker Street, North Sutton, NH, 03260	United States	Ordinary	100
Lamidey Noury Medical SA	ZA les Godets, 3 Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370	France	Ordinary	100
Langer Instruments Corporation	7461, N. Business Park Drive, Tucson, AZ, 85743	United States	Ordinary	100
Lazer Safe Investments Pty Limited	27 Action Road, Malaga WA 6090	Australia	Ordinary & Class B	100
Lazer Safe Japan KK	1-20-8, Shinooka, Komaki City, Aichi	Japan	Ordinary	100
Lazer Safe Pty Ltd	27 Action Road, Malaga WA 6090	Australia	Ordinary	100
Limotec Besloten Vennootschap (BV)	Bosstraat 21, 8570 Anzegem (Vichte)	Belgium	Ordinary	100
M.K. Test Americas Inc.	22102, N Pepper Road, Ste 116, Lake Barrington, IL 60010	United States	Common Stock	100
M.K. Test Systems Ltd.	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD	United Kingdom	Ordinary, Deferred	100*
Maxtec, LLC	2305, South 1070 West, Salt Lake City, UT, 84119	United States	Common Stock	100
Meadowbridge Holdings Limited	(1)	United Kingdom	Ordinary	100*

C5 Investments continued

Subsidiaries continued

Name	Registered Address	Country	Class	Group %
Medical Micro Mecanique	ZA les Godets, 3 Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370	France	Ordinary	100
Medical Vision	3, Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370	France	Ordinary	100
Medicel AG	Dornierstrasse 11, CH – 9423 Altenrhein	Switzerland	A & B Preference & C Ordinary shares	100
Meditech Egészségügyi Szolgáltató, Műszerfejlesztő és Kereskedelmi Kft.	1184, Budapest, Mikszáth Kálmán utca 24, 1184	Hungary	Ordinary	100
MicroSurgical Technologies Germany GmbH	73, Neuenhaus Platz, Erkath, 40699	Germany	Ordinary	100
MicroSurgical Technology, Inc.	8415, 154th Avenue NE, Redmond, WA, 98052	United States	Common Stock	100
Mini-Cam Enterprises Limited	Unit 33, Ravenscraig Road, Little Hulton, Manchester, M38 9PU	United Kingdom	Ordinary	100*
Minicam Inc.	251, Little Falls Drive, Wilmington, New Castle County, 19808	United States	Common Stock	100
Minicam Limited	Unit 33, Ravenscraig Road, Little Hulton, Manchester, M38 9PU	United Kingdom	Ordinary	100*
Mistura Systems Limited	(1)	United Kingdom	Ordinary	100*
MK Test Group Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD	United Kingdom	Ordinary	100
MK Test Holdings Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD	United Kingdom	Ordinary	100
Navtech Radar Limited	Home Farm, Ardington, Wantage, Oxfordshire, OX12 8PD	United Kingdom	Ordinary	100*
NBP Properties LLC	13510, NW US Highway 441, Alachua, Florida, 32301	United States	Ordinary	100
Nibble – Engenharia, Unipessoal LDA	265, 1.º D, Rua Júlio Dinis, Trofa, 4785 330	Portugal	Ordinary	100
Nimbus Digital Solutions Limited	Chelsea House, Chelsea Street, New Basford, Nottingham, Nottinghamshire, NG7 7HP	United Kingdom	Ordinary	100*
Nisolio Investments Limited	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
NovaBone Products, LLC	13510, NW US Highway 441, Alachua, FL, 32615	United States	Common Stock	100
Nuvonic GmbH	Hungenbach 1D, D-51515 Kürten	Germany	Ordinary	100
Ocean Optics (Shanghai) Co., Ltd	Block A, 3rd Floor, Building 16, No. 155 Yuanke Road, Minhang District, Shanghai	China	Ordinary	100
Ocean Optics Asia LLC	3500, Quadrangle Blvd, Orlando, FL 32817	United States	Common Stock	100
Ocean Optics BV	Geograaf 24, 6921EW Duiven	Netherlands	Ordinary	100
Ocean Optics, Inc.	3500 Quadrangle Blvd, Orlando, FL 32817	United States	Ordinary	100
Oklahoma Safety Equipment Co, Inc.	1701, West Tacoma, P.O. Box 1327, Broken Arrow, OK, 74013	United States	Ordinary	100
P.J.K.A. Investments Limited	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
Palintest Limited	Kingsway, Team Valley, Gateshead, Tyne & Wear, NE11 0NS	United Kingdom	Ordinary & Deferred Shares	100*
Palmer Environmental Limited	(1)	United Kingdom	Ordinary	100*
Palmer Environmental Services Limited	(1)	United Kingdom	A & Ordinary	100*
PeriGen (Canada) Ltd	2100-1000, rue De La Gauchetiere O, Montreal, Quebec, H3B4W5	Canada	Ordinary	100
PeriGen Solutions Ltd	2, Azrieli Rishonim, Nim Boulevard, POB 110, Rishon LeZion, 7510002	Israel	Ordinary	100
PeriGen, Inc.	100, Regency Forest Dr Ste 200, Cary, NC 27518	United States	Common Stock	100
Perma Pure India Private Limited	Plot No. A/147, Road No. 24, Wagle Industrial Estate, Thane West, Maharashtra, THANE 400064	India	Ordinary	100
Perma Pure, LLC	1001, New Hampshire Ave., Lakewood, NJ, 08701	United States	Ordinary	100
Pixelteq, Inc.	8060, Bryan Dairy Road, Largo, 33777	United States	Ordinary	100
Power Equipment Limited	(1)	United Kingdom	Preference & Ordinary	100*
R.M. Invest B.V.	10, Lekstraat, Oss, 5347KV	Netherlands	Ordinary A, Ordinary B & Cumulative Preference Shares	100

