Halma

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

Halma plc
Annual Report and Accounts 2026

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 2026 reporting suite, found here:

www.halma.com/investors/annual-report

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

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

Independent Verification Statement
Independent limited verification of Halma's Scope 1 & Scope 2 reported emissions. This will be published in the second half of 2026 and available on **www.halma.com**.

Contents

Strategic Report
02 Financial highlights
03 Our purpose in action
04 Halma at a glance
06 Chair's statement
08 Group Chief Executive's review
12 Invest to Grow
14 Chief Financial Officer's review
18 Talent & Culture review
21 Our Sustainable Growth Model
- 22 Ambitious purpose
- 23 Culture and DNA
- 24 Long-term growth markets
- 25 Clear growth strategy
- 26 Agile business model

28 Our investment proposition
29 Key performance indicators
34 Financial review
38 Business review
- 38 Safety
- 42 Environmental & Analysis
- 46 Healthcare

50 Our stakeholders
56 Section 172 statement and decision-making
58 Sustainability
- 58 Our approach to sustainability
- 60 Sustainability governance and compliance
- 61 Drive growth in sustainability
- 64 Support our people
- 71 Protect our environment

74 Risk management and principal risks
85 TCFD statement
97 Viability statement
98 Non-financial & sustainability information statement

Governance Report
100 Introduction to governance
102 Board of Directors
105 Executive Board
106 How we are governed
108 Board oversight of our culture
110 Board engagement with our employees
111 Nomination Committee report
117 Audit Committee report
124 Remuneration Committee report
128 Remuneration at a glance
131 Annual Remuneration Report
142 Directors' Remuneration Policy
146 Directors' report
150 Statement of Directors' responsibilities

Financial Statements
152 Independent Auditors' report
160 Consolidated Income Statement
161 Consolidated Statement of Comprehensive Income and Expenditure
162 Consolidated Balance Sheet
163 Consolidated Statement of Changes in Equity
164 Consolidated Cash Flow Statement
165 Accounting policies
175 Notes to the Accounts
220 Company Balance Sheet
221 Company Statement of Changes in Equity
222 Notes to the Company Accounts
240 Summary 2017 to 2026

Other Information
242 Shareholder information

Front cover:
Nasreen Khan
Lamp Production Operative, Nuvonic

Safety

Keeping hospitals safe from fire

Our fire detection companies are helping to protect staff and patients in Dublin's New Children's Hospital.

pg39

Environmental & Analysis

Maintaining resilient water networks

Minicam is helping its customers monitor and maintain water networks with its portable inspection systems.

pg43

Healthcare

Better blood pressure monitoring for pets

SunTech is using its expertise in motion-tolerant blood pressure monitoring to help vets take accurate readings of animals who are unwell.

pg47

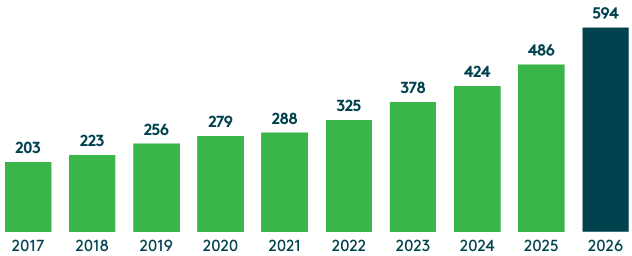
Financial highlights

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

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

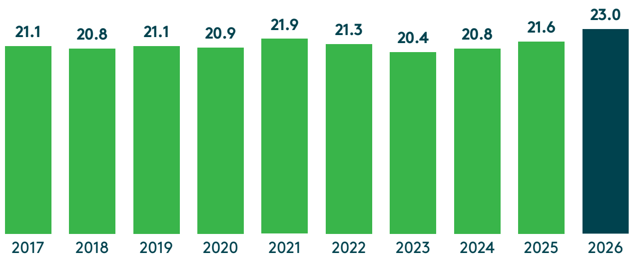
£2,582m
Revenue
+15%

£594m
Adjusted[1] EBIT
+22%

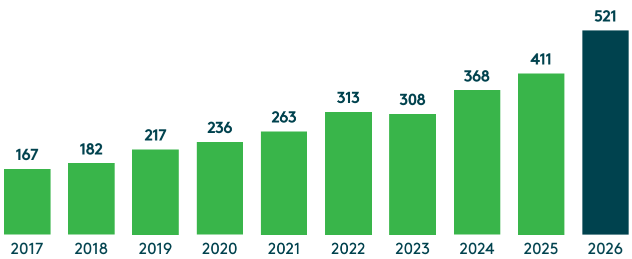


24.74p
Dividend per share paid and proposed
+7%

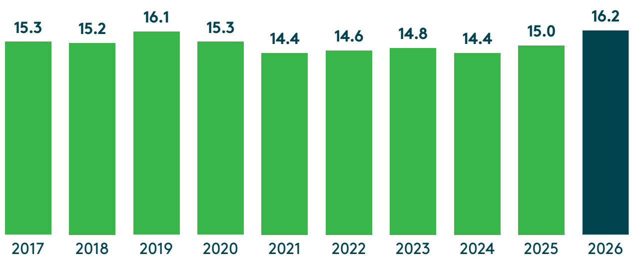
23.0%
Adjusted[1] EBIT margin
+140 basis points



£521m
Statutory Profit before Interest and Taxation
+27%



16.2%
Adjusted Return on Total Invested Capital[1]
+120 basis points



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

Our purpose in action

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

Read more about our ambitious purpose: 22

Healthcare

Monitoring health

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

>50 million

Safety

Making buildings and assets safer

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

>6,500km²

Environmental & Analysis

Making water safer

Number of water quality tests supplied annually to ensure the safety and quality of water, including more than 4 million for partners in international relief and development.

>200 million

Healthcare

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.

>770,000

Safety

Supporting the energy transition

Number of wind turbines protected by supplying over 35,000 fire suppression systems.

>18,000

Environmental & Analysis

Conserving water

Kilometres of water pipeline monitored for the detection of leaks, enabling continuous water supply.

>200,000km

Please see **www.halma.com** for more information about our companies' impact and pages 64 to 73 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.

We operate using our Sustainable Growth Model which works by finding and acquiring great companies that are aligned with our purpose. We look for companies that deliver strong growth, high returns and positive impact in global niche markets.

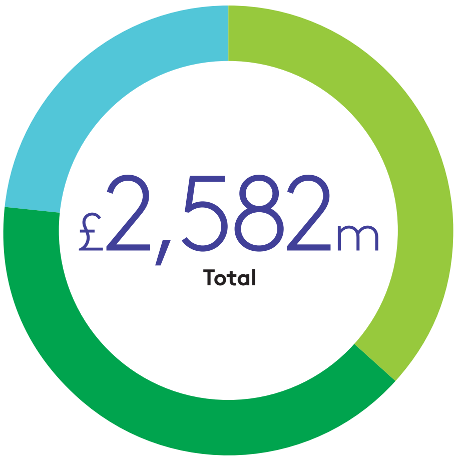
→ **Read more: 21-27**

Revenue by sector

£948m
Safety
37% of revenue

£1,038m
Environmental & Analysis
40% of revenue

£598m
Healthcare
23% of revenue



Revenue by geography

US 48% of revenue
£1,237m

Mainland Europe 19% of revenue
£500m

UK 13% of revenue
£345m

Asia Pacific 13% of revenue
£333m

Africa, Near and Middle East 4% of revenue
£86m

Other countries 3% of revenue
£81m

Read where we operate on www.halma.com

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

Safety

Protecting people and assets. Addressing safety risks in public, commercial and industrial environments, helping to create a safer and more sustainable future.

→ **Read more: 38-41**

Environmental & Analysis

Monitoring the environment and ensuring the quality and availability of life-critical resources. Enabling the analysis, test and transmission of data through optical and photonic technologies.

→ **Read more: 42-45**

Healthcare

Improving the care delivered by healthcare providers, and enhancing the quality of patients' lives, through supporting the discovery of new cures, the prevention, diagnosis and treatment of patient conditions, and enablement of safer and efficient healthcare.

→ **Read more: 46-49**

Our markets

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

Public Safety
Technologies that safeguard the public by protecting people against risks in daily life.

Worker Safety
Solutions that protect people in hazardous work environments.

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

Our companies

Advanced, Ampac, apollo, AVIRE, BEA, COSASCO, e2S warning signals, FFE, FirePro., FIRETRACE, FORTRESS, lazersafe, MK Test Systems, NAVTECH RADAR, Orama The future of protection, OsecoElfab, SAFETEC Safety Technologies, SENTRIC Safety Group, sofis valve operation, WEETECH

Our markets

Optical Solutions
Technologies that use light to analyse, test and transmit information – from photonic and optoelectronic solutions supporting digital and data connectivity, to optical systems used in industrial, scientific and research applications.

Water Analysis & Treatment
Infrastructure monitoring, testing and disinfection technologies that help communities and businesses around the world to sustainably improve water availability and quality.

Environmental Monitoring & Measurement
Technologies that protect critical infrastructure, detecting hazardous gases, preventing environmental damage, and monitoring performance to ensure assets operate safely and reliably.

Our companies

ALICAT Scientific, Avo Photonics, Brownline, crowcon Detecting gas. Saving lives., DEEP TREKKER, HWM Global, minicam group, nuvonic, OceanOptics, Palintest Water Analysis Technologies, SENSIT, Sensorex

Our markets

Discovery, Prevention & Diagnostics
Components, devices and systems that generate information and insights to help providers understand and diagnose health conditions, and support earlier intervention and prevention.

Therapeutic Solutions
Technologies, materials and solutions used in surgical and acute healthcare settings that provide targeted treatments across key clinical specialties.

Healthcare Enablement
Systems and technologies that enable healthcare providers to operate more efficiently, safely and effectively, supporting staff safety, optimising workflows and asset utilisation, and improving the delivery of patient care.

Our companies

Arcmed, CENTRAK, IZI Medical, Keeler, Lamidey Noury Medical, LONGER, medicel swiss evolution, MST, NOVABONE, PeriGen, Riester, Rovers Medical Devices, SALAERA, SSG Where Care Meets Tech, SUNTECH, TSI TeDan Surgical Innovations, VOLK

Governance underpins our long-term value creation

I am pleased to report, on behalf of the Board, that Halma has delivered another year of record results. Operating in an environment of continued challenge – including macroeconomic, geopolitical and regulatory uncertainty – our portfolio of agile, entrepreneurial businesses has delivered a strong organic performance and healthy returns, demonstrating the value of our Sustainable Growth Model.

Alongside this organic performance, 2025/26 also marked our highest level of M&A investment to date. Through a combination of standalone and bolt-on acquisitions, we have further strengthened our portfolio to support future organic growth and continued investment, reinforcing the long-term sustainability of our model.

Halma's fundamentals have remained consistent for more than 50 years. Over this period, Halma has built a portfolio of high-quality, purpose-driven companies operating in niche markets and sectors underpinned by long-term growth drivers. This approach enables strong near-term performance while supporting sustained, compounding growth and high returns over the longer term.

At the heart of our strategy and business model are our people, whose entrepreneurialism is critical to delivering our strong performance, and who also embody our organisational and cultural values – Halma's DNA. Their passion for delivering our purpose is our greatest asset, and I would like to thank all colleagues across the Group for their contribution to another successful year.

Board changes and onboarding

The composition of the Board has continued to evolve, ensuring that we have the right skills to support our growth ambitions, and to plan for non-executive Director succession. During the year, we welcomed our newest Directors, Hudson La Force and Barbara Thoralfsson. Following their structured onboarding, their priority this year is to visit our companies, deepening their understanding of our business model and seeing our culture in action. I am pleased to announce the appointment of Sharmila Nebhrajani OBE as Senior Independent Director and Giles Kerr as Remuneration Committee Chair, succeeding Jo Harlow in those roles, after she steps down from the Board at the 2026 AGM. On behalf of the Board, I would like to thank Jo for her contributions during her nine-year tenure, which have been highly valued, and wish her every success for the future.

Corporate governance

The Board views governance as fundamental to ensuring effective oversight, robust decision making and long-term value creation. This is the first year in which the UK Corporate Governance Code 2024 has applied to Halma, and I am pleased to report that we have complied with the current provisions. We have also made good progress in mapping controls and strengthening processes to support the Board's compliance statement, under Provision 29, which will be included in next year's Annual Report.

Cyber risk remains a top priority for the Board. During the year, we further strengthened our oversight of cyber security and resilience through a combination of targeted Board development and enhanced management reporting. In July 2025, the Board participated in the ISTARI Lighthouse Cybersecurity Governance Enablement programme, delivered in partnership with the University of Oxford's Saïd Business School, which focused on the Board's role in governing cyber risk, setting risk appetite and responding effectively to a significant cyber incident.

In parallel, the Chief Information and Security Officer provided the Board with deeper insight into cyber security, resilience and governance. This included an assessment, mapped against the UK Government's Cyber Governance Code of Practice, which has provided clearer assurance to the Board on roles, responsibilities and escalation of cyber incidents, and supports our drive for continuous improvements in cyber resilience.

Stakeholder engagement

In February 2026, I undertook a further constructive programme of investor engagement, meeting with a broad cross section of our UK and international shareholder base, representing over 25% of our issued share capital. Discussions covered a range of themes, including talent and culture, M&A and capital allocation, opportunities and risks within our photonics business, Board skills and succession, oversight of cyber security, AI and emerging technologies, and the resilience of our supply chains. It was encouraging to receive ongoing investor support for Halma's strategic direction, governance framework and culture.

Employee engagement remains a key focus for the Board. During the year, Directors visited companies across all three sectors, and non-executive Directors held focus group sessions to gather actionable feedback and engage directly with the wider workforce. The non-executive Directors also participated in company events, including panel discussions and networking at our Accelerate Halma 2026 conference in the US, as well as more informal sessions with the Divisional Chief Executives, company management, Group and sector colleagues.

During my site visits, I am consistently impressed by the depth of engagement within our leadership teams and by the passion, commitment and openness of our colleagues. This underscores my belief that Halma's organisational and cultural genes are genuinely embedded throughout the business.

Looking ahead with confidence

While global uncertainty remains elevated, the Board is confident in Halma's ability to continue investing for the long term and delivering sustainable growth and returns. Our decentralised operating model, underpinned by high-quality talent and an entrepreneurial culture, ensures that we remain focused on serving our customers and stakeholders, while staying true to our purpose of growing a safer, cleaner, healthier future, for everyone, every day.

I am proud to be part of Halma and look forward to reporting on our continued progress in the year to come.

Dame Louise Makin
Chair

How governance has supported our growth

Halma's governance framework and Board activities support the delivery of our strategic growth priorities through disciplined decision-making, effective stewardship and stakeholder engagement.

Portfolio management
→ Learn more on page 100

Cyber resilience
→ Learn more on page 100

Governance and controls
→ Learn more on page 101

Section 172 and decision-making
→ Learn more on page 56

Culture and engagement
→ Learn more on page 108

Succession planning and Board development
→ Learn more on pages 111

Designed for sustainable growth

Record Adjusted profit for the 23rd consecutive year

I am pleased to report another year of record revenue and Adjusted[1] profit, and Halma's 23rd consecutive year of Adjusted[1] profit growth. Delivering this performance against a backdrop of continued economic, geopolitical and market uncertainty demonstrates both the quality of our businesses and the strength of our Sustainable Growth Model.

These record results reflect the cumulative benefit of decades of disciplined choices, around the markets we operate in, the companies we acquire, and the leaders we trust to run them.

I would like to thank everyone across the Group for their contribution this year, and for the commitment they show every day. Together, we continue to make a significant difference to people's lives by pursuing our purpose of growing a safer, cleaner, healthier future for everyone, every day.

Guided by a clear and shared purpose

Spending time with our people and visiting our companies is the most rewarding part of my role. While the diversity of our businesses is striking, they are united by our clear purpose, and their pride in creating solutions to their customers' problems.

This shared sense of purpose shapes our culture and the way we work together. It encourages entrepreneurial thinking and gives our leaders the confidence to grow their businesses responsibly over the long term, supported by a collaborative culture. Even though our companies operate in many different markets, this unifying purpose creates a strong sense of shared endeavour across the Group.

Our purpose is not just a motivator for our people – it is also a strategic driver at the heart of our Sustainable Growth Model (see page 22). It directs us to markets with long term structural growth drivers: protecting people and vital infrastructure, safeguarding life critical natural resources, and improving healthcare outcomes. These challenges are fundamental, global, and will continue to grow over the long term, presenting significant opportunities for our companies.