C5 Investments continued
Subsidiaries continued

Name	Registered Address	Country	Class	Group %
Radcom (Technologies) Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, Gwent, NP44 3AW	United Kingdom	Ordinary	100*
RadioMed Corporation	3150, Stage Post Drive, Ste 110, Bartlett, TN 38133	United States	Common Stock	100
Radio-Tech Limited	(1)	United Kingdom	Ordinary	100*
Ramtech Electronics Limited	Ramtech House, Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN	United Kingdom	Ordinary	100
Ramtech North America, Inc.	5126, Royal Atlanta Drive, Tucker, GA 30084	United States	Ordinary	100
Ramtech Overseas Limited	Ramtech House, Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN	United Kingdom	Ordinary	100
RCS Corrosion Services Sdn. Bhd	Level 21, Suite 21.01, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra, Kuala Lumpur, Wilayah Persekutuan, 59200	Malaysia	Ordinary	100
RCS International Limited	(1)	United Kingdom	Ordinary	100
Remlive Limited	2 Inverclyde Drive, 2 Inverclyde Drive, Wolverhampton, WV4 6FB	United Kingdom	Ordinary A shares, Ordinary B shares, Ordinary C shares, Ordinary D shares, Ordinary E shares	100*
Research Engineers Limited	(1)	United Kingdom	Ordinary	100*
Reten Acoustics Limited	(1)	United Kingdom	Ordinary	100*
Riester USA, LLC	10404 Chapel Hill Rd Ste 112, Morrisville, NC 27560	United States	Ordinary	100
Robutec AG	Dornierstrasse 11, CH – 9423 Altenrhein	Switzerland	Ordinary	100
Rohrback Cosasco Systems LLC	Gulf Consulting House	Saudi Arabia	Common Stock	100
Rohrback Cosasco Systems Pte Ltd	36, Robinson Road, #20-01 City House, Singapore, 068877	Singapore	Ordinary	100
Rohrback Cosasco Systems Pty Ltd	Unit 5, 17 Caloundra Road, Clarkson, WA	Australia	Ordinary	100
Rohrback Cosasco Systems UK Limited	(1)	United Kingdom	Ordinary	100*
Rohrback Cosasco Systems, Inc	11841, Smith Avenue, Santa Fe Springs, CA, 90670	United States	Common Stock	100
Rovers Medical Devices B.V.	Lekstraat 10, 5347KV Oss	Netherlands	Ordinary	100
Rovers Vastgoed B.V.	Lekstraat 10, 5347KV Oss	Netherlands	Ordinary	100
Rudolf Riester GmbH	Bruckstrasse 31, D-72417 Jungingen	Germany	Ordinary	100
S.E.R.V. Trayvou Interverrouillage SA	1 Ter, Rue du Marais Bat B, 93106 Montreuil, Cedex	France	Ordinary	100
Safe-Com Wireless LLC	21, Longview Drive, Holmdel, New Jersey	United States	Membership Interest	100
SCP IR Acquisition, LLC	5, Easter Court, Suite J, Owings Mills, MD 21117	United States	Common Stock	100
Sensit Technologies EMEA S.r.l.	13, Via Alessandro Volta, Bolzano, (BZ), CAP 39100	Italy	Ordinary	100
Sensit Technologies, LLC	851, Transport Dr., Valparaiso, IN, 46383	United States	Common Stock	100
Sensitron SRL	Cornaredo (MI) Viele Della Repubblica 48, Cap, 20007	Italy	Ordinary	100
Sensorex Corporation	11751, Markon Drive, Garden Grove, CA, 92841	United States	Common Stock	100
Sensorex s.r.o.	Okružní 2615, České Budějovice 3, 370 01 České Budějovice	Czech Republic	Ordinary	100
Sentric China Ltd	Floor 2, Building 63, No 421 Hongcao Road, Xuhui District, Shanghai	China	Ordinary	100
Sentric Safety Group Limited	(1)	United Kingdom	Ordinary	100*
Setco S.A.U.	Carrer del Ripollès 5, 08820 El Prat de Llobregat, Barcelona	Spain	Ordinary	100
Sewertronics sp. z o.o.	Białobrzegi 3L, 37-114 Białobrzegi	Poland	Ordinary	100
Shanghai Labsphere Optical Equipments Co., Ltd	Block A,1F, FAMILY Science and Technology Innovation Park, No. 155 Yuanke Road, Minhang District, Shanghai	China	Ordinary	100
Shaw Moisture Meters (U.K.) Limited	Len Shaw Building, Bolton Lane, Bradford, West Yorks, BD2 1AF	United Kingdom	Ordinary	100
Shaw Moisture Meters (USA)	882 South Matlack Street, Unit 107 West Chester, PA 19382	United States	Membership interests	100
Skyterra Investments Limited	8 Faleas Street, Agios Athanasios, 4101, Limassol	Cyprus	Common Stock	100
Smith Flow Control Limited	(1)	United Kingdom	Ordinary	100*

C5 Investments continued

Subsidiaries continued

Name	Registered Address	Country	Class	Group %
Sofis BV	J Keplerweg 14, 2408 AC Alphen aan den Rijn	Netherlands	Ordinary	100
Sofis GmbH	Hahnenkammstrasse 12, 63811 Stockstadt	Germany	Ordinary	100
Sofis Limited	Unit 7B, West Station Business Park, Spital Road, Maldon, CM9 6FF	United Kingdom	Ordinary	100*
Sofis, Inc.	500, Spring Hill Drive, Suite 240, Spring, TX 77386	United States	Ordinary	100
Sonar Research & Development Limited	(1)	United Kingdom	Ordinary	100*
Static Systems Group Limited	Heath Mill Road, Wombourne, Wolverhampton, WV5 8AN	United Kingdom	Ordinary	100
Static Systems Holdings Limited	Heath Mill Road, Wombourne, Wolverhampton, WV5 8AN	United Kingdom	Ordinary	100*
SunTech Group EB Trustee Limited	(1)	United Kingdom	Ordinary	100
SunTech Medical (USA), LLC	5827 S. Miami Blvd., Suite 100, Morrisville, NC 27560	United States	Common Stock	100
SunTech Medical Devices (Shenzhen) Co. Ltd	105, HuanGuan South Road, Suite 15 2~3/F DaHe Community, Guanhu Sub-district, LongHua District Shenzhen Guang Dong PRC, 518110	China	Ordinary	100
SunTech Medical Group Limited	(1)	United Kingdom	Ordinary	100
SunTech Medical Ltd (Hong Kong)	8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central	Hong Kong	Ordinary	100
SunTech Medical, Inc.	5827 S. Miami Blvd., Suite 100, Morrisville, NC 27560	United States	Common Stock	100
T.L. Jones Limited	BDO Christchurch Limited, 287-293 Durham Street, Christchurch Central, Christchurch, 8013	New Zealand	Ordinary	100
Talentum Developments Limited	9 Hunting Gate, Hitchin, Herts, SG4 0TJ	United Kingdom	Ordinary	100*
TeDan Surgical Innovations B.V.	Kantstraat 19, 5076NP Haaren	Netherlands	Ordinary	100
TeDan Surgical Innovations GmbH	Steinbuckle 12, 73441 Bopfinger	Germany	Ordinary	100
TeDan Surgical Innovations Inc	12320 Cardinal Meadow Dr Suite #150, Sugar Land, TX 77478	United States	Common Stock	100
Telegan Gas Monitoring Limited	(1)	United Kingdom	Ordinary	100*
Thermocable (Flexible Elements) Limited	Pasture Lane, Clayton, Bradford, BD14 6LU	United Kingdom	Ordinary, Ordinary A & Ordinary B shares	100*
Thinketron Precision Equipment Company Limited	402, Jardine House, 1 Connaught Place, Central	Hong Kong	Ordinary	100
Value Added Solutions LLC	4 Precision Road, Danbury, CT, 06810	United States	Common Stock	100
Visual Performance Diagnostics, Inc.	11841 Smith Avenue, Santa Fe Springs, California 90670	United States	Common Stock	100
Volk Optical Inc.	7893, Enterprise Drive, Mentor, OH, 44060	United States	Common Stock	100
WatchChild, LLC	100, Regency Forest Dr Ste 200, Cary, NC 27518	United States	Common Stock	100
Weetech Asia Pte. Ltd.	The Mezzo, 205 Balestier Road, Singapore, 329682	Singapore	Ordinary	100
Weetech China Ltd	Room 265, Building 8, No.509, Huajing Road, Xuhui District, Shanghai	China	Ordinary	100
Weetech GmbH	Hafenstraße 1, 97877 Wertheim	Germany	Ordinary	100