Delivering compounding growth through our model

Our Sustainable Growth Model is designed to deliver sustainable growth over both the short and longer term. It provides a clear framework that keeps us focused on acquiring high-quality companies in global niche markets aligned with our purpose, and ensures we attract exceptional leaders who can thrive in our decentralised model, and run each business as if it were their own.

This clarity matters. Our model creates a diverse portfolio of agile, high-performing businesses that have the ability to generate strong organic growth and high returns, even in varied market conditions.

This performance, in turn, funds continued investment – in innovation, in talent, in capabilities, and in acquisitions – reinforcing a virtuous cycle of compounding growth.

Our model enables us to scale effectively while retaining the core elements of our DNA that underpin our success (see Halma's DNA on page 23). As we grow, this balance becomes increasingly important: scale gives us access to talent, insight and capital, while our decentralised structure ensures we retain agility and accountability.

This allows our companies to benefit from being part of a larger organisation while maintaining the autonomy that underpins their success. Through Halma, our companies gain access to capabilities and resources that would be difficult to replicate on their own, including access to world class talent and leadership development programmes, specialist expertise such as acquisition teams, legal and compliance guidance, and emerging technology advisory, including AI, to help shape future-focused products and services.

Our leaders also frequently cite the network of peers across the Group as a valuable aspect of being part of Halma. This network brings together leaders with diverse backgrounds and experiences, operating in different markets but facing many of the same challenges. Access to this community, alongside Group expertise, capital and talent, enables our companies to go faster, make better decisions and prosper over the long term.

Broad-based growth in varied market conditions and premium growth in photonics

We delivered a strong financial performance during the year, and I was particularly pleased to see broad-based growth across all three sectors, demonstrating the resilience of our portfolio in a mixed and evolving external environment. This performance was further strengthened by premium growth from our photonics business.

Revenue increased by 15% to £2,582m, with Adjusted[1] EBIT increasing by 22% to £594m. Adjusted earnings per share increased by 21%, well ahead of our long-term target, reflecting continued disciplined execution and strong operational delivery, including continued scaling of our photonics business.

The Safety Sector delivered a good performance across all its subsectors, which follows two strong years of Adjusted profit growth. The Environmental & Analysis Sector had a particularly strong year, which was well spread across the portfolio including premium growth in photonics. The Healthcare Sector delivered a good performance, supported by a continued and steady recovery in healthcare markets.

The strength of our performance enabled us to continue generating healthy margins and returns, and strong Adjusted cash conversion, while maintaining disciplined capital efficiency. Our balance sheet remains robust, supporting ongoing investment in growth and our progressive dividend policy. The Board is recommending a final dividend of 15.11p, resulting in a total dividend for the year of 24.74p. This represents our 47th consecutive year of dividend growth of 5% or more.

Premium growth in photonics

At our 2025 results presentation, we described the premium to Group growth that one of our companies is delivering, specifically Avo Photonics within our Environmental & Analysis Sector. In 2026, the premium[2] was eight percentage points of the Group's 17% organic revenue growth.

We acquired Avo Photonics in 2011, taking a long-term view that photonics would be a critical enabling technology across a wide range of end markets. We also recognised the company's exceptional ability to capture growth opportunities in new and faster-growing markets, underpinned by their deep technical expertise, their agility, and their strong leadership – characteristics that are typical of the high-quality businesses Halma seeks to acquire.

One such opportunity has resulted in a relationship of more than a decade with a large "hyperscaler" technology customer. While the relationship remains commercially confidential, it is characterised by close technical collaboration, applying our customer's intellectual property alongside our own expertise, in the co-design and manufacture of multiple generations of optical switches. In 2026, this customer accounted for 20% of Group revenue (2025: 15%). This is an exceptional success story and a testament to the local management team in delivering at scale and enabled by the support that comes from the Halma model.

→ **Further details are provided in the Chief Financial Officer's review and the Environmental & Analysis Sector review on pages 14, 15 and 42.**

A key benefit of our decentralised model is that it enables our companies to take the initiative and respond with agility to attractive growth opportunities, while remaining firmly aligned with our Group strategy of delivering sustainable, compounding growth and returns. Importantly, our decentralised operating model ensures that this premium growth delivered through local execution means that performance in one company, in this case Avo Photonics, does not distract our other portfolio companies and management teams, who remain fully focused on the delivery of their own growth strategies.

We recognise that our photonics business has provided a tailwind to our growth over the last few years, and as we focus on maximising both the wider portfolio and the photonics opportunity, we do so with a clear understanding that its growth profile differs from that of the wider Group in pace, scale and longevity.

Reinvesting the photonics premium for Group growth

We are using this period of premium growth from our photonics business to further invest in the opportunities we see ahead, to ensure we keep growing sustainably for decades to come.

In the year, this has included continued investment throughout the Group in R&D, capital expenditure investment to expand capacity, further building out our teams and capabilities to support future growth, and in pursuing value-adding acquisitions.

This supports our strategy of continuing to grow at a double-digit rate, consistent with our long-term track record, balancing near-term performance with ongoing investment to achieve compounding growth and returns, to ensure sustainable value creation for decades to come.

Continuous investment in organic growth

Investing in organic growth is our number one capital allocation priority. Our companies are already great businesses when they join the Group; our role is to support their continued growth over the longer term.

We invested £179m, in R&D and capital expenditure to support organic growth. R&D expenditure increased to £123m, representing 4.7% of revenue and we invested £56m in capital expenditure to build out capacity. These investments are indicative of the confidence our leaders have in the growth opportunities they see in their markets. You can find examples of how our companies have grown their businesses organically this year on page 12.

Investing in our talent and our network

Talent is important in any business, but in a decentralised group like ours, it is vital. Our decentralised structure only works if we can continue to attract and develop leaders who can grow each business as if it were their own.

To support this, we are both developing future leaders within the Group and bringing in new talent with fresh thinking from outside.

Together, this helps us build diverse, resilient and high-performing businesses over the long term.

During the year, 20 leaders were promoted onto company boards, and nearly 300 leaders participated in our development programmes. We also recently promoted three leaders from MD or Group leadership roles into Divisional Chief Executive roles. These investments ensure we continue to build a pipeline of leaders through the Group to reinforce our agility and resilience.

Alongside our commitment to nurturing current leaders, we recognise the significance of cultivating young talent who will contribute to the future leadership of our organisation. To that end, we have expanded our Catalyst programme by doubling its cohort, now assigning 20 graduates to positions throughout our companies, with each of them having a rotational placement focusing on AI within Halma's Technology team.

We have also increased investment in our network, bringing senior leaders together through senior leadership conferences and a series of functional and cross-sector forums.

As the Group grows, this network is an increasingly important source of competitive advantage, enabling leaders to connect, share expertise and solve problems faster, while scaling proven ideas across the Group.

We have also further invested in our M&A capabilities through the addition of a small number of experienced individuals to our sector M&A teams and through the appointment of two new Divisional Chief Executive roles. These additions increase our capacity and resources to engage and build relationships with businesses that may be potential acquisition opportunities and support the execution of a larger number of transactions.

Record investment in acquisitions

We made a record investment in acquisitions this year. We invested £447m in five companies across all three sectors. E2S and Safetec joined our Safety Sector and Brownline was acquired by our Environmental & Analysis Sector. We made two bolt-on acquisitions for our ophthalmology companies in the Healthcare Sector. After the year end, we acquired a further two bolt-ons for our Environmental & Analysis and Healthcare sector companies.

This record level of M&A activity reflects the strength of our decentralised model, with our Divisional Chief Executives leading acquisitions end-to-end, supported by our M&A teams, and our company MDs and boards actively sourcing and delivering bolt-on opportunities in their markets.

Our disciplined approach of only selecting high-quality businesses that meet our strict acquisition criteria remains central to how we grow the Group, and it is encouraging to see the investments we have made in strengthening our M&A capabilities coming through.

An increasing number of our companies are now pursuing their own bolt-on acquisitions to accelerate their growth strategies. This is a sign of their growing maturity and capability and represents an increasingly important source of growth while retaining local accountability.

We continue to actively manage our portfolio to ensure that capital is allocated towards opportunities with the greatest potential to deliver sustainable growth and attractive returns over the longer term, and that the portfolio evolves in line with the markets and technologies shaping our future. This means that we selectively divest those businesses that no longer align with our long-term growth drivers or the markets we operate in and as a result, we made three disposals; one during the year and two following the year end.

Executive Board changes

After eight successful years at Halma, Constance Baroudel, Sector Chief Executive for Environmental & Analysis, will leave at the end of August to take up a new position as Chief Executive of Spectris Ltd. I would like to thank Constance for her significant contribution to Halma over the past eight years and congratulate her on this well deserved next step. Her appointment as CEO of another leading company is a great example of the calibre of leaders we develop.

Ensuring an orderly transition, she will be succeeded as Environmental & Analysis Sector Chief Executive by Steve Brown, currently Healthcare Sector Chief Executive, from 1 September 2026. Steve brings a strong leadership track record and deep experience of Halma's Sustainable Growth model and culture. He has a proven ability to build close partnerships with our companies across all three sectors, including as a Divisional Chief Executive in the Environmental & Analysis Sector.

As part of this succession, Bill Stoval, currently Healthcare Divisional Chief Executive, will be promoted to Healthcare Sector Chief Executive, and become a member of our Executive Board. Bill's promotion reflects his outstanding leadership within our Healthcare Sector over the last seven years. He has delivered sustainable growth through close collaboration with our companies' leadership teams and through value-accretive acquisitions.

As Halma continues to scale, we are further evolving the Executive Board in a way that supports growth while preserving our strong culture, financial discipline and consistent governance, and protecting the agility of our decentralised model.

This includes aligning group-wide hubs and functions with the most appropriate Executive Board sponsor, ensuring they are well led, closely connected to company priorities and realities, and supported by a strong group-wide perspective.

In that context, we have decided to accelerate the transition to this model and we have decided to remove the Group General Counsel role from the Executive Board. I am grateful for the contribution Charlene Lim has made, including strengthening our legal capacity to support our companies.

Alongside this change, after seven years with Halma, Catherine Michel, Chief Technology Officer, will leave at the end of June. Over the past seven years, Catherine has established a technology function that has supported group-wide transformation, including digitalisation and AI adoption across our companies. We will look to appoint a new Chief Technology Officer to the Executive Board and in the meantime we are well placed with strong leadership across our technology disciplines.

Aldous Wong, President of Asia Pacific, retired from the Group at the end of the year. I would like to thank Aldous for his contribution in supporting our companies to grow in Asia Pacific. In line with our approach, Steve Brown will provide Executive leadership for the APAC Hub in addition to his current responsibilities.

Sustainability as a growth driver

Sustainability is embedded within our Sustainable Growth Model. By operating in markets aligned with long term sustainability challenges, our companies are already "doing more good" by helping customers address issues such as climate resilience, resource efficiency and improved healthcare outcomes.

Alongside pursuing these opportunities, we continue to focus on "doing less harm" – supporting our people and reducing our environmental impact. This year we have set more ambitious Scope 1 & 2 interim targets on our journey towards our 2040 Scope 1 & 2 Net Zero goal, and we continue to help our companies to achieve them through the delivery of their own sustainability action plans. We remain committed to our climate ambitions, including our targets for renewable electricity, emissions reduction and Net Zero.

Further detail is set out in the Sustainability section of this report on pages 58–73 and in our Sustainability Review available at www.halma.com.

Outlook

We have made a positive start to the 2027 financial year, with a strong order book and order intake ahead of revenue and last year. While the economic and geopolitical environment remains uncertain and our companies continue to experience varied conditions in their end markets, we currently expect to deliver low double-digit percentage organic[1] constant currency revenue growth in this financial year, including premium[2] growth of approximately five percentage points from our photonics business. Adjusted[1] EBIT margin is expected to be in line with the 2026 financial year (excluding the one-off from the Nuvonic transaction[3]).

Summary

This was another successful year for Halma. We delivered record revenue and Adjusted profit, invested at record levels for future growth, and continued to strengthen our networks and capabilities across the Group. While we remain mindful of the broader macroeconomic and geopolitical uncertainties, including developments in the Middle East, the strength of our Sustainable Growth Model means we remain well positioned to make further strong progress in the year ahead and in the long term.

Marc Ronchetti
Group Chief Executive

1 See alternative performance measures in note 3 to the Accounts.
2 The photonics premium is determined as the incremental contribution to Group organic[1] revenue growth from the photonics business in excess of the Group's long-term organic[1] revenue growth rate of 7%.
3 See footnote 4 in the Chief Financial Officer's review on page 16.

How we invest to grow

Investment to deliver strong and sustainable growth is the foundation of our financial model. Our growth generates strong cash flows which in turn allows us to reinvest, both organically and through acquisitions, to support future growth.

→ **See our Sustainable Growth Model: 21**
→ **See our growth strategy: 25**
→ **See our Chief Financial Officer's review: 14**

Together, organic and acquisition growth form a complementary and scalable model for long-term sustainable growth. Organic growth builds depth and resilience within our existing portfolio, while acquisitions broaden the Group by adding high-quality businesses aligned with our purpose, culture, and long-term growth drivers.

Investing to deliver organic growth

While all Halma companies invest to grow, how they do so varies by company, market and moment in time. There is no fixed formula and no expectation that every company pulls the same levers at the same time. Instead, leaders choose the most relevant combination of growth drivers for their business, based on its unique needs.

Areas of investment include:

Innovation and R&D

Investment to enhance existing products and create new solutions that solve customer problems more effectively.

Talent and culture

Investment to develop leaders and teams and to add new capability to unlock future growth.

Market expansion

Investment to extend proven products and solutions into new geographies and end markets.

Operational excellence

Investment to strengthen quality, service and delivery to ensure reliability, accuracy and performance.

Ampac launched its EvacUElite system to respond to evolving fire safety requirements, leveraging its established evacuation expertise to enhance organic growth in core markets.

BEA applied its automatic door sensor expertise to develop EVOLOOP for automatic car barriers, replacing induction loops to improve efficiency and reduce installation time, supporting growth in its core market.

SunTech applied its established clinical monitoring expertise to veterinary care, expanding into an adjacent market using its core capabilities.

Alicat entered the hydrogen market, applying its single mass flow measurement platform across multiple applications, using its agility to adapt to market needs without changing its core product.

Investing in acquisitions

The cash generated from organic growth allows us to invest in future growth, including through targeted acquisitions. These bring new capabilities, technologies and market access into the Group, creating platforms for long-term growth, aligned with our purpose.

We choose purpose-aligned, high-quality businesses, who are niche specialists and who know their customers and their markets well. Additionally, our companies are increasingly pursuing their own bolt-on acquisitions to accelerate their growth strategies.

Standalone acquisitions in the financial year:

Brownline

Expanded technological reach
for our Environmental & Analysis Sector
→ **Read more: 45**

E2S

Extended end-market reach
for our Safety Sector
→ **Read more: 41**

SAFETEC

Broadened end-market niche
for our Safety Sector

Bolt-on acquisitions in the financial year:

nu perspectives

Grew product capabilities
for Keeler in our Healthcare Sector
→ **Read more: 49**

altomed

Strengthened geographic reach
for MST in our Healthcare Sector

Supported to grow

On acquisition, each company retains its autonomy, including its brand, culture and operational agility. Every Halma company is accountable for developing its growth strategy based on its deep expertise and market knowledge, and for delivering its financial performance.

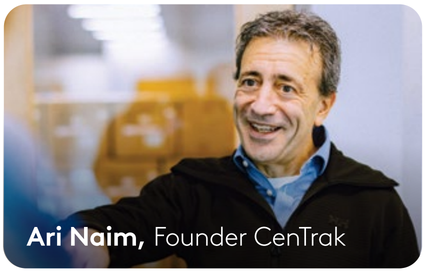
Halma offers its companies support in delivering their growth strategies through access to Group-level capital, to expert teams, and to Group-wide networks. Through this support, we enable our companies and their leaders to reach the next level of growth, to plan for the long term, and to focus on sustainable value creation.

Examples from founder-owners who have sold their businesses to us over time:

CENTRAK

Acquired February 2016

> Being able to leverage all sorts of resources, that a smaller company like CenTrak on its own would struggle with, left us able to focus on our technology and on our value proposition to grow even further.