Weetech Inc.	1300 North Skokie HWY, Ste 100, Gurnee, IL 60031	United States	Common Stock	100
Weetech SRL	Viale Abruzzi, 94, Milan (20131)	Italy	Common Stock	100
West Coast Surgical LLC	141 California Ave, Suite 101, Half Moon Bay, CA 94019	United States	Common Stock	100
Wetherby Engineers Limited	Alpha House, 96 City Road, Bradford, West Yorkshire BD8 8ES	United Kingdom	Ordinary	100
Wilkinson & Simpson Limited	(1)	United Kingdom	Deferred & Ordinary	100*
ZED Ziegler Electronic Devices GmbH	In den Folgen 7, 98693 Ilmenau	Germany	Ordinary	100
Zonegreen 2013 Limited	Sir John Brown Building Davy Industrial Park, Prince of Wales Road, Sheffield, South Yorkshire, S9 4EX	United Kingdom	Ordinary	100*
Zonegreen Limited	Sir John Brown Building Davy Industrial Park, Prince of Wales Road, Sheffield, South Yorkshire, S9 4EX	United Kingdom	Ordinary A & C shares	100

* Directly held by the Company.
(1) Misbourne Court, Rectory Way, Amersham, Buckinghamshire HP7 0DE.
† This company has taken a statutory audit exemption under section 479A of the Companies Act 2006. The Company has provided a parental guarantee of the company's liabilities.

C6 Debtors

	31 March 2025 £m	31 March 2024 £m
Amounts falling due in more than one year:		
Amounts due from Group companies	–	3.5
Amounts falling due within one year:		
Amounts due from Group companies	**1,293.5**	1,191.1
Other debtors	**3.6**	2.1
Prepayments	**5.8**	7.0
	1,302.9	1,203.7

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

C7 Borrowings

	31 March 2025 £m	31 March 2024 £m
Falling due within one year:		
Overdrafts	**6.2**	4.5
Unsecured loan notes	**35.1**	–
Lease liabilities	**0.4**	0.4
	41.7	4.9
Falling due after more than one year:		
Unsecured loan notes	**659.8**	370.9
Unsecured bank loans	**43.9**	341.0
Lease liabilities	**0.5**	0.9
	704.2	712.8
Total borrowings	**745.9**	717.7

The Company has two sources of long-term funding, which comprise:

- an unsecured five-year £550m Revolving Credit Facility, which was refinanced in May 2022 and, following the exercise of the second one-year extension during the year, matures in May 2029. At 31 March 2025, £506.1m (2024: £209.0m) remained committed and undrawn; and
- unsecured loan notes totalling £694.9m (2024: £370.9m), as follows:
  - completed in November 2015 and drawn on 6 January 2016, of which £35m remains outstanding and matures in January 2026;
  - completed in May 2022 and drawn on 12 July 2022 a United States Private Placement of £330m in a mix of Sterling, US Dollars, Euro and Swiss Francs with a 10 year final maturity, amortising from year four to year ten and an average maturity of seven years;
  - completed and drawn in April 2024, a new Private Placement of £336m. The issuance consists of a US Dollar tranche of US$110m maturing in April 2035, with an amortisation profile giving it a 9.5 year average life and a Euro tranche of €290m maturing in April 2034, with an amortisation profile giving it a 7.75 year average life.