Ari Naim, Founder CenTrak

Scan here to watch our video with Ari

ramtech

Acquired August 2021

> Joining Halma immediately offered us opportunities to network with people who are doing similar jobs, all of whom are trying to grow small- to medium-sized businesses and are struggling with similar challenges.

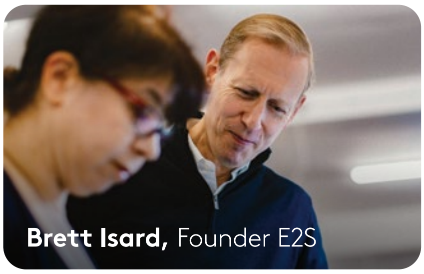
Andy Hicks, Founder Ramtech

Scan here to watch our video with Andy

E2S

Acquired December 2025

> The long-term hope is that E2S will continue to grow faster than it would have done if it had remained an independent company and will gain access to markets that we couldn't possibly have done on our own.



Brett Isard, Founder E2S

Scan here to watch our video with Brett

Broad-based growth delivering on all key financial targets

Strong financial performance

This has been another year of strong financial performance, with record Adjusted[1] profit for the 23rd consecutive year. Growth was broadly spread across all three sectors, underpinned by ongoing investment in R&D, talent and our broader infrastructure and capabilities. This performance was further strengthened by premium growth in our photonics business within the Environmental & Analysis Sector. Returns increased during the year, reflecting the quality of our portfolio and the strength of our market positions.

The consistency of these results demonstrates the compounding power of our Sustainable Growth Model. Over the past decade, revenue and Adjusted[1] EBIT have compounded at an annual rate of 12% and 13% respectively, Adjusted[1] cash conversion has averaged 93%, and leverage has remained within a range of 0.63 to 1.38 times (net debt/Adjusted EBITDA[2]). The combination of our growth and strong cash generation underpins our self-funding model, providing the financial strength to continue investing for growth, with over £600m invested this year.

That investment takes two forms. Organically, we continue to reinvest in the capabilities that allow our businesses to scale and sustain long-term value creation. Through acquisitions, we made a record investment in five high-quality businesses during the year. Our ongoing commitment to invest is central to our model and positions us well to continue compounding growth and delivering attractive returns over the long term.

Record revenue and Adjusted[1] profit

Revenue grew strongly at 14.9% to £2,582.3m for the year ended 31 March 2026 (2025: £2,248.1m). Organic[2] revenue growth of 16.6% was broadly spread across all three sectors, and additionally benefited from the premium[3] growth in our photonics business, which accounted for approximately eight percentage points of the organic[2] revenue growth. This included price increases averaging between 1% and 2%. Excluding one-off[4] revenue from the Nuvonic transaction in the Environmental & Analysis Sector, revenue increased by 14.4% to £2,572.4m, and on an organic[2] basis grew by 16.2%. There was a modest contribution from acquisitions of 2.5% (1.0% net of disposals), reflecting the number of deals recently completed.

There was a negative currency translation impact of 2.7%, mainly from the depreciation of the US Dollar against Sterling.

Adjusted[1] EBIT grew 22.2% to £594.5m (2025: £486.3m). Adjusted[1] EBIT growth comprised a 20.9% increase in organic[2] Adjusted[1] EBIT, a 3.9% contribution from acquisitions (4.1% net of disposals), and a negative effect from currency of 2.8% due to the depreciation of the US Dollar. This led to 140 basis points of improvement in the Adjusted[1] EBIT margin to 23.0% (2025: 21.6%). Excluding one-off[4] profit realised from the Nuvonic transaction in the Environmental & Analysis Sector, Adjusted[1] EBIT increased by 20.3% to £585.2m, Adjusted[1] EBIT on an organic[2] basis grew by 19.0%, and Adjusted[1] EBIT margin increased by 110 basis points to 22.7% (2025: 21.6%).

Statutory profit before interest and taxation of £520.7m (2025: £411.2m) was 26.6% higher. Statutory profit before interest and taxation is calculated after charging the amortisation and impairment of acquired intangible assets of £63.2m (2025: £56.9m), a net £6.2m loss on disposal of operations and of an associate (2025: £2.0m gain), and other acquisition items of a net £4.4m (2025: £20.2m).

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

Revenue and Adjusted[1] profit growth in all sectors

All sectors grew revenue on a reported and organic[2] basis. The Safety Sector continued to see good momentum in revenue growth with Adjusted[1] profit reaching a historic high driven by continued strong revenue growth, sector-wide cost discipline initiatives, favourable portfolio and product mix, and multi-year portfolio management, including the benefits from accretive acquisitions and disposals. The Environmental & Analysis Sector delivered very strong revenue growth, driven by growth across all subsectors.

This performance included continued premium[3] growth of approximately eight percentage points of the Group's organic[2] revenue growth in photonics within Optical Solutions, implying a growth rate of 52% (2025: 37%). Trends in this market remain dynamic. There will always be technology choices in fast growing markets, with the pace of development and the rates of growth shaped by various supply-side constraints across the data centre market. With a combination of strong customer demand and our continued scaling, we currently expect further premium[3] growth of approximately five percentage points of Group organic[2] revenue growth in photonics in financial year 2027, implying a growth rate of approximately 30%. This would build on the strong growth already achieved in successful rapid scaling of the business, with revenue having more than doubled over the prior two years.

Adjusted[1] profit grew strongly driven by growth in all subsectors, continued cost discipline and healthy contributions from acquisitions.

The Healthcare Sector delivered a favourable performance in comparison to the prior year, reflecting good execution against a background of steady recovery in healthcare markets and improving customer confidence. Adjusted[1] profit also grew strongly, reflecting benefits from stronger revenue growth, improvements to pricing and product mix, and good control of overheads.

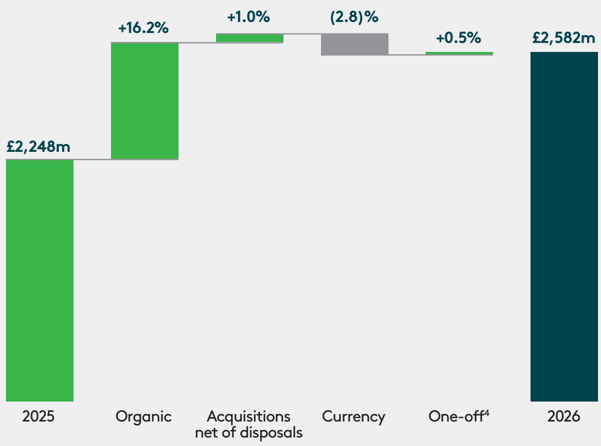
Further information on each sector's performance is given in the individual sector reviews on pages 38 to 49 of this Annual Report.

Substantial investment to drive future growth

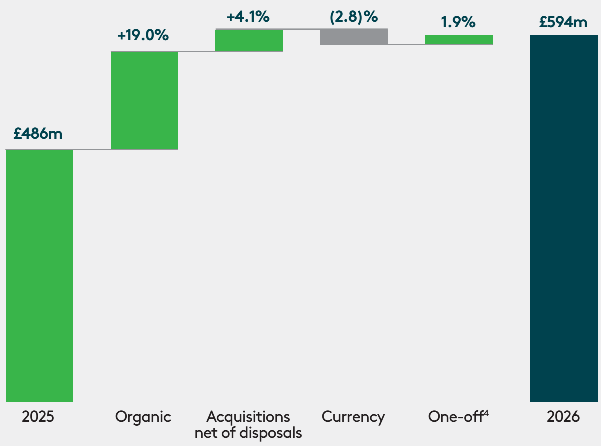
The cash generative nature of our companies means that we can make substantial investments to support our future growth, while maintaining a strong financial position.

£2,582m	+14.9%	£594m	+22.2%
Revenue	**Revenue growth**	**Adjusted[1] EBIT**	**Adjusted[1] EBIT growth**

Revenue bridge (£m)



Adjusted[1] EBIT bridge (£m)



Chief Financial Officer's review continued

Revenue and Adjusted[1] profit change by sector

	2026 £m	2026 % of total	2025 £m	2025 % of total	Change £m	% growth	% organic growth[2]
Safety	**947.5**	**37**	902.0	40	**45.5**	**5.0**	**6.5**
Environmental & Analysis	**1,037.7**	**40**	776.6	35	**261.1**	**33.6**	**35.7**
Healthcare	**598.4**	**23**	570.4	25	**28.0**	**4.9**	**6.3**
Inter-segment sales	**(1.3)**		(0.9)		**(0.4)**		
Revenue	**2,582.3**	**100**	2,248.1	100	**334.2**	**14.9**	**16.6**
Safety	**253.6**	**39**	217.9	41	**35.7**	**16.4**	**13.1**
Environmental & Analysis	**250.6**	**39**	185.5	35	**65.1**	**35.1**	**35.7**
Healthcare	**143.1**	**22**	130.6	24	**12.5**	**9.5**	**9.6**
Sector profit[5]	**647.3**	**100**	534.0	100	**113.3**	**21.2**	**20.1**
Central administration costs	**(52.8)**		(47.7)		**(5.1)**	**(10.7)**	
Adjusted[1] earnings before interest and taxation (EBIT)	**594.5**		486.3		**108.2**	**22.2**	**20.9**
Statutory profit before interest and taxation	**520.7**		411.2		**109.5**	**26.6**	
Net finance expense	**(30.0)**		(26.9)		**(3.1)**	**(11.5)**	
Adjusted[1] profit before taxation	**564.5**		459.4		**105.1**	**22.9**	**23.1**
Statutory profit before taxation	**490.7**		384.3		**106.4**	**27.7**	
Adjusted[1] EBIT margin	**23.0%**		21.6%				
Excluding one-off[4] in 2026:							
Revenue	**2,572.4**		2,248.1		**324.3**	**14.4**	**16.2**
Adjusted[1] EBIT	**585.2**		486.3		**98.9**	**20.3**	**19.0**
Adjusted[1] EBIT margin	**22.7%**		21.6%				

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; 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 The photonics premium is determined as the incremental contribution to Group organic[2] revenue growth from the photonics business in excess of the Group's long-term organic[2] revenue growth rate of 7%.
4 On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic[2] revenue growth respectively and a 190bps increase in both reported and organic[2] Adjusted[1] EBIT growth.
5 Sector profit before allocation of adjustments. See note 1 to the Accounts.

Capital allocation and funding priorities

Halma aims to deliver returns on investment well in excess of our cost of capital. Through our growth strategy (page 25), we continue to invest in opportunities to drive future earnings growth and strong returns over the long term. This disciplined approach enables us to achieve our aim on a sustainable basis. 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 scale our business.

Adjusted[1] cash conversion and net debt

	2026	2025
Adjusted[1] cash conversion[2]	**93%**	112%
Closing net debt[2]	**£(769.1)m**	£(535.8)m
Net debt[2] / Adjusted[1] EBITDA[2]	**1.16x**	0.97x

All sectors continue to innovate and invest in their product portfolios, reflecting our companies' confidence in the long-term growth prospects of their respective markets. R&D expenditure of £122.6m (2025: £108.4m), which as a percentage of revenue remained above our KPI target of 4% at 4.7% (2025: 4.8%), increased at a slightly slower rate than revenue, principally as result of the exceptional revenue growth in our photonics business and where R&D is a part of the revenues we earn.

We continue to invest organically across the Group to future-proof our growth, including investments in our facilities and infrastructure, with capital expenditure investment of £56.2m (2025: £45.6m).

We acquired five businesses in the year for a record consideration of £447m on a cash- and debt-free basis. These were three standalone businesses and two bolt-ons for existing companies, spread across the three sectors. This adds to the seven acquisitions completed in 2025, which have performed well in their first year of trading under Halma's ownership. We also made one small disposal in the Safety Sector.

Since the year end, we have made two further bolt-on acquisitions and two disposals. Details of the acquisitions and disposals are given in the sector reviews on pages 38 to 49 of the Annual Report and in notes 25 and 30 to the Accounts.

Increased returns, cash generation and strong financial position

Strong returns on investment is an important component of the Halma model, providing the foundation for ongoing investment in organic growth, supporting value-enhancing acquisitions and enabling the support of a progressive dividend policy for shareholders.

This is demonstrated through our strong Adjusted[1] cash conversion at 93% (2025: 112%), which was ahead of our KPI target of 90%. Further details are given in our KPIs on page 29. This reflected the continued strength of our growth and margins, combined with good working capital and cash management.

We maintained a high level of Adjusted[1] Return on Total Invested Capital (ROTIC)[2], which increased to 16.2% from 15.0% in the prior year. The increase principally reflects strong constant currency profit growth. Our Adjusted[1] ROTIC[2] remains 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 10.2% (2025: 9.8%).

This year's acquisition spend is a record investment and reflects the continued strength of our M&A pipeline and the ability of our companies to pursue bolt-on acquisitions. Even after this significant deployment of capital, our financial position remains strong, with gearing (net debt / Adjusted[1] EBITDA[2]) standing at 1.16 times at the year end (2025: 0.97 times), well within our typical operating range of up to two times, preserving substantial financial flexibility for future investment. Net debt (on an IFRS 16 basis which includes lease commitments) increased by £233.3m to £769.1m (2025: £535.8m).

We have substantial available liquidity with committed facilities in excess of £1.2bn. 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 34 to 37.

Summary

We have delivered another year of strong financial performance, delivering across our key financial targets (see pages 29 to 31).

Double-digit revenue and Adjusted[1] profit growth were driven by broad-based results across the Group, supported by consistently strong cash generation. At the same time, we have continued to maintain discipline in our investment decisions to support future growth, while further increasing our margins and returns. This balanced performance combined with over £600m of investment underpins our ability to deliver sustained compounding growth and strong returns over the long term.

Reflecting on my first year as Chief Financial Officer, I am proud to be leading the Halma finance team as they support our businesses in delivering sustainable, high-quality growth and attractive returns. Our purpose and culture are clearly embedded across the Group, and, together with the strength of our talent, they continue to guide how we create value growing a safer, cleaner and healthier future for everyone, every day.

Looking ahead, we remain mindful of the broader macroeconomic and geopolitical uncertainties, including developments in the Middle East. While our direct exposure to the region is limited, we recognise that such events can affect global markets through factors such as supply chain disruption, inflationary pressures and exchange rate volatility. Although we are not immune to these challenges, the nature of our Sustainable Growth Model provides us resilience. Our model enables our companies to respond with agility in the most appropriate manner for their businesses, while benefiting from the strength and connectivity of the Group to collectively manage and address uncertainties.

Finally, I would like to thank all my colleagues across the Group for their continued hard work, commitment and focus, which have contributed to another record year for Halma.

Carole Cran
Chief Financial Officer

Talent and culture powering sustainable growth

At Halma, sustainable growth starts with people. Our talent and culture drive high performance, giving us the agility and entrepreneurial mindset to seize new opportunities and grow each business sustainably over the long term. Our Sustainable Growth Model is designed to ensure our organisational capability scales with the Group.

Our approach enables us to keep reinvesting for future growth while protecting the agility that comes from decentralised decision-making. We define this approach through Halma's DNA: the combination of our organisational model and culture, expressed through a consistent set of cultural and organisational genes that guide how we lead and work.

Talent and culture are not supporting features of the model; they are integral to how it works. The way we develop leaders, design organisations, and sustain our culture directly shapes our ability to adapt, innovate and perform consistently over time.

Our DNA: the foundations that enable us to scale

Halma's DNA gives us the blueprint for sustainable growth across a diverse portfolio. Our purpose aligns our companies around shared goals, while still allowing them to operate autonomously and stay close to their customers and markets. Diversity of end markets and technologies strengthens our resilience and helps us balance risk with opportunity.

Inclusion and diversity help us make better decisions. More viewpoints around the table mean richer discussions, sharper judgement and stronger outcomes.

Our ongoing focus on ensuring inclusion and diversity is translating into sustained progress in gender representation in our leadership. At year end, women represented 55% of our plc Board and 67% of our Executive Board, and held 52% of senior roles including Executive Board, plc Board and Divisional Chief Executives. Across our companies, women make up 31% of the company boards of directors. We are also seeing stronger advocacy from male leaders to sponsor and promote high-potential women into senior leadership.

As Halma grows, our DNA does not sit in the background. It is actively applied by leaders every day. Leaders are expected not just to represent our culture, but to use it to make decisions, to challenge established ways of working, and to adapt their organisations as markets change. This active use of culture, rather than adherence to a fixed process, is what gives Halma the agility to scale without losing momentum.