The bank overdrafts, which are unsecured, at 31 March 2025 and 31 March 2024 were drawn on uncommitted facilities which all expire within one year and were held pursuant to a Group pooling arrangement which offsets them against credit balances in subsidiary undertakings.

As part of the Group's cash pooling arrangements UK companies have cross-guaranteed net overdraft facilities of £23.1m (2024: £13.2m). Total net overdrafts relating to cash pooling as at 31 March 2025 were £nil (2024: £nil). Total overdrafts for the Group as at 31 March 2025 were £0.5m (2024: £0.3m).

C8 Creditors: amounts falling due within one year

	31 March 2025 £m	31 March 2024 £m
Trade creditors	**2.8**	3.7
Amounts owing to Group companies	**136.9**	121.8
Loss on forward contracts	–	1.4
Other creditors	**0.8**	2.9
Provision for contingent consideration	**0.7**	0.6
Accruals	**37.4**	28.8
	178.6	159.2

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

C9 Creditors: amounts falling due after more than one year

	31 March 2025 £m	31 March 2024 £m
Amounts owing to Group companies	**6.2**	12.5
Other creditors	**1.6**	1.7
	7.8	14.2
These liabilities fall due as follows:		
Within one to two years	**1.6**	1.7
After more than five years	**6.2**	12.5

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

C10 Deferred tax asset/(liability)

	Retirement benefit obligations £m	Short-term timing differences £m	Total £m
At 1 April 2024	**(5.4)**	**2.5**	**(2.9)**
Charge to Profit and Loss account	**(0.2)**	**(0.1)**	**(0.3)**
Credit to comprehensive income	**5.8**	**–**	**5.8**
At 31 March 2025	**0.2**	**2.4**	**2.6**
At 1 April 2023	(7.2)	1.6	(5.6)
(Charge)/credit to Profit and Loss account	(0.2)	0.7	0.5
Credit to comprehensive income	2.0	–	2.0
Credit to equity	–	0.2	0.2
At 31 March 2024	(5.4)	2.5	(2.9)

C11 Share capital

	Issued and fully paid	
	31 March 2025 £m	31 March 2024 £m
Ordinary shares of 10p each	**38.0**	38.0

The number of ordinary shares in issue at 31 March 2025 was 379,645,322 (2024: 379,645,332), including shares held by the Employee Benefit Trust of 1,943,659 (2024: 2,457,205).

C12 Reserves

The Capital redemption reserve was created on the repurchase and cancellation of the Company's own shares. Own shares are ordinary shares in Halma plc purchased by the Company and held to fulfil its obligations under the Group's share plans. Profits available for distributions are reduced by the value of Own shares.

Included in the Profit and loss account are accumulated credits of £43.1m (2024: £35.0m) representing the provision for the value of unvested awards under the Group's equity settled share plans.

C13 Retirement benefits

The Company participates in, and is the sponsoring employer of, the Halma Group Pension Plan. The plan closed to new entrants in 2002/03 and to future benefit accrual in 2014/15. From that date, the former defined benefit members joined the Company's existing defined contribution plan (which has now been superseded by a defined contribution Master Trust with Aegon).

On 6 September 2024 the Halma Group Pension Plan purchased a buy-in policy with Phoenix Life which required the sale and transfer of the majority of the schemes' assets.

There is no contractual agreement or stated policy for charging the net defined benefit cost within the Group. In accordance with IAS 19 (Revised 2011), the Company contribution made to the defined benefit plan during the year ended 31 March 2025 was £0.5m (2024: nil).

Net interest income on pension plan liabilities/assets of £1.1m (2024: net interest income of £1.3m) was recognised in the Profit and Loss Account in respect of the Company defined benefit plan.