Talent: the enabler and multiplier

Our focus on talent is embedded in our DNA: we can only sustain growth through the contributions of our people, and our growth creates the opportunity to invest in them further, creating a virtuous cycle. For this reason, we don't manage talent in isolation; we design it into the system. We take a purposeful approach to building leadership capability, succession depth, and organisational resilience.

This includes strengthening senior leaders, developing future leaders through Group-wide programmes, and preparing them to develop others. During the year, nearly 300 leaders took part in leadership development programmes and we made 20 internal promotions to company board positions, including six into managing director roles, and two Divisional Chief Executive appointments.

We continue to invest in our internal networks because they strengthen capability, connection, and knowledge sharing across the Group. Throughout the year, leaders and specialists came together through two senior leadership conferences, a Group-wide finance conference, the Talent partner network, the IT managers forum, a Quality & Regulatory gathering, and our 'Strength in Numbers' supply chain network. Our marketing network also continued to operate successfully in a virtual format, supporting access and engagement across geographies.

These networks are the best way to ensure we can all grow faster by leveraging and learning from the experience of one another.

Investing ahead of growth

A defining feature of our approach is that we invest ahead of need. Group-level investment is designed to strengthen local ownership. We provide tools, frameworks and support that help our companies develop their own people, reinforcing their accountability for talent and culture at a local level.

For example, this year we launched Deeper Signals, a science- and data-driven platform that replaces legacy assessment tools for company board level and Group level hires. It supports consistent, evidence-based decisions in hiring, onboarding, development, and succession planning, and strengthens team effectiveness through improved insight on team dynamics and self-awareness.

Halma's culture and DNA inspires and influences our companies while they retain their own unique diversity.

The 2025 cohort of the Grow Your Leadership Development Programme met in Windsor, UK.

Enabling better engagement insights

As Halma evolves, we keep a close eye on the health of our culture and how effectively it supports performance across the Group. Our annual engagement survey remains a key indicator. This year, participation stayed strong at 85% and engagement increased by two percentage points to 75% across the Group, with 60% of companies improving their scores. These results reflect the progress leaders are making in building positive, high-performing cultures across Halma.

To help leaders listen and respond more regularly, we implemented Peakon as a Group-wide tool. It gives earlier insight, supports more targeted action, and strengthens accountability for culture at a local level, with more companies now using it actively throughout the year.

Designed to endure

Halma's Sustainable Growth Model is built to endure and adapt. Continued success depends on looking after every part of the system. By investing deliberately in people and culture and equipping our companies to develop their own workforces, we strengthen the virtuous cycle that sustains Halma's growth.

The organisational foundations and leadership qualities our founders insisted on decades ago shaped who we are today and will continue to serve us well in the future.

Designed for sustainable growth means building an organisation and a culture that is ready not just for today's opportunities, but for tomorrow's. It means protecting and strengthening the DNA that underpins our long-term success.

Jennifer Ward
Chief Talent, Culture and Communications Executive

Britain's Most Admired Companies

In 2025, Halma was named one of Britain's Most Admired Companies, ranking third overall, and winning the Engineering sector for the seventh consecutive year. It also placed first for its Ability to Attract, Develop & Retain Top Talent, and third for Clarity of Strategy and Quality of Management.

This external recognition underlines the central role of people and culture in our model. It affirms that our people-led approach continues to support strong leadership, trusted management and an organisation capable of delivering consistently over time.

Culture and DNA

Read more: 23

Ambitious purpose

Read more: 22

Long-term growth markets

Read more: 24

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.

Agile business model

Read more: 26

Clear growth strategy

Read more: 25

Our investment proposition

Read more: 28

Ambitious 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 long-term growth markets: 24**

...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: 18**

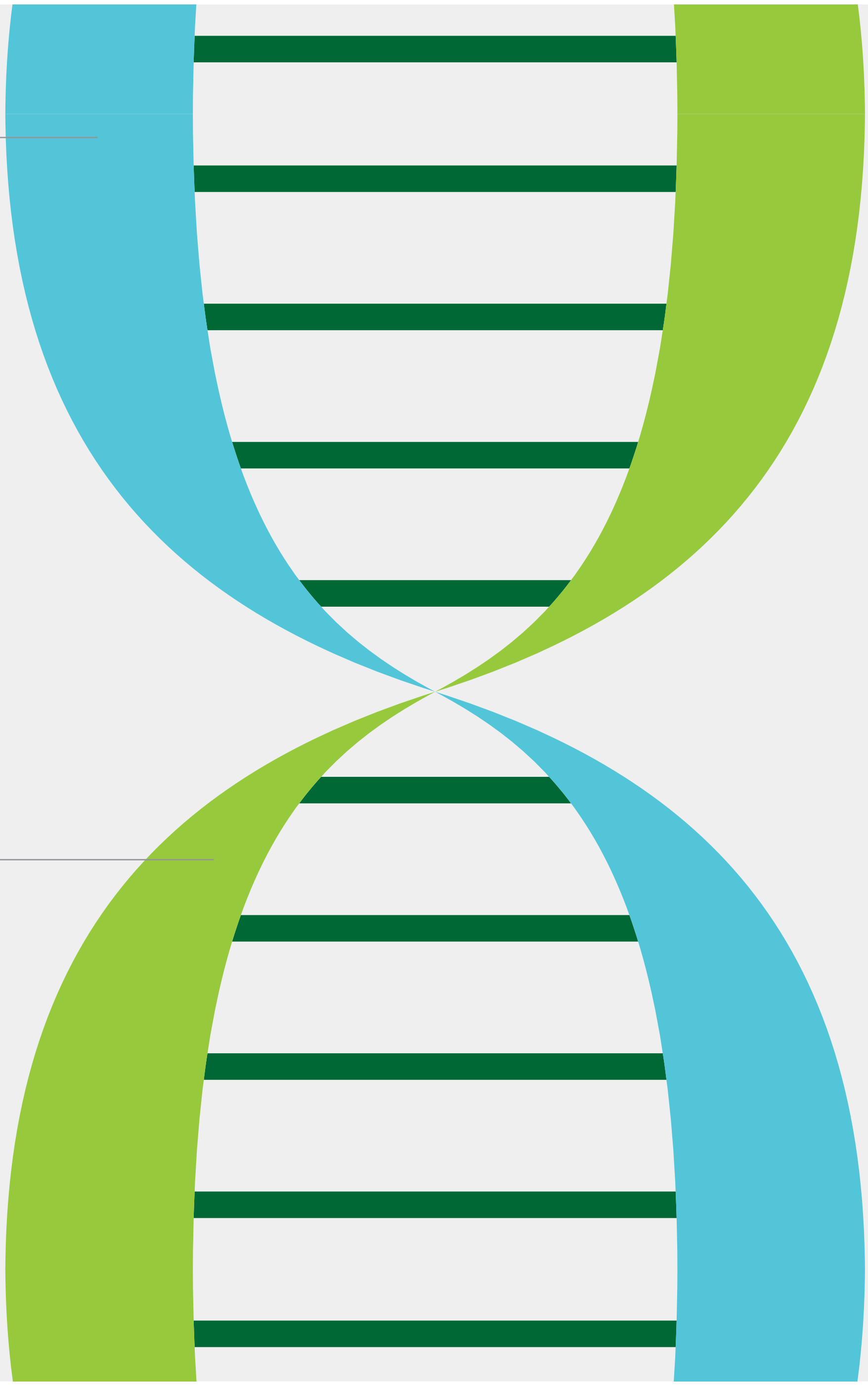
Culture and DNA

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 Culture and DNA on our website www.halma.com**

Long-term growth 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 US 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 38 to 49 of this report.

→ **See Safety Sector review: 38-41**
→ **See Environmental & Analysis Sector review: 42-45**
→ **See Healthcare Sector review: 46-49**

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.

83%

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. Increasing need for better 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.

2.2bn

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.

99%

The proportion of the global population who breathe polluted air, causing nearly seven million premature deaths every year[4]

1 https://ourworldindata.org/urbanization
2 https://www.who.int/news-room/fact-sheets/detail/ageing-and-health
3 https://unstats.un.org/sdgs/report/2025/Goal-06/
4 https://www.who.int/health-topics/air-pollution

Clear 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. We do this 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.

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 long-term growth markets: 24**

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 agile business model: 26**

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: 18**

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 agile business model: 26**

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 agile business model: 26**

Agile 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, good governance and compliance.

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

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: 28

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. Once 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.

Our investment proposition

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

23 years	47 years	+2,815%
Consecutive years of record levels of Adjusted[1] profit	**Consecutive years of dividend growth of 5% or more**	**TSR[2] over the last 20 years** FTSE 100, +260% Nasdaq Composite Index, +823%

We set challenging targets:

1

We aim for the combination of organic and Adjusted[1] acquisition profit 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 impact on people and planet.

→ **Read more: 22**

Long-term growth drivers
Our purpose leads us to 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.

→ **Read more: 12**

Portfolio and performance
We actively manage our portfolio of companies 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: 29**

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 74 of this report) and modest balance sheet leverage.

Our 10-year track record

Strong growth	High returns	Continued investment	Strong financial position
12.3% **Revenue CAGR[3]**	21.3% **Average Adjusted[1] EBIT margin**	5.2% **Average annual R&D as a % of revenue**	93% **Average Adjusted[1] cash conversion[1]**
12.8% **Adjusted[1] EPS CAGR[3]**	15.1% **Average Adjusted[1] Return on Total Invested Capital[1]**	>£1.9bn **Total acquisition spend**	1.0x **Average leverage (net debt[1]/ Adjusted EBITDA[1])**

1 See alternative performance measures in note 3 to the Accounts.
2 Total Shareholder Return (TSR) to 31 March 2026.
3 Compound annual growth rate (CAGR) is the annualised rate of growth across the period. For further detail see the Summary 2017 to 2026 on pages 240-241.

Key performance indicators

Our key performance indicators (KPIs) measure how successful we are in delivering our purpose through our Sustainable Growth Model.

These financial and non-financial metrics track our delivery of compounding growth and strong returns, and the investments we make to support them. They also include selected sustainability metrics which support our aim of making a positive impact for all our stakeholders.

We set minimum targets for each of our KPIs. We monitor our performance against these targets, both in the year and over the longer term, giving us insight into our current progress and our success over time.

Our KPIs play an important role in how we recognise and reward superior, sustainable performance. The remuneration of our leaders at Group, sector and company level is aligned with our KPIs, rewarding the delivery of strong and sustainable growth and returns.

Our Board and Executive Board review our KPIs annually to ensure they remain aligned with our purpose and Sustainable Growth Model, and continue to reflect the drivers of our long-term success.

→ **Remuneration linkage – See the Annual Remuneration Report for further details: 131-141**

1 Organic measures exclude the effect of movements in foreign exchange rates on the translation of revenue and Adjusted[3] Profit into Sterling, as well as acquisitions in the year following completion and disposals.
2 On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic[1] revenue growth respectively and a 190bps increase in both reported and organic Adjusted[2] EBIT growth.
3 A number of KPIs are alternative performance measures (APMs). See note 3 to the Accounts for full definitions and reconciliations to statutory amounts.

Financial

Organic[1] revenue growth

16.6% Performance | **≥5%** Target

Definition

The percentage change in revenue on the prior year, excluding the effect of acquisitions, disposals and changes in foreign exchange rates.

Why it's important

Organic[1] revenue growth reflects the underlying strength of our existing businesses, including their ability to generate sustainable and growing customer demand through innovation and market leadership.

How we set our target

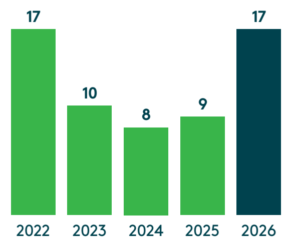
We aim to deliver strong organic growth above the blended long-term growth rate of our markets.

How we performed in the year

Organic[1] revenue growth was well above our target at 16.6%, reflecting strong operational delivery across all three sectors and premium growth in photonics. Excluding one-off[2] revenue from the Nuvonic transaction, organic[1] revenue growth was 16.2%[2].

Five-year performance

12% Average



Remuneration linkage

Organic[1] revenue growth drives earnings which contributes to Economic Value Added (EVA) performance, a key component of our annual bonus.

Organic[1] Adjusted[3] profit growth

20.9% Performance | **≥5%** Target

Definition

The percentage change in Adjusted[3] EBIT on the prior year, excluding the effect of acquisitions, disposals and changes in foreign exchanges rates.

Why it's important

Organic[1] Adjusted[3] profit growth is an indicator of the quality of our growth. It reflects our ability to generate both organic revenue growth and high-quality returns to support future investment opportunities.

How we set our target

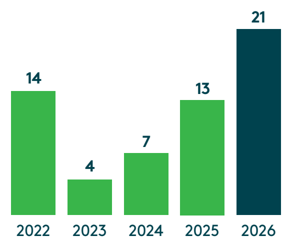
Our target reflects our aim of delivering both strong organic growth, and strong and sustainable margins.

How we performed in the year

We delivered organic[1] Adjusted[3] profit growth well ahead of our target at 20.9%, reflecting the strong revenue growth and the higher margin delivered in the year. Excluding one-off[2] profit from the Nuvonic transaction, organic[1] Adjusted[3] profit growth was 19.0%.

Five-year performance

12% Average



Remuneration linkage

Organic[1] Adjusted[3] profit growth is a key element of the EVA performance, a key component of our annual bonus.

Financial

Acquisition Adjusted[3] profit growth

8.3% Performance | **≥5%** Target

Adjusted[3] EPS growth
(adjusted earnings per share)

21.0% Performance | **≥10%** Target

Adjusted[3] EBIT margin

23.0% Performance | **19%–23%** Target range

Definition

The annualised EBIT from acquisitions made in the year, expressed as a percentage of the Group's prior year Adjusted EBIT. Annualised EBIT is calculated at the date of acquisition.

The percentage change in Adjusted[3] EPS on the prior year. See note 2 to the Accounts for the definition of Adjusted EPS.

Adjusted[3] EBIT expressed as a percentage of revenue.

Why it's important

Adjusted[3] acquisition profit growth demonstrates our ability to source high-quality businesses that enhance our long-term compounding growth and further strengthen our Sustainable Growth Model.

The Group's Adjusted[3] EPS reflects our success in growing the business, both organically and through acquisitions, and our strong financial discipline.

Adjusted[3] EBIT margin is a measure of the value our customers place on our solutions and the investments we make to sustain that value, and of our operational efficiency. It shows our ability to convert revenue into sustainable profit.

How we set our target

We aim to deliver a significant contribution to profit from acquisitions made in the year, similar to that from organic growth.

We aim to deliver significant Adjusted[3] EPS growth through a combination of organic and acquired growth, and strong and sustainable margins.

We aim to deliver strong and sustainable margins, reflecting a balance of growth and investment, and operational efficiency.

How we performed in the year

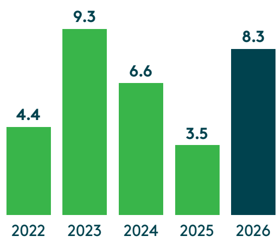
Adjusted[3] acquisition profit growth was ahead of our target at 8.3%, reflecting a record level of acquisition spend in the year. Adjusted[3] acquisition profit growth including financing costs was 4.9%.

Growth in Adjusted[3] EPS was substantially ahead of our target at 21.0%, driven by the strong profit growth in the year.

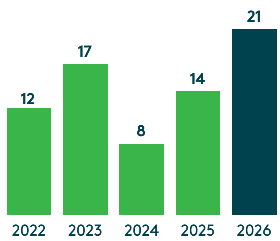
Adjusted[3] EBIT margin was towards the upper end of our target range, reflecting higher margins in all three sectors driven by strong operational execution. Excluding one-off[2] profit from the Nuvonic transaction, Adjusted[3] EBIT margin was 22.7%.

Five-year performance

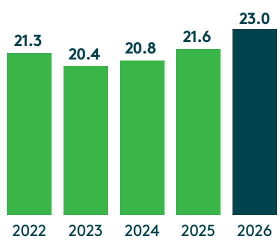
6.4% Average



14% Average



21.4% Average



Remuneration linkage

Adjusted[3] acquisition profit growth is a key element of EVA performance, a key component of the annual bonus for our leadership team.

Adjusted[3] EPS growth is 50% of the performance condition attached to the Executive Share Plan (ESP) awards to the Executive Board.

Adjusted[3] EBIT margin supports EVA performance, a key component of the annual bonus for our leadership team.

Adjusted[3] ROTIC
(Return on Total Invested Capital)

16.2% Performance
12% – 17% Target range

Adjusted[3] cash generation

93% Performance
≥90% Target

R&D investment

4.7% Performance
≥4% Target

Definition

Post-tax Adjusted[3] profit as a percentage of average Total Invested Capital. See note 3 to the Accounts for the definition of ROTIC.

Adjusted operating cash flow as a percentage of Adjusted[3] operating profit.

Research and development (R&D) spend, both expensed and capitalised, expressed as a percentage of revenue.

Why it's important

Adjusted[3] ROTIC demonstrates how effectively we are investing in our businesses to generate profitable long-term growth.

We measure the strength of our cash generation through the percentage of profits that are converted into cash. Converting a high proportion of profit into cash enables us to sustain high levels of investment in organic growth and acquisitions, and to maintain a progressive dividend policy, without becoming highly leveraged.

R&D investment supports the successful introduction of new products, which is a key component of sustaining strong organic growth and high returns, and building stronger market positions.

How we set our target

Our target range reflects our expectation for the profitability we deliver from our investment across our portfolio. We target a return well above our Weighted Average Cost of Capital (WACC), balancing reinvestment and return to shareholders.

Our target reflects our aim of converting a significant proportion of the profit we generate into cash.

Our target reflects the appropriate level of investment to sustain strong growth and returns given our businesses' mix of products and technologies.

How we performed in the year

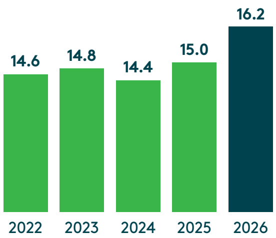
Adjusted[3] ROTIC was towards the upper end of our target range and substantially above our WACC, which is estimated to be 10.2% (2025: 9.8%). The change compared to the prior year principally reflected strong constant currency profit growth.

Adjusted[3] cash conversion was 93%, ahead of our target, reflecting good working capital control across the Group.

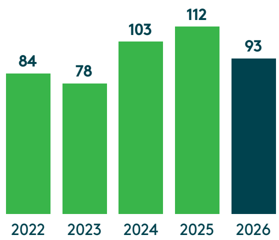
Total R&D spend remained well above our KPI target at 4.7% of revenue, reflecting our companies' continued confidence in the growth prospects in their respective markets.

Five-year performance

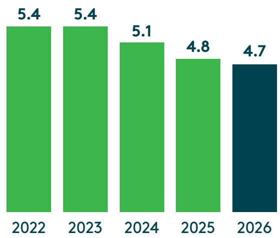
15.0% Average



94% Average



5.1% Average



Remuneration linkage

Adjusted[3] ROTIC performance, averaged over three financial years, is 50% of the performance condition attaching to the ESP awards to the Executive Board.

Strong cash generation is closely correlated with high return on capital, which is a key component of the ESP and supports the EVA calculation through managing the charge on the use of the Group's capital.

Successful R&D investment is a key component to sustain strong growth and returns over time which, in turn, help to drive EVA, EPS and ROTIC – all key elements of our annual bonus and the ESP.

Non-financial

Employee engagement

75% **Performance**

70% **Target**

Definition

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

Why it's important

Measuring employee engagement provides insight into sentiment and alignment with strategy, helping to ensure clarity of purpose and continuous improvement across the organisation.

How we set our target

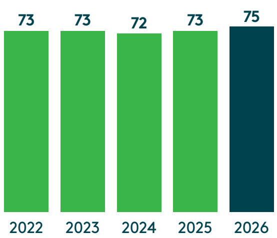
Our target remains to match or beat the (rebased) baseline achieved in 2017 of 70% engagement.

How we performed in the year

The baseline for our target was established in 2017 when we ran our first global employee engagement survey with Mercer. This year, we were pleased to see our overall engagement score increase by 2 percentage points, along with a larger share of companies improving their engagement scores.

Five-year performance

73% **Average**



Remuneration linkage

Not applicable.

Health & Safety

(Recordable Injury Rate[4])

0.10 **Performance**

As low as reasonably practicable **Target**

Definition

The year-to-date Recordable Injury Rate (RIR) is calculated by dividing the total recordable incidents by total hours worked, then multiplying by 200,000 (the annual hours for 100 full-time employees). This figure estimates the number of injuries expected per 100 employees each year and serves as a benchmark for workplace safety performance.

Why it's important

Looking after the wellbeing of our people is critical to our business and a key priority for all our leaders.

How we set our target

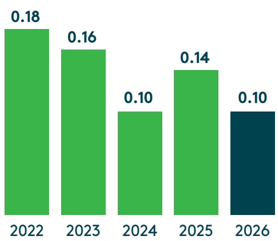
We are committed to ensuring the health, safety and wellbeing of our people, so this year we have updated our target to "as low as reasonably practicable" to reflect our ambition to drive a safety culture.

How we performed in the year

The Health & Safety RIR performance this year was 0.10 (2025: 0.14) representing a decrease 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.

Five-year performance

0.14 **Average**



4 Our KPI for Health & Safety has been updated from Accident Frequency Rate to Recordable Injury Rate, as the latter is more broadly acknowledged on an international scale and serves as a standard metric for benchmarking purposes. Prior years have been restated.

Diversity, Equity and Inclusion
(company board gender balance)

31% Performance

40% 2030 target

Climate Change
(reduction in Scope 1 & 2 emissions from 2025 baseline)

5% Performance from 2025 baseline

60% 2035 target

Definition

The total number of board members who are women as a percentage of the total number of Halma company board directors (176 company directors[5] as at 31 March 2026).

The total reduction in global Scope 1 & 2 greenhouse gas emissions compared to our 2025 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**.

Why it's important

At Halma, building diverse and inclusive companies is essential to our purpose. Diversity, Equity & Inclusion (DEI) boosts agility and resilience by uniting varied perspectives, skills and experiences to drive innovation, better decision-making and adaptability.

Our purpose is to create a safer, cleaner, healthier future, which is why we are dedicated to lowering our operational emissions and minimising our impact.

How we set our target

Building on the progress made in improving gender diversity at the Halma plc and Executive Boards, we have set a target for our portfolio company boards to achieve a 40–60% gender balance by 31 March 2030.

The Group is targeting Net Zero Scope 1 & 2 emissions by 2040. Our interim target for 2035 is set in line with a 1.5 degree trajectory.

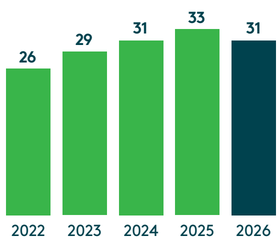
How we performed in the year

At year end, women represented 31% of company board[5] positions, compared with 33% in the prior year. While this represents a reduction and our target was not met, the Board remains committed to improving gender balance over the medium term through disciplined succession planning and appointment decisions.

Scope 1 & 2 emissions have reduced by 5% since 2025, largely as a result of increasing renewable electricity purchases, alongside energy efficiency initiatives and other operational improvements.

Five-year performance

30% Average



Having surpassed our previous Scope 1 & 2 reduction target and to demonstrate our ongoing commitment to reducing operational emissions and environmental impact, we have revised our Scope 1 & 2 reduction target with 2025 as our new baseline year.

Remuneration linkage

Achievement of the DEI target accounts for 5% of the maximum annual bonus opportunity and applies to Executive Directors and other senior leaders.

Not applicable.

5 This includes directors of the companies that have been in the portfolio for three years or longer as at 31 March 2026.

Financial review

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 14 to 17 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 38 to 49 of this Annual Report.

Revenue growth in all regions

Our revenue performance reflected strength and breadth of demand for the Group's products and services, with growth in all regions on a reported basis. These reported growth rates in each region were affected to differing extents by acquisitions (net of disposals) and, outside the UK, negative effects from foreign currency translation, mainly given the depreciation of the US Dollar against Sterling. On an organic[1] basis, revenue growth was also broadly spread. Organic[1] revenue growth in the US, our largest sales region, was very strong, and the other major regions of the UK, Mainland Europe and Asia Pacific delivered good organic[1] growth. Other regions delivered good organic[1] revenue growth in aggregate.

Very strong organic[1] revenue growth in the US

Revenue in the US increased by 19.1%, and the US remains our largest revenue destination, accounting for 48% of Group revenue, an increase of two percentage points compared to the prior year. Reported revenue included a 1.2% contribution from acquisitions, and negative effects of 2.5% from disposals and 5.7% from foreign exchange translation. Organic[1] revenue increased 26.2%, reflecting very strong growth in the Environmental & Analysis Sector. This was led by premium growth in photonics within the Optical Solutions subsector, while there was also strong growth in the rest of the sector. There was good momentum in the Healthcare Sector across all subsectors, while modest growth in the Safety Sector reflected good growth in Public Safety and Worker Safety, partly offset by a weaker performance in Fire Safety.

Strong revenue growth in Mainland Europe

Mainland Europe reported revenue was 16.0% higher and 8.6% higher on an organic[1] basis. Reported revenue included a 5.8% contribution from acquisitions (net of disposals), with recent acquisitions including Brownline and Lamidey Noury, and a positive effect of 1.6% from foreign exchange translation.

On an organic[1] basis, growth was led by the Environmental & Analysis Sector, notably in Environmental Monitoring & Measurement, as well as Water Analysis & Treatment.

The Safety Sector delivered good growth, which was principally driven by a strong performance in Public Safety, while other subsectors also delivered growth. Healthcare delivered modest growth overall, with a small decline in Discovery, Prevention & Diagnostics more than offset by growth elsewhere in the sector.

Good revenue growth in the UK

UK revenue was 9.1% higher, or up 7.6% on an organic[1] basis. Reported revenue included a 1.5% contribution from acquisitions (net of disposals).

All three sectors grew revenue on an organic[1] basis. There was strong growth in the Healthcare Sector, driven by Healthcare Enablement. There was good growth in the Environmental & Analysis Sector, led by Water Analysis & Treatment, and in the Safety Sector, mainly driven by Fire Safety.

Strong organic[1] revenue growth in Asia Pacific

Asia Pacific revenue increased 9.6%, and by 11.5% on an organic[1] basis, including one-off[2] revenue of £9.9m from the Nuvonic transaction (see the Environmental & Analysis Sector review on page 44 for details). Reported revenue included a 0.7% contribution from acquisitions (net of the impact of disposals), and a negative effect of 2.6% from foreign exchange translation.

Geographic revenue

	2026		2025				
	£m	% of total	£m	% of total	Change £m	% Change	% Change organic[1]
United States	**1,237.1**	**48**	1,038.6	46	**198.5**	**19.1**	**26.2**
Mainland Europe	**500.2**	**19**	431.2	19	**69.0**	**16.0**	**8.6**
United Kingdom	**344.7**	**13**	315.8	14	**28.9**	**9.1**	**7.6**
Asia Pacific	**333.1**	**13**	304.0	14	**29.1**	**9.6**	**11.5**
Africa, Near and Middle East	**86.2**	**4**	80.3	4	**5.9**	**7.3**	**(0.1)**
Other countries	**81.0**	**3**	78.2	3	**2.8**	**3.6**	**10.0**
	2,582.3	**100**	2,248.1	100	**334.2**	**14.9**	**16.6**

Excluding the one-off[2] from the Nuvonic transaction, revenue increased by 6.3%, and by 8.2% on an organic[1] basis, driven by strong growth in the Safety and Environmental & Analysis sectors, partly offset by a modest decline in the Healthcare Sector.

In other regions, which represent 7% of Group revenue, revenue was 5.5% higher on a reported basis, and 4.7% higher on an organic[1] basis, reflecting strong growth in the Healthcare Sector, a modest increase in Safety Sector revenue, and a decline in the Environmental & Analysis Sector.

First and second half performance

Revenue grew by 15.2% in the first half of the year and by 14.6% in the second half, with second half revenue 8.7% higher than revenue in the first (9.5% excluding the one-off[2] revenue from the Nuvonic transaction). There was a first half / second half split of 48% / 52%, in line with our typical pattern.

Organic[1] revenue increased by 16.6% (or 16.2% excluding the one-off[2] revenue from the Nuvonic transaction), comprising a 17.6% increase in the first half (16.7% excluding the one-off[2] revenue from the Nuvonic transaction) and growth of 15.8% in the second half.

There was a negative effect of 3.2% from currency translation in the first half, and 2.4% in the second half, giving a negative effect of 2.7% for the year as a whole. Acquisitions (net of disposals) had a positive effect of 1.0%, comprising a 0.8% positive effect in the first half and 1.2% in the second half.

Adjusted[1] EBIT increased by 26.7% in the first half, and by 22.8% excluding the one-off[2] profit from the Nuvonic transaction. The increase in the second half was 18.5%. This reflected continued growth in all three sectors, but a stronger comparative in the second half for the Environmental & Analysis Sector. On an organic[1] basis, Adjusted[1] EBIT increased by 26.5% in the first half (22.7% excluding the one-off[2] profit), and by 16.1% in the second half, resulting in growth of 20.9% for the year (19.0% excluding the one-off[2] profit). Excluding the one-off[2] profit from the Nuvonic transaction, there was a first half / second half Adjusted[1] EBIT split of 47% / 53%, compared to our typical 45% / 55% pattern, reflecting the very strong Adjusted[1] EBIT margin in the first half of the year.

Central costs increased from £47.7m in 2025 to £52.8m, with the increase reflecting investment in the year to support our continued growth. In 2027, we expect central costs to be approximately £60m, the increase reflecting our growth.

Currency effects on reported revenue and Adjusted[1] 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, 22% in Sterling and 14% 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.

The US Dollar weakened against Sterling on average during the year. This gave rise to a negative currency translation impact of 2.7% on revenue and 2.8% on Adjusted[1] EBIT for the full year. Based on the current mix of currency denominated revenue and Adjusted[1] EBIT, a 1% movement in the US Dollar relative to Sterling changes revenue by approximately £13.6m and Adjusted[1] EBIT by approximately £3.7m. Similarly, a 1% movement in the Euro changes revenue by approximately £3.2m and Adjusted[1] EBIT by approximately £1.1m.

Currency effects

	Weighted average rates used in the income statement			Exchange rates used to translate the balance sheet	
	First half	2026 Full year	2025 Full year	2026 Year end	2025 Year end
US Dollar	**1.342**	**1.340**	1.276	**1.318**	1.289
Euro	**1.165**	**1.156**	1.188	**1.145**	1.194

Operating cash flow summary

	2026 £m	2025 £m
Operating profit	**525.8**	409.5
Acquisition items	**4.4**	20.2
Amortisation and impairment of acquisition-related acquired intangible assets	**63.2**	56.9
Adjusted operating profit	**593.4**	486.6
Depreciation, impairment and amortisation (excluding acquired intangible assets)	**67.0**	66.5
Working capital movements	**(66.3)**	29.6
Capital expenditure net of disposal proceeds	**(55.0)**	(44.7)
Defined benefit pension plans administration costs less contributions from sponsoring companies	**0.4**	0.4
Other adjustments	**10.7**	7.3
Adjusted operating cash flow	**550.2**	545.7
Adjusted cash conversion %	**93%**	112%

Non-operating cash flow and reconciliation to net debt

	2026 £m	2025 £m
Adjusted operating cash flow	**550.2**	545.7
Tax paid	**(112.5)**	(103.3)
Acquisition of businesses including cash/debt acquired and fees	**(469.1)**	(167.9)
Purchase of equity investments	**(13.1)**	–
Disposal of businesses	**6.9**	5.9
Net finance costs and arrangement fees (excluding lease interest)	**(26.8)**	(20.8)
Net lease liabilities additions	**(23.7)**	(56.5)
Dividends paid	**(89.7)**	(83.8)
Own shares purchased	**(33.5)**	(7.9)
Adjustment for cash outflow on share awards not settled by own shares	**(5.5)**	(3.5)
Effects of foreign exchange	**(16.5)**	9.5
Movement in net debt	**(233.3)**	117.4
Opening net debt	**(535.8)**	(653.2)
Closing net debt	**(769.1)**	(535.8)

Net debt to Adjusted EBITDA

	2026 £m	2025 £m
Adjusted EBIT	**594.5**	486.3
Depreciation and amortisation (excluding acquired intangible assets)	**67.0**	66.5
Adjusted EBITDA	**661.5**	552.8
Net debt to Adjusted EBITDA (times)	**1.16**	0.97

Average debt and interest rates

	2026	2025
Average gross debt (£m)	**868.9**	831.2
Weighted average interest rate on gross debt	**3.77%**	3.65%
Average cash balances (£m)	**237.7**	198.9
Weighted average interest rate on cash	**2.45%**	1.67%
Average net debt (£m)	**631.2**	632.3
Weighted average interest rate on net debt	**4.27%**	4.27%

Strong cash generation

Cash generated from operations in the year was £593.1m (2025: £595.7m). Adjusted[1] operating cash flow was £550.2m (2025: £545.7m) which represented an Adjusted[1] cash conversion of 93% (2025: 112%) of Adjusted[1] operating profit. This was ahead of our Adjusted[1] cash conversion KPI target of 90%. Adjusted[1] operating cash flow is defined in note 3 to the Accounts.