The net movement on actuarial gains and losses of the plan reported in the Company Statement of Comprehensive Income and Expenditure was as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Defined benefit obligations	**28.4**	4.0
Fair value of plan assets	**(51.7)**	(11.8)
Net actuarial losses	**(23.3)**	(7.8)

The actual return on plan assets was a loss of £42.1m (2024: loss of £1.6m).

C13 Retirement benefits continued

The amount included in the Company Balance Sheet arising from the Company's obligations in respect of its defined benefit retirement plan is as follows:

	31 March 2025 £m	31 March 2024 £m
Present value of defined benefit obligations	**(157.3)**	(185.4)
Fair value of plan assets	**156.5**	207.0
(Liability)/asset recognised in the Company Balance Sheet	**(0.8)**	21.6

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At beginning of year	**(185.4)**	(188.5)
Interest cost	**(8.5)**	(8.8)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in financial assumptions	**19.2**	2.6
Actuarial gains arising from demographic assumptions	**5.0**	1.8
Actuarial gains/(losses) arising from experience adjustments	**4.2**	(0.4)
Benefits paid	**8.2**	7.9
At end of year	**(157.3)**	(185.4)

Movements in the fair value of the plan assets were as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At beginning of year	**207.0**	217.2
Interest income	**9.6**	10.1
Administration expenses	**(0.7)**	(0.6)
Actuarial losses, excluding interest income	**(51.7)**	(11.8)
Contributions from the sponsoring companies	**0.5**	–
Benefits paid	**(8.2)**	(7.9)
At end of year	**156.5**	207.0

On 6 September 2024 the Halma Group Pension Plan purchased a buy-in policy with Phoenix Life which required the sale and transfer of the majority of the plans assets. Following the decision to enter into a buy-in transaction, but before the actuarial valuation was completed, the trustees of the Halma Group Pension Plan agreed a contribution of £0.5m which was paid in November 2024 with the Group agreeing to pay all other expenses directly. This removed any requirement for contributions, that were suspended until April 2025, to resume.

The plan's triennial actuarial valuation review, rather than the accounting basis, is used to evaluate the level of any cash payments into the plan. Based on the valuation, completed during the financial year, no contributions were required.

Further details of Halma Group Pension Plan, including all disclosures required under FRS 101, are contained in note 29 to the Group accounts.

C14 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.

Summary 2016 to 2025

	(Note 5) 2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Revenue (note 1)	807.8	961.7	1,076.2	1,210.9
Profit before interest, taxation, and adjustments (note 2)	173.1	203.3	223.4	255.7
Profit before taxation and adjustments (note 2)	166.0	194.0	213.7	245.7
Net tangible assets/capital employed	258.6	302.2	322.0	358.9
Borrowings (excluding overdrafts)	296.2	262.1	290.0	253.8
Acquisition spend (note 8)	202.6	10.2	117.6	68.1
Annual R&D spend/Revenue (note 9)	5.1%	5.3%	5.2%	5.2%
Net debt/EBITDA	1.27	0.86	0.87	0.63
Cash and cash equivalents (net of overdrafts)	49.5	65.6	69.7	72.1
Number of employees (note 1)	5,604	5,771	6,113	6,508
Basic earnings per share (note 1)	28.76p	34.25p	40.69p	44.78p
Adjusted earnings per share (note 2)	34.26p	40.21p	45.26p	52.74p
Year-on-year increase in adjusted earnings per share	9.9%	17.4%	12.6%	16.5%
Adjusted EBIT margin (notes 1 and 3)	21.4%	21.1%	20.8%	21.1%
Return on Capital Employed (restated – note 4)	72.4%	72.5%	71.6%	75.1%
Return on Total Invested Capital (restated – note 4)	15.6%	15.3%	15.2%	16.1%
Cash Conversion (note 6)	86%	86%	85%	88%
Year-on-year increase in dividends per ordinary share (paid and proposed)	7%	7%	7%	7%
Ordinary share price at financial year end	912p	1,024p	1,179p	1,672p
Market capitalisation at financial year end	3,462.4	3,887.6	4,476.0	6,347.7

All years are presented under IFRS.

Notes:
1 Continuing and discontinued operations.
2 Adjusted to remove the amortisation and impairment of acquired intangible assets and acquisition transaction costs, release of fair value adjustments to inventory, adjustments to contingent consideration (collectively 'acquisition items'), significant restructuring costs, profit or loss on disposal of operations and impairment of associates. IFRS figures include results of operations up to the date of their sales or closure but exclude material discontinued and continuing profits on sales or closures of operations. In 2018/19, the adjustments also include the effect of equalising pension benefits for men and women in the Group's defined benefit pension plans.
3 EBIT margin, defined as Profit before interest and taxation expressed as a percentage of revenue, is adjusted to remove the amortisation and impairment of acquired intangible assets; acquisition items; restructuring costs, profit or loss on disposal of operations and the effect of equalising pension benefits for men and women in the defined benefit pension plans (2018/19 only).
4 See note 3 to the Report and Accounts for the definitions of ROCE and ROTIC. From 2019/20 the measures include the impact of adopting IFRS 16 'Leases'. There is no material impact on either measure from its inclusion.
5 The 2015/16 figures were restated in 2016/17, as required by IFRS 3 (revised) 'Business Combinations', for material changes arising on the provisional accounting for acquisitions in 2014/15.
6 IFRS 16 was implemented from our 2020 financial year onwards, and benefited cash conversion in that year by approximately 5 percentage points. Accordingly, we increased our cash conversion target from >85% to >90%. We have not restated cash conversion prior to 2020, and therefore the 92% average over the last 10 financial years reflects an outperformance against the average of targets prior to and from 2020.
7 CAGR (compound annual growth rate) is the annualised rate of growth over the 10 year period presented. For Revenue, Profit before interest, taxation and adjustments (PBIT), Profit before taxation and adjustments (PBT), Basic and Adjusted EPS CAGR is calculated using 2014/15 amounts as the base year as follows: Revenue £726.1m, PBIT £158.5m, PBT £153.6m, Basic EPS 27.49p, Adjusted EPS 31.17p. The dividend CAGR is derived using the 2014/15 dividend of £43.0m and 2024/25 dividend of £87.3m.
8 Acquisition spend is as presented in the Non-operating cash flow and reconciliation to net debt in the Financial Review, comprising acquisition cost, net of cash acquired plus acquisition costs and debt acquired, settled on acquisition and contingent consideration settled during the year.
9 Following a review by management certain costs in relation to one company have been reclassified as non-R&D related costs. This has resulted in a restatement of the Research and development costs for 2021/22, 2022/23 and 2023/24.

2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	**2024/25 £m**	**(Note 7) 10 Year Average/ CAGR*/Total** £m**
1,338.4	1,318.2	1,525.3	1,852.8	2,034.1	**2,248.1**	**12.0%***
279.1	288.3	324.6	378.2	424.0	**486.2**	**11.9%***
267.0	278.3	316.2	361.3	396.4	**459.4**	**11.6%***
416.9	389.5	454.2	595.2	639.6	**624.9**	
419.2	322.3	359.4	677.3	711.9	**703.8**	
238.0	48.8	164.4	391.5	263.4	**156.8**	**1,661.4****
5.4%	5.3%	5.4%	5.4%	5.1%	**4.8%**	**5.2%**
1.13	0.76	0.74	1.38	1.35	**0.97**	**1.00**
105.4	131.1	156.7	168.5	142.4	**313.2**	
6,992	7,120	7,522	8,141	8,615	**9,038**	
48.66p	53.61p	64.54p	62.04p	71.23p	**78.49p**	**11.1%***
57.39p	58.67p	65.48p	76.34p	82.40p	**94.23**	**11.7%***
8.8%	2.2%	11.6%	16.6%	7.9%	**14.4%**	
20.9%	21.9%	21.3%	20.4%	20.8%	**21.6%**	**21.1%**
71.4%	70.9%	76.4%	71.5%	68.2%	**76.2%**	**72.6%**
15.3%	14.4%	14.6%	14.8%	14.4%	**15.0%**	**15.1%**
98%	104%	84%	78%	103%	**112%**	**92%**
5%	7%	7%	7%	7%	**7%**	**6.8%**
1,921p	2,374p	2,510p	2,229p	2,368p	**2,581p**	
7,293.0	9,012.8	9,529.1	8,462.3	8,990.0	**9,798.6**	

Shareholder information

Financial calendar

Annual General Meeting	24 July 2025
2024/25 Final dividend payable	15 August 2025
2025/26 Half year end	30 September 2025
2025/26 Half year results	20 November 2025
2025/26 Interim dividend payable	February 2026
2025/26 Year end	31 March 2026
2025/26 Final results	June 2026

Dividend history

Dividend history	2025	2024	2023	2022	2021
Interim	**9.00p**	8.41p	7.86p	7.35p	6.87p
Final	**14.12p***	13.20p	12.34p	11.53p	10.78p
Total	**23.12p**	21.61p	20.20p	18.88p	17.65p

* Proposed.