There was a working capital outflow of £66.3m, comprising changes in inventory, receivables and creditors (2025: inflow of £29.6m). As a percentage of revenue, working capital was 18% (2025: 17%), reflecting good underlying working capital management.

This year's cash flow is shown above. 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 £469.1m (2025: £167.9m), reflecting a record year for M&A investment. Dividends totalling £89.7m (2025: £83.8m) were paid to shareholders in the year. Taxation paid increased to £112.5m (2025: £103.3m).

Substantial funding capacity and liquidity

We have a strong balance sheet and substantial available liquidity. At the year end, our committed facilities totalled £1,231m, based on exchange rates at 31 March 2026. Our long-term funding is principally comprised of US Private Placements and a Revolving Credit Facility.

The financial covenants on these facilities are for leverage (net debt / Adjusted[1] EBITDA[1]) 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 2026, net debt was £769.1m, including £107.8m of IFRS 16 lease liabilities (net debt at 31 March 2025 was £535.8m), resulting in gearing (net debt/ Adjusted[1] EBITDA[1]) at the year end of 1.16 times (2025: 0.97 times).

The net financing cost in the income statement of £30.0m was higher than the prior year (2025: £26.9m), reflecting higher leverage, principally as a result of investment in acquisitions in the year. We would expect the net financing cost for the 2027 financial year to be approximately £30m, if no further acquisitions were to be made.

Higher Group tax rate

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 23.7% (2025: 22.6%). This increase mainly reflected changes in the forecast mix of Group profits towards higher tax jurisdictions and increased international tax complexity and risk.

Based on the latest forecast mix of adjusted profits for the year to 31 March 2027, we currently anticipate the Group's effective tax rate to be in the range of approximately 23.5% to 24.0% of Adjusted[1] profit before taxation.

Continued investment for organic growth

As well as our investment in R&D and acquisitions, which are discussed in the Chief Financial Officer's Review on page 14, we invested £56.2m (2025: £45.6m), principally in plant, equipment and vehicles. The increase reflects investment in manufacturing facilities and infrastructure to support our future growth. We anticipate capital expenditure to be in the range of approximately £55m to £60m 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 £14.8m (2025: £13.8m), recognised an impairment reversal of £0.8m (2025: impairment of £3.1m) and amortised £10.9m (2025: £10.4m). The asset carrying value after a £0.2m (2025: £0.7m) loss relating to foreign exchange was £54.8m (2025: £51.4m).

Lease right-of-use asset additions and remeasurements were £24.5m (2025: £52.5m). This included additions of £11.5m 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 Adjusted[1] 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 investment opportunities available to the Group to support its medium-term growth, and its continued balance sheet strength.

Adjusted[1] earnings per share increased by 21.0% to 114.05p (2025: 94.23p), ahead of our 10% KPI target. Statutory basic earnings per share increased by 25.6% to 98.57p (2025: 78.49p).

The Board is recommending a 7.0% increase in the final dividend to 15.11p per share (2025: 14.12p per share), which together with the 9.63p per share interim dividend gives a total dividend per share of 24.74p (2025: 23.12p), up 7.0% in total, in line with our medium-term organic revenue growth rate.

Adjusted[1] dividend cover (the ratio of Adjusted[1] profit after tax to dividends paid and proposed) is 4.73 times (2025: 4.07 times).

The final dividend for the financial year ended 31 March 2026 is subject to approval by shareholders at the Annual General Meeting on 23 July 2026 and, if approved, will be paid on 14 August 2026 to shareholders on the register at 10 July 2026.

1 See alternative performance measures in note 3 to the Accounts.
2 On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic[1] revenue growth respectively and a 190bps increase in both reported and organic[1] Adjusted[1] EBIT growth.

Safety

Our Safety Sector companies protect people and assets. Our innovative technologies play a critical role in addressing safety risks in public, commercial and industrial environments, keeping people and critical assets safe and helping to create a safer and more sustainable future for everyone.

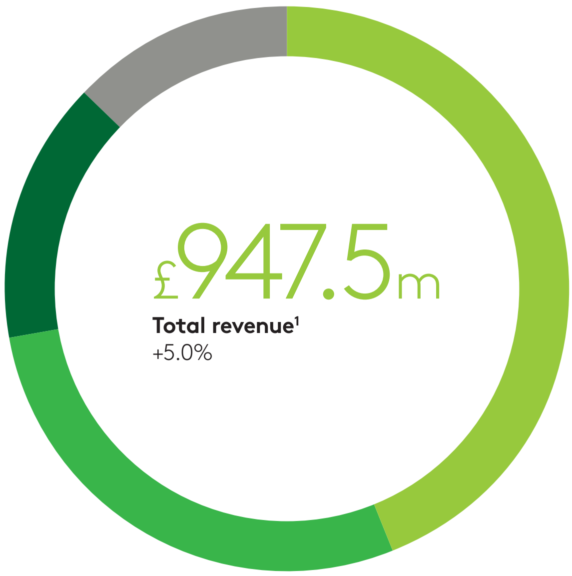
Our markets

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

Public Safety
Technologies that safeguard the public by protecting people against risks in daily life.

Worker Safety
Solutions that protect people in hazardous work environments.

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



Summary

- Good, broad-based organic[2] revenue growth
- Double-digit organic[2] Adjusted[2] profit growth
- Adjusted[2] profit margin increased
- Two acquisitions completed

£253.6m
Adjusted[2] profit
+16.4%

37%
Sector % of Group turnover

1 Includes inter-segmental sales.
2 See alternative performance measures in note 3 to the Accounts.
For sector profit before allocation of adjustments, see note 1 to the Accounts.

Case study

Keeping hospitals safe from fire

Large, modern hospitals like the New Children's Hospital in Dublin present unique fire safety challenges. Every day, thousands of people, including patients, families, clinicians and teaching staff, gather in a complex and busy environment. To ensure their safety, fire alarms and detection systems must function seamlessly across all areas of the hospital, from patient wards to research labs, without interfering with medical care or the hospital's digital infrastructure.

Ireland's New Children's Hospital, located in Dublin, brings together paediatric services from across the city, creating a national centre for specialist care, education and research. Covering over 160,000 square metres – the size of 22 football pitches – the campus has thousands of rooms, including inpatient wards, operating theatres, outpatient facilities and a dedicated education centre.

Protecting such a large and complex hospital from fire demands systems that are accurate, resilient and adaptable. As Ireland's first fully digital hospital, any fire safety technology must also integrate with its IT infrastructure for real-time monitoring.

Working with its partners G4S Fire & Security Systems Ireland and Mercury Engineering, Halma companies, led by Apollo Fire Detectors, have delivered an integrated fire detection and alarm solution. Apollo fire detectors, Advanced fire panels and FFE flame detectors are installed throughout the hospital, providing layered protection tailored to different areas.

More than 25,000 devices ensure site-wide protection, with fast, reliable detection and operational resilience, supporting safety at one of Europe's most advanced hospitals every day.

> Together with Halma's fire companies, G4S created a reliable, flexible and scalable fire safety system designed around the needs of a modern healthcare environment, that could grow with the building and keep patients, staff and visitors safe.

Quintin Moore
Operations Manager Fire Projects, G4S Fire & Security Systems Ireland

What the sector does

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

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

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

Public Safety – technologies that safeguard the public by protecting people against risks in daily life.

Worker Safety – solutions that protect people in hazardous work environments.

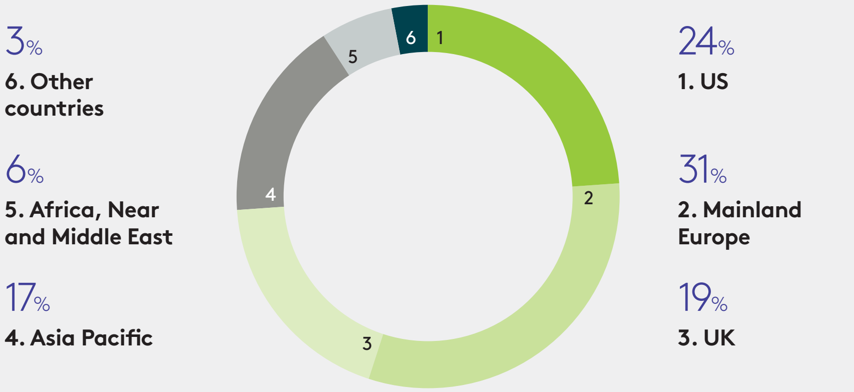
Infrastructure & Asset Safety – technologies that ensure the safe management and operation of critical infrastructure.

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 sector's long-term growth is supported by complex safety regulations, as well as a commitment from its customers to reduce safety risks. It is further reinforced by long-term global trends, including climate change, technological advancement and urbanisation.

Revenue by destination



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 safety solutions tailored for renewable energy infrastructure to help keep workers and assets safe.

Our companies are also supporting the transition towards renewable and cleaner energy sources and uses, offering safety solutions through electrical testing of electric vehicles (EVs) and mass transit systems, and technologies that improve the efficiency and safety of industrial processes.

Technological advancements and the increasing deployment of automated solutions and intelligent products in industrial environments are providing exciting market opportunities for our companies. Our connected products and solutions are well placed to ensure high standards of worker safety in increasingly 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 for greater public safety and efficiencies in urban settings, which results in growth in areas such as emergency communications systems.

Sector performance

During the year, the Safety Sector maintained good growth momentum, following two consecutive years of double-digit Adjusted[1] profit growth. Performance was broad based, with revenue growth across all subsectors and the majority of geographies, alongside increased profitability.

Revenue for the year increased by 5.0% to £947.5m (2025: £902.0m), with organic[1] growth of 6.5%. Growth was driven by strong execution across many of our larger companies, supported by our disciplined, multi-year portfolio management through acquisitions and disposals.

We saw revenue growth across all four subsectors on a reported and an organic[1] basis, led by strong growth in the Public Safety subsector. The Fire Safety and Worker Safety subsectors delivered good organic[1] revenue growth, while Infrastructure & Asset Safety's performance was modest. Public Safety benefited from strong demand and continued new product development in sensor technologies. Our largest subsector, Fire Safety, delivered good organic[1] revenue growth, driven by new product development and good demand across the companies, partially offset by customer project delays, notably in the US. On a reported basis, Fire Safety delivered modest revenue growth, reflecting the effect of the disposal of AAI during the first half of the year.

Growth in Worker Safety was driven by increased demand for interlock applications in energy markets, alongside a recovery in industrial end markets. We also saw a mixed performance in Infrastructure & Asset Safety, reflecting delays to some larger customer projects.

All regions delivered organic[1] revenue growth, with Asia Pacific achieving double-digit growth. Mainland Europe also performed well, reflecting broad-based growth across the subsectors as described above. In the UK, organic[1] revenue growth was mixed, with positive performance in the Public Safety and Fire Safety subsectors, offset by a weaker performance in the Infrastructure & Asset Safety subsector. In the US, organic[1] growth was weaker due to customer project delays within the Fire Safety subsector. On a reported basis, revenue in the US declined, given the effect of the AAI disposal.

Adjusted[1] profit increased by 16.4% to £253.6m (2025: £217.9m) on a reported basis and increased by 13.1% on an organic basis. Adjusted[1] profit margin increased to 26.8% (2025: 24.2%) driven by continued strong revenue growth, favourable portfolio and product mix, good cost control and accretive acquisitions and disposals from continued portfolio management.

The sector continued to invest in opportunities to support future growth. R&D expenditure increased to £56.5m, representing 6.0% of revenue (2025: £50.4m; 5.6% of revenue), reflecting our continued focus on innovation and new product development. We also invested across our existing businesses to build capacity and scalability, including expanding facilities, adding machinery, increasing automation, and strengthening our talent base.

Two standalone acquisitions were completed during the year within the Fire Safety subsector. E2S, a UK-based manufacturer of high-performance notification, initiation and detection devices in highly hazardous environments, was acquired in December 2025 for a consideration of £226m[2], representing our largest acquisition to date. Safetec, an Italian-based provider of integrated fire safety systems for industrial markets, was acquired in January 2026 for a consideration of €74m (£64m)[2]. Together, these acquisitions broaden our fire and gas safety portfolio, and strengthen our position in highly regulated, high-growth industrial markets.

Acquisitions had a positive effect of 2.7% on revenue and 3.6% on Adjusted[1] profit. The disposal of AAI in the year had a negative effect of 3.3% on revenue and a positive effect of 0.5% on Adjusted[1] profit. Currency exchange movements had a negative effect of 0.9% on revenue and 0.8% on Adjusted[1] profit.

Acquisition case study: E2S

Expanding our presence in hazardous environments

Many industrial and manufacturing environments are inherently hazardous. Dangers such as gas leaks, fires or equipment failures pose serious risks to workers and critical assets. Rapid, reliable alerting systems are essential to enable quick action and reduce risk. As global energy demand grows and safety regulation intensifies, the need for high-performance, certified signalling solutions designed to operate in harsh and challenging conditions continues to increase.

Halma acquired E2S, headquartered in London with operations in the US and France, in December 2025 to strengthen its Safety Sector's capabilities in hazardous and regulated environments. E2S designs and manufactures high-performance notification, initiation and detection devices that form part of critical safety systems used in these settings. The acquisition complements Halma's existing strengths in fire safety and gas detection, expanding its ability to protect people and vital assets in high-risk environments.

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.

Environmental & Analysis

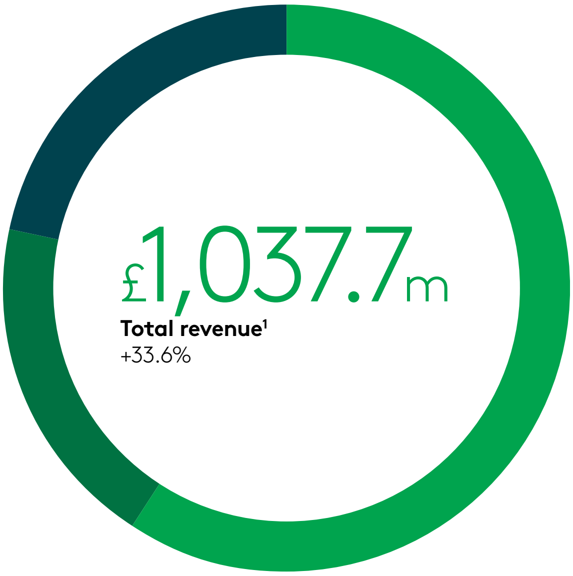
Our Environmental & Analysis Sector companies provide technologies that monitor the environment, ensure the quality and availability of life-critical resources, and enable customers to analyse, test and transmit critical data through optical and photonic technologies.

Our markets

Optical Solutions
Technologies that use light to analyse, test and transmit information – from photonic and optoelectronic solutions supporting digital and data connectivity, to optical systems used in industrial, scientific and research applications.

Water Analysis & Treatment
Infrastructure monitoring, testing and disinfection technologies that help communities and businesses around the world to sustainably improve water availability and quality.

Environmental Monitoring & Measurement
Technologies that protect critical infrastructure, detecting hazardous gases, preventing environmental damage, and monitoring performance to ensure assets operate safely and reliably.



Summary

- Very strong revenue and Adjusted[2] profit growth
- Double-digit percentage growth in all subsectors
- Performance includes premium growth in photonics
- One acquisition completed in the year

£250.6m
Adjusted profit[2]
+35.1%

40%
Sector % of Group turnover

1 Includes inter-segmental sales.
2 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.

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

Case study

Maintaining resilient water networks

Across the UK, vast water and sewer networks run silently beneath our feet, and they are under increasing pressure. Keeping them flowing is vital for public health, yet service providers are being stretched by ageing infrastructure, growing urban populations and more frequent and extreme rainfall. These combined stresses make it harder to spot early warning signs and prevent small faults from escalating. When leaks or blockages go undetected, the impact can quickly be felt above ground, causing service disruption, environmental damage and higher costs for utilities and the communities they serve.

Lanes Group is one of the UK's leading providers of drainage and sewer maintenance services, working with water utilities nationwide to keep networks operating safely and reliably. Its inspection work helps identify leaks, blockages and structural deterioration at an early stage, enabling issues to be addressed before they result in disruption or environmental harm. However, traditional inspection methods can expose crews to unnecessary risk and limit the quality of data available for effective maintenance planning.

To support this work, Lanes Group partners with Minicam, a Halma company that designs portable inspection systems for confined and hazardous environments. Together, they have developed customised CCTV inspection vans that enable detailed surveys of underground pipes to be carried out safely and efficiently.

Inspections are performed remotely from the safety of the van, while still delivering clear imagery and accurate measurements from inside the pipe. Survey results are transmitted via 5G, providing real-time data that helps utilities prioritise maintenance, prevent failures and move towards more proactive network management.

Together, Minicam and Lanes Group are helping utilities maintain essential water networks more effectively, supporting resilient infrastructure for the future.

> Our partnership with Minicam places advanced CCTV vans at the centre of our operations, enabling safer remote surveys and real-time data to maintain resilient water networks and deliver reliable, sustainable service for communities.
>
> **Chris Wilde**
> Head of CCTV at Lanes Group

What the sector does

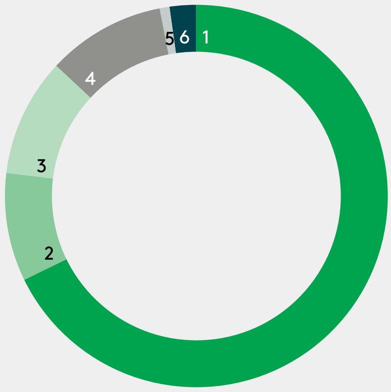
Our Environmental & Analysis Sector companies provide high-technology solutions that monitor the environment, ensure the quality and availability of life-critical natural resources such as air, water and food, and enable customers to analyse, test and transmit critical data through advanced optical and photonic technologies. Their solutions support a wide range of applications from environmental monitoring and materials analysis to digital, data and communications infrastructure. These technologies are often technically differentiated by deep application knowledge, often assisted by digital expertise, specialised across different types of sensing from acoustic to optical or photonic expertise, and supported by high levels of customer responsiveness.

They serve a wide variety of end markets and customers. The sector benefits from a well-diversified customer base and broad exposure to multiple end markets including: 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, also driving electrification and increasing grid and distributed power. Growth in these areas is underpinned by worldwide population growth, urbanisation 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.

Revenue by destination



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, and to support new technologies to address issues such as renewable energy and storage, sustainable food systems and mobility in cities.

Sector performance

The Environmental & Analysis Sector delivered very strong revenue growth. Revenue of £1,037.7m (2025: £776.6m) was 33.6% higher than in the prior year, and up 35.7% on an organic[1] basis. Excluding the one-off[3] from the Nuvonic transaction realised in the year, revenue increased by 32.3%, or 34.4% on an organic[1] basis.

The sector delivered very strong growth, driven by double-digit percentage growth in all subsectors, with a very strong performance in the Optical Solutions subsector. This was primarily driven by premium[4] growth in photonics.

There was strong organic[1] growth in both Environmental Monitoring & Measurement and Water Analysis & Treatment. The latter also benefited from a transaction for the sale of trademark licence and related manufacturing and distribution rights for certain Nuvonic products in China and other agreed southeastern Asian markets which resulted in one-off[3] revenue of £9.9m and profit of £9.3m. Organic[1] revenue growth in Environmental Monitoring & Measurement was driven by demand for gas detection solutions in the US, gas management solutions in Asia Pacific and broad-based growth in Mainland Europe, including in submersible technology for underwater inspection. Water Analysis & Treatment's performance benefited from growth in water infrastructure in the US and UK.

Photonics premium growth

A growing need for data transfer and connectivity is supporting premium[4] growth within our photonics business. Increasing data volumes and the need for faster, more efficient data transmission are driving demand from a long-standing "hyperscaler" technology customer to support the development of its data centre capabilities.

While the relationship remains commercially confidential, it is characterised by close technical collaboration for over a decade in applying our customer's intellectual property alongside our own capabilities in the co-design and manufacture of multiple generations of optical switches. In 2026, this customer accounted for approximately half of the sector's revenue, or 20% of Group revenue (2025: 15%), representing a growth rate of 52% (2025: 37%).

→ **Further details are provided in the Group Chief Executive's review and the Chief Financial Officer's review on pages 8 and 14.**

Further information on sector performance

By region, the US accounts for over 65% of the sector's revenue and reported the highest growth at 42.4%. This was driven by the premium[4] growth in photonics, and was also supported by strong growth in Environmental Monitoring & Measurement. There was strong organic[1] growth in Mainland Europe, led by Environmental Monitoring & Measurement, with reported revenue also benefiting from the acquisition of Brownline in the period. Organic[1] growth in the UK was good, led by water infrastructure within Water Analysis & Treatment, partly offset by weaker trends in Environmental Monitoring & Measurement. A strong organic[1] revenue performance in Asia (excluding the one-off[3] revenue from the Nuvonic transaction) was primarily driven by the growth in Environmental Monitoring & Measurement noted above.

Adjusted[1] profit grew by 35.1% to £250.6m (2025: £185.5m), and by 35.7% on an organic[1] basis. Adjusted[1] profit margin increased by 20 basis points to 24.1% (2025: 23.9%), reflecting the one-off[3] profit from the Nuvonic transaction. Excluding this one-off[3], Adjusted[1] profit increased by 30.1% to £241.3m, and by 30.7% on an organic[1] basis, while the Adjusted[1] profit[1] margin decreased by 40bps to 23.5%.

R&D expenditure increased to £34.9m (2025: £28.4m). This represented 3.4% of revenue, lower than the 3.7% in 2025. The reduction in R&D as a percentage of sales reflects the premium[4] revenue growth in photonics, where development is part of the revenues we earn. R&D investment in other sector companies remained at a healthy level.

The sector made one acquisition in the year, of Brownline, a Netherlands-based provider of advanced gyroscopic locating systems used by Horizontal Directional Drilling contractors in trenchless underground drilling, for €146m (£127m)[2] as a standalone company. Following the period end, the sector made one further acquisition, of DCR Inspection Systems Ltd, a UK rental and service partner of drainage equipment, as a bolt-on for Minicam, for approximately £8m, and one disposal, of Labsphere, for approximately US$39m (£29m), net of disposal costs.

Acquisitions (net of disposal) contributed 2.7% to revenue growth in the year, and 4.3% to Adjusted[1] profit. Currency exchange movements had a negative effect of 4.8% on revenue and 4.9% on Adjusted[1] profit.

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.
3 On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m (£9.9m). Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026, which constitute a 50bps and 40bps increase in reported and organic[1] revenue growth respectively and a 190bps increase in both reported and organic[1] Adjusted[1] EBIT growth.
4 The photonics premium is determined as the incremental contribution to Group organic[1] revenue growth from the photonics business in excess of the Group's long-term organic[1] revenue growth rate of 7%.

Acquisition case study: Brownline

Adding new capabilities

As cities expand and the global energy transition accelerates, there is growing demand for underground infrastructure such as power cables and fibre internet lines. Traditional installation methods are disruptive, requiring roads to be dug up and bulky above-ground equipment, making them poorly suited to densely populated urban environments. In August 2025, Halma acquired Brownline, based in the Netherlands, to address this challenge.

Brownline is a provider of smart, trenchless underground drilling technology that enables construction teams to drill with precision, without surface disruption. Its advanced, data-led steering and locating services make installing critical infrastructure faster, easier and less environmentally disruptive. The acquisition strengthens Halma's Environmental & Analysis Sector, expanding its reach into infrastructure resilience and energy transition technologies.

Healthcare

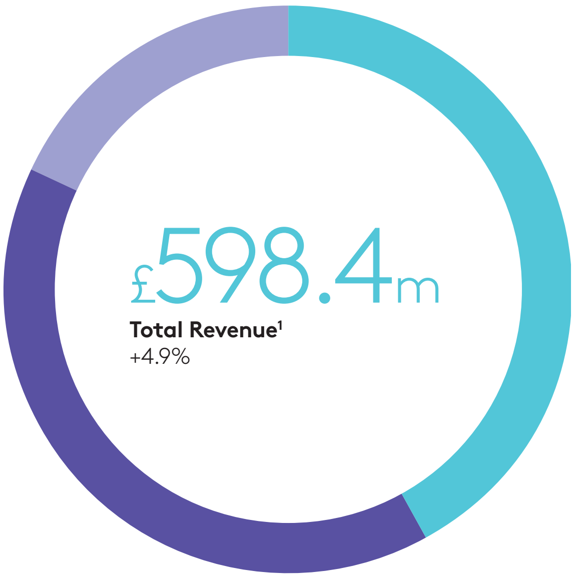
Our Healthcare Sector companies help providers improve the care they deliver and enhance patients' quality of life. They support the discovery of new cures, the prevention, diagnosis and treatment of patient conditions, and the enablement of safer, more efficient healthcare delivery through data, systems and technology.

Our markets

Discovery, Prevention & Diagnostics
Components, devices and systems that generate information and insights to help providers understand and diagnose health conditions, and support earlier intervention and prevention.

Therapeutic Solutions
Technologies, materials and solutions used in surgical and acute healthcare settings that provide targeted treatments across key clinical specialties.

Healthcare Enablement
Systems and technologies that enable healthcare providers to operate more efficiently, safely and effectively, supporting staff safety, optimising workflows and asset utilisation, and improving the delivery of patient care.



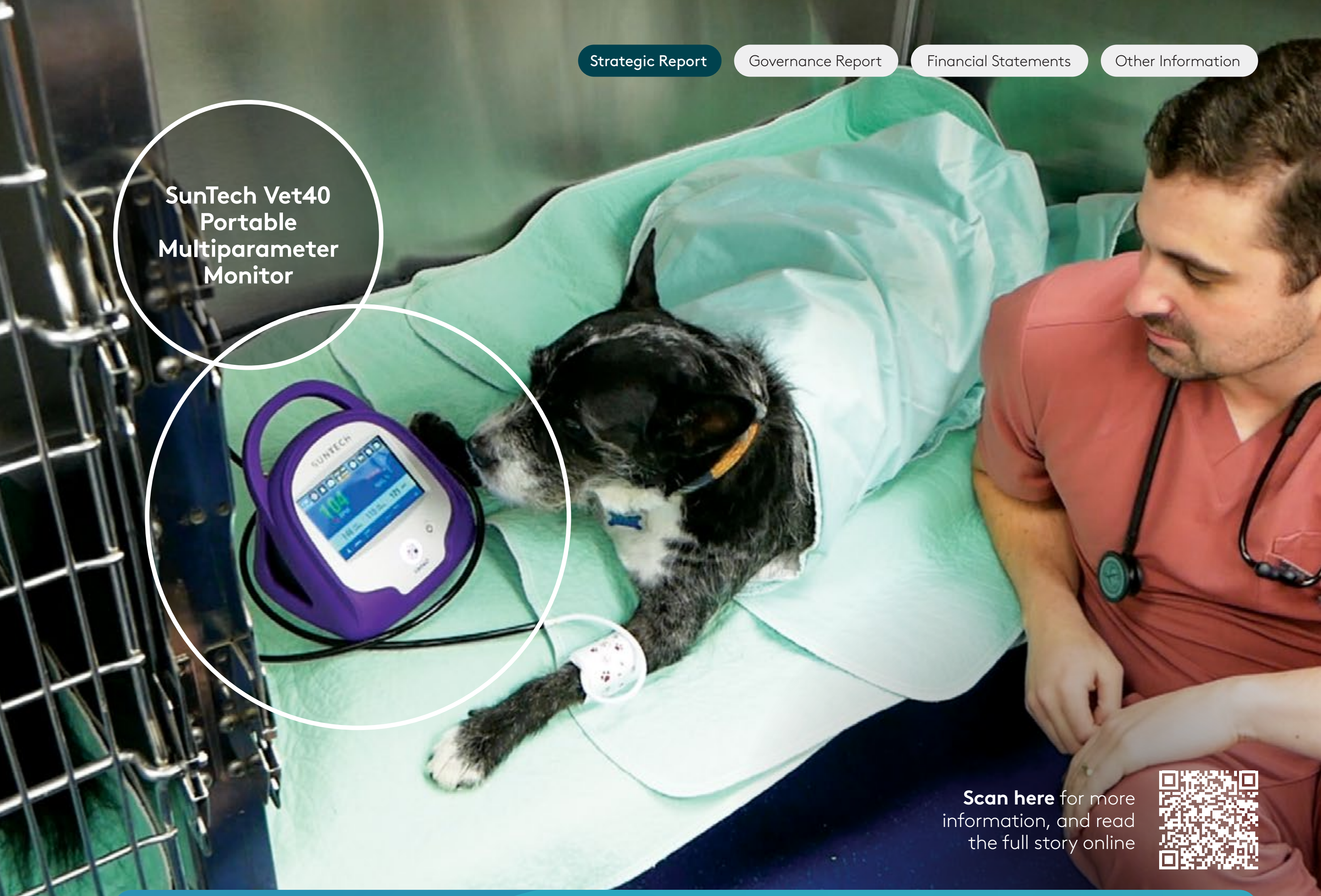
Summary

- Continued broad-based recovery in end markets
- Good organic[2] revenue growth in all three subsectors
- Adjusted[2] profit margin increased
- Two acquisitions completed in the year; one further acquisition since the year end

£143.1m
Adjusted profit[2]
+9.5%

23%
Sector % of Group turnover

1 Includes inter-segmental sales.
2 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.



SunTech Vet40 Portable Multiparameter Monitor

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

Case study

Better blood pressure monitoring for pets

High blood pressure is often missed in pets. Left untreated, it can lead to blindness, organ damage and stroke. Yet taking accurate readings in animals is not straightforward as many animals become anxious in clinical settings and often move during appointments, leading to unreliable readings for veterinary teams.

For more than three decades, SunTech has developed blood pressure monitors trusted by hospitals and clinics worldwide. Its motion-tolerant technology was designed to solve one of the hardest challenges in blood pressure measurement: obtaining accurate readings when the patient is moving. That expertise has now been applied to veterinary medicine.

As pet ownership in the US grows and spending on veterinary care rises, so does the need for dependable, easy-to-use monitoring tools to look after their health.

SunTech's Vet BP range helps vets take accurate readings on moving animals, supporting faster, more confident clinical decisions.

Working with North Carolina State University's veterinary school, SunTech adapted its human-based algorithms to reflect the unique physiology of animals, while its soft, latex-free cuffs come in 10 sizes to fit small cats to large horses. Its newest product, the Vet40, combines blood pressure measurement with pulse oximetry, temperature monitoring, ECG and capnography in one portable device for surgery, triage and recovery.

By bringing proven blood pressure expertise to veterinary care, SunTech is helping vets take more reliable readings across a range of settings. This supports earlier intervention and more informed decisions for animals, their owners and the teams caring for them.

> SunTech's compact monitor helps me assess suspected cardiac cases efficiently, taking multiple readings automatically with owners present, so I can step away and return to a reliable average quickly, even during smaller procedures when I do not need the OR.

Dr. Efrain Wong DVM, BS
Vet at Servicios Medicos Veterinarios in Mexico

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; minimally invasive surgical instruments to assist with interventional radiology and oncology; and retraction systems and electrosurgical devices for surgical procedures.