Investor information
Visit our website, **www.halma.com**, for investor information and Company news. In addition to accessing financial data, you can view and download Annual and Half Year Reports, analyst presentations, find contact details for Halma senior executives and subsidiary companies and access links to Halma subsidiary websites. You can also subscribe to an email news alert service to automatically receive an email when significant announcements are made.

Shareholding information
Please contact our Registrar, Computershare, directly for all enquiries about your shareholding. Visit their Investor Centre website **www.investorcentre.co.uk** for online information about your shareholding (you will need your shareholder reference number which can be found on your share certificate or dividend confirmation), or telephone the Registrar direct using the dedicated telephone number for Halma shareholders: +44 (0)370 707 1046.

Dividend mandate
Shareholders can arrange to have their dividends paid directly into their bank or building society account by completing a bank mandate form. The advantages to using this service are: the payment is more secure than sending a cheque through the post; it avoids the inconvenience of paying in a cheque and reduces the risk of lost, stolen or out-of-date cheques.

A mandate form can be obtained from Computershare or you will find one on the reverse of your last dividend confirmation.

Dividend reinvestment plan
The Company operates a dividend reinvestment plan (DRIP) which offers shareholders the option to elect to have their cash dividends reinvested in Halma ordinary shares purchased in the market.

You can register for the DRIP online by visiting Computershare's Investor Centre website (as above) or by requesting an application form direct from Computershare.

Shareholders who wish to elect for the DRIP for the forthcoming final dividend, but have not already done so, should return a DRIP application form to Computershare no later than 25 July 2025.

Electronic communications
All shareholder communications, including the Company's Annual Report and Accounts, are made available to shareholders on the Halma website and you may opt to receive email notification that documents and information are available to view and download rather than to receive paper copies through the post. Using electronic communications helps us to limit the amount of paper we use and assists us in reducing our costs.

If you would like to sign up for this service, visit Computershare's Investor Centre website. You may change the way you receive communications at any time by contacting Computershare.

Halma plc
Misbourne Court
Rectory Way
Amersham
Bucks HP7 0DE
Tel: +44 (0)1494 721111
halma@halma.com
www.halma.com

Registered in England and Wales, No 040932

Investor relations
Head of Investor Relations
Halma plc
Misbourne Court
Rectory Way
Amersham
Bucks HP7 0DE
investor.relations@halma.com

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: +44 (0)370 707 1046
www.investorcentre.co.uk

Auditor
PricewaterhouseCoopers LLP
40 Clarendon Road
Watford
Hertfordshire WD17 1JJ

Advisers
Brokers
UBS
5 Broadgate
London EC2M 2QS

Morgan Stanley
20 Bank Street
Canary Wharf
London E14 4AD

Corporate solicitors
Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square
London E1 6PW

Financial PR
MHP Group
4th Floor
60 Great Portland Street
London W1W 7RT
Tel: +44 (0)20 3128 8100
halma@mhpc.com

Financial advisers
Lazard & Co., Limited
50 Stratton Street
London W1J 8LL

Morgan Stanley
20 Bank Street
Canary Wharf
London E14 4AD

Back cover:
Ashley Bridge
Warehouse Manager, MK Test Systems

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C001785

The paper used in this report is produced using virgin wood fibre from well-managed forests with FSC® certification. All pulps used are elemental chlorine free and manufactured at a mill that has been awarded the ISO 14001 and EMAS certificates for environmental management. The use of the FSC® logo identifies products which contain wood from well-managed forests certified in accordance with the rules of the Forest Stewardship Council. Printed by Park Communications, an FSC® and ISO 14001 accredited company, who is committed to all round excellence and improving environmental performance as an important part of this strategy.

CtrlPrint

Designed and produced by Brunswick Creative
www.brunswickgroup.com

Halma

Halma plc
Misbourne Court
Rectory Way
Amersham
Bucks HP7 0DE

+44 (0)1494 721111
www.halma.com