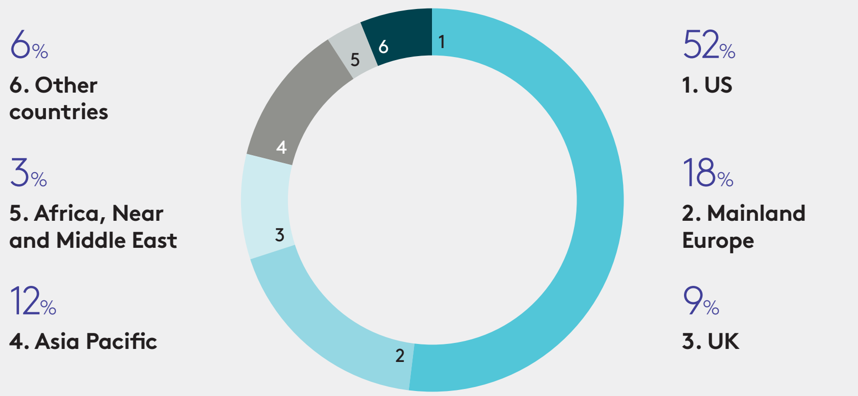
The sector has a strategic footprint in women's health with artificial intelligence (AI) based clinical decision support tools for childbirth and sample collection devices for cervical cancer screening.

Sector companies also supply sensor technologies to track healthcare facility assets, increase efficiency, and support patient and staff safety, and critical fluidic components for diagnostic and analytical instruments.

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).

In this Annual Report, Healthcare Sector companies have been recategorised under three subsectors, to better align them with patients' journeys from prevention and diagnosis, to therapeutic treatment, with a third subsector focused on supporting healthcare providers to deliver better care.

Revenue by destination



The sector's long-term growth drivers

The sector's long-term growth is supported by demographic trends, technological innovation leading to improvements in diagnosis and standards of care, health equity, and the need for increased efficiency given growing demands on healthcare systems.

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 Organization 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, 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. The companies in our Discovery, Prevention & Diagnostics subsector contribute to improving standards of care and increasing efficiency by enabling better, earlier, faster and more cost effective diagnosis and treatment of patients. This in turn leverages the skills and availability of increasingly scarce healthcare staff. In addition, rising patient demand and workforce shortages have created substantial backlogs of patients, which are likely to persist for many years, driving an increasing need for efficiency. These factors are strong growth drivers for our Healthcare Enablement 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 provides sample collection devices for cervical cancer screening.

Sector performance

The Healthcare Sector's performance reflected good execution by our companies against a background of continued broad-based recovery in healthcare end markets, which is supported by improving customer confidence. Revenue increased by 4.9% to £598.4m (2025: £570.4m). On an organic[2] basis, revenue was 6.3% higher in the year. This comprised 7.4% growth in the first half and, against a stronger comparative, 5.3% growth in the second half.

There were good levels of organic[2] revenue growth across all three subsectors. In Discovery, Prevention & Diagnostics, this principally reflected strong momentum in vital signs monitoring and positive trends in ophthalmology diagnostics, together comprising the majority of companies in the subsector. This was partly offset by a slower recovery in Asia Pacific than in other markets.

There was broad-based organic[2] revenue growth in the Therapeutic Solutions subsector, which included strong momentum, notably in the US, in some respiratory device and surgical companies. Ophthalmology therapeutics in Europe, which had been weaker in the first half, saw an improved performance in the second half. Growth on a reported basis was also supported by a good contribution from the acquisition in the prior year of Lamidey Noury.

Good organic[2] revenue growth in Healthcare Enablement was driven by demand for communications and software systems to improve the efficiency of healthcare delivery in both the UK and North America.

Performance by geography included good organic[2] growth across all three subsectors in the sector's largest region, the US, and strength in the UK which was driven by Healthcare Enablement. There was modest growth in Mainland Europe on an organic[2] basis, with progress in Therapeutic Solutions and Healthcare Enablement partly offset by a modest decline in Discovery, Prevention & Diagnostics. Continued weakness in Asia Pacific was more than offset by very strong growth in other regions.

Adjusted[2] profit of £143.1m was 9.5% higher than in the prior year (2025: £130.6m), and 9.6% higher on an organic[2] basis. Adjusted[2] profit margin increased by 100 basis points to 23.9% (2025: 22.9%). This reflected the stronger revenue growth in the period, continued discipline on pricing and mix, and good control of overhead costs. R&D expenditure was £31.2m, representing 5.2% of revenue (2025: £29.7m; 5.2% of revenue), reflecting continued good levels of investment in new product development.

The sector made two acquisitions during the year. Altomed, a UK-based manufacturer and distributor of specialised ophthalmic instruments and consumables, was acquired in February 2026 for £29m, as a bolt-on for the Therapeutic Solutions company MST. In April 2025, we acquired Nu Perspectives, a cryogenic therapy device engineering company, as a bolt-on for ophthalmology diagnostics company Keeler, for £1m (both considerations given are on a cash- and debt-free basis). Since the year end, the sector has made one further acquisition, of Surgistar, a designer and manufacturer of ophthalmic surgical instruments and devices, for US$90m (approximately £67m), as a bolt-on for MST, and, as part of the active management of its portfolio, has made one small disposal, of Cardios in Brazil, for R$82m (approximately £12m), net of disposal costs.

Acquisitions (net of disposals) had a positive effect of 1.4% on revenue and 2.3% on Adjusted[2] profit. Currency exchange movements had a negative effect of 2.8% on revenue and 2.4% on Adjusted[2] profit.

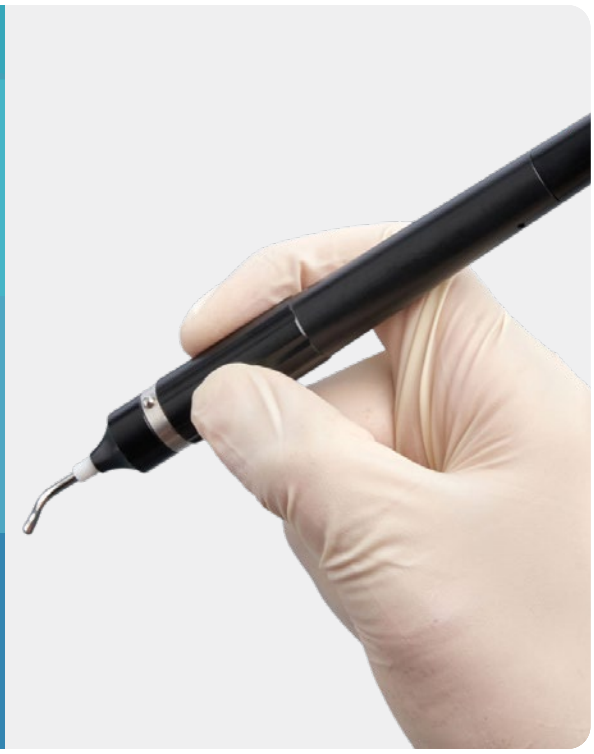
1 Closing the Women's Health Gap, World Economic Forum insight report, January 2024.
2 See alternative performance measures in note 3 to the Accounts. For sector profit before allocation of adjustments, see note 1 to the Accounts.

Acquisition case study: Keeler and NU Perspectives

Growing surgical product capabilities

Keeler is a manufacturer of ophthalmic diagnostic and surgical instruments based in Windsor, UK providing eye care professionals with high-quality imaging and diagnostic solutions. It acquired Nu Perspectives in April 2025 as a bolt-on acquisition to strengthen its surgical product capabilities.

Nu Perspectives specialises in the design and manufacture of precision cryo probes used with Keeler's Cryomatic MKII console, its leading cryosurgical platform. Cryotherapy is a well-established surgical technique that uses extreme cold to treat diseased or damaged tissue. In ophthalmology, it plays an important role in treating conditions such as retinal detachment, glaucoma and cataracts, where precision and reliability are critical to protecting a patient's sight. The acquisition enhances Keeler's surgical offering and supports its mission to help bring an end to preventable vision loss.



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 18**

→ **Sustainability on page 58**

→ **Board engagement with employees on page 110**

→ **Remuneration Report on page 124**

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, functional events and the annual Accelerate event. We are able to measure employee engagement through mechanisms such as 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 21 company site visits, meeting with a diverse range of colleagues.
- Continued to embed an engagement platform which measures employee sentiment through an annual engagement survey and pulse checks throughout the year. Our tenth annual survey, and second conducted through the platform, completed during the financial year ended 31 March 2026.
- Achieved an 85% (FY25: 83%) response rate and 75% (FY25: 73%) overall engagement rate for our annual employee engagement survey.
- The Employee Assistance Programme has been expanded to include five additional countries, now covering 97% of all employees. Through this programme, we have supported employees in exploring topics such as mental health. We are also supporting employees through the Middle East crisis, with resources provided in local languages.
- Nearly 300 of our leaders participated in leadership development programmes throughout the year. Additionally, we provided coaching to over 90 leaders, with over 60 active mentors involved in developing others across the business. Investment in leadership development will be increased during the calendar year 2026, with the addition of four new programmes.
- Continued to deliver our internal non-executive director programme, driving peer learning, best practice sharing and portfolio-wide connectivity.
- Further work-life balance and employee wellbeing benefits have been introduced across the Group, including virtual fertility and maternity support and holistic menopause and midlife health services in the US, and access to an online menopause clinic in the UK.
- Volunteering leave was introduced to all Halma employees based in the UK, Europe and the US from 1 January 2026. Each employee will receive two paid days each year to volunteer with a charitable organisation, in addition to their usual paid annual leave.
- Launched the Impact the Future Fund, governed by an employee-led committee, comprising employees from operational to board level, across the Group.

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 and compliance
- Access to central expertise, skills and other resources
- R&D investment
- Talent development
- International expansion

Further links:

→ **Business reviews on page 38**
→ **Halma at a glance on page 4**
→ **Invest to Grow on page 12**
→ **Sustainability on page 58**

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

- 21 company site visits were attended by Board and non-executive Directors'
- Supported the development of our companies' professional development, operational efficiencies and products via our Functional Networks, which enables collaboration, interconnectivity and allows our companies to leverage their experiences and knowledge from one another.
- Held various events throughout the year, bringing together operational leaders, which included, among others, the annual Accelerate conference (see below); a two-day Finance Conference in Italy; a talent partner conference in the UK; and an IT managers/directors forum. Information on further events held can be found in the Sustainability section on page 58.
- 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.
- Provided training to companies on VAT, customs and transfer pricing, as well as legal and tax guidance in relation to tariffs.

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
- Social, ethical and environmental impacts

Further links:

→ **Business reviews on page 38**
→ **Non-financial & sustainability information statement on page 98**

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 2026

In April 2026, we held our Accelerate Halma conference in Orlando, bringing together senior leaders from across the Group, including the Board, Executive Board, managing directors, presidents, company board members, sector boards and senior Group colleagues. Accelerate Halma continues to play an important role in strengthening connection, collaboration and shared understanding across Halma's decentralised model.

Designed by leaders from Halma companies, the conference combined a Pavilion, where companies were able to share knowledge, challenges, and showcase their products and services to the network of companies across the Group; plenary presentations and panels on topics relevant to all companies; leader-led "hot topic" learning sessions; awards; functional sessions; and structured networking. The theme of the event was "Maximising Potential", focusing on unlocking greater performance from the strengths already within Halma – its people, companies and model – by strengthening leadership, deepening collaboration and connection and turning insight into action, enabling the Group to sustain growth and impact in an increasingly complex and fast-moving environment.

Leaders consistently felt that the Pavilion was a real highlight, valued for creating shared context, energy and momentum. Dedicated networking time is also always valued, supporting meaningful connections across companies, functions and sectors, while the Awards dinner was recognised for reinforcing pride in performance and Halma's culture. Engagement from senior leaders, including non-executive Directors, was a further strength. Leaders commented on the diversity and openness of panel discussions and the opportunity to hear directly from Board and Executive colleagues, contributing to a positive, high-trust atmosphere.

> This is the fourth Accelerate event that I've been fortunate enough to attend. Connecting with colleagues makes you realise that everybody has similar issues and it's great to share knowledge and learnings with one another.

Faye Bartlett
Managing Director,
Keeler

Suppliers

Developing strong relationships with our suppliers is key to the operational success of our companies 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 58**

→ **Non-financial & sustainability information statement on page 98**

How we engage

As a highly decentralised business, our companies determine their supply chains and own the relationship with their suppliers, working 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. The Board annually reviews and approves our Modern Slavery Act statement, which details how our companies risk assess and mitigate modern slavery issues within their supply chain.

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 and our recently published Supplier Code of Conduct.

Many of our companies have also been engaging with their suppliers on sustainability matters. We continue to expect increased sustainability-related supplier engagement from our companies as we roll out our Group-wide Supplier Code of Conduct over the next three years, and as our new supplier engagement system makes it easier for companies to risk assess and collect relevant data from suppliers.

Outcomes and actions in the year

- A Supply Chain Working Group (SCWG), made up of representatives from 10 of our companies as well as Group functions, was established during the financial year ended 31 March 2026. The purpose of this group is to leverage combined expertise to deliver common frameworks for supply chain due diligence and sustainable procurement.
- Our Halma Supplier Code of Conduct was approved by the Board in September 2025, setting out minimum expectations aligned to our own Code of Conduct and global frameworks. This Group-wide code is designed to supplement and standardise sustainability-related supplier expectations, which have previously been set by individual companies, and we expect companies to begin implementing this code within the next three years.
- We have made IntegrityNext, a global ESG supply chain due diligence and supplier engagement platform, available to our companies to support these frameworks and the roll-out of our Supplier Code of Conduct. The SCWG companies are the first companies onboarded, with wider roll-out planned.
- Our Supplier Terms and Conditions were updated during the year, resulting in a much-reduced and streamlined suite of documents to provide to our suppliers. The revised documents have been rolled out to our companies during the financial year ended 31 March 2026.
- The HSIN team have implemented quarterly virtual meetings of supply chain and procurement leads across the business, with in-person events planned for the year ending 31 March 2027.
- The Risk Ledger tool has been adopted during the year ended 31 March 2026, which assesses the cyber security exposure of companies handling Group and company information. The use of this tool will become part of the standard supplier negotiation process and will be rolled out further across the Group during the year ending 31 March 2027.

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 38**

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 £50m consideration are approved by the Board.

Outcomes and actions in the year

- Completed five purpose-aligned acquisitions across our three sectors throughout the year.
- Increased investment in central M&A teams.
- Increased investment in the central integration team to support smooth integrations for companies joining the Group.
- Increased the number of Divisional Chief Executive roles, allowing for greater capacity on M&A activities.

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 58**

→ **Non-financial & sustainability information statement on page 98**

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.
- We launched the Impact the Future Fund in September 2025. This new initiative sees our companies choose local non-profit partners and apply for annual grants to support causes they care about. During its first year, 19 grants were awarded out of the 48 non-profit organisations nominated by our companies, totalling £500,000 and supporting projects across India, China, the US, Canada and Europe.

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 and risk
- Capital structure, liquidity, capital allocation and dividend policy
- Risk management
- Mergers and acquisitions
- Talent and succession planning
- Environmental, social and governance matters
- Company culture

Further links:

→ **Our investment proposition on page 28**

→ **Business reviews on page 38**

→ **KPIs on page 29**

→ **Board oversight of our culture on page 108**

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 Investor Relations team, 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 compliance, and environmental, social and governance issues, and provide regular reports to the Board on these interactions.

Outcomes and actions in the year

- Held 320 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 roadshows focused on smaller investors and private client brokers, including in-person meetings in regional UK cities and Ireland.
- Held a webinar focused on the retail shareholder audience.
- Held a series of meetings between our Chair, Dame Louise Makin, and major shareholders, covering over 25% of our issued share capital. Key discussion topics included talent and culture, M&A and capital allocation, opportunities and risks within our photonics business, Board skills and succession, oversight of cyber security, AI and emerging technologies, and the resilience of our supply chains.
- Held our Annual General Meeting in July 2025, allowing for face-to-face interaction between Board members and retail shareholders.
- Conducted annual engagement with proxy agencies, prior to the Annual General Meeting in July 2025.

Section 172 Statement and decision-making

The Directors take their responsibilities to stakeholders seriously and consider 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.

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 57
→ Sustainable Growth Model on page 21
→ Business reviews on page 38
→ Strategic Report on page 2

b

The interest of the company's employees

→ Sustainability on page 58
→ Stakeholder engagement on page 50
→ Governance Report on page 99
→ Non-financial & sustainability information statement on page 98
→ Remuneration Report on page 124

c

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

→ Non-financial & sustainability information statement on page 98
→ Stakeholder engagement on page 50
→ Business reviews on page 38
→ Strategic Report on page 2

d

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

→ Sustainability on page 58
→ TCFD Statement on page 85

e

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

→ Sustainable Growth Model on page 21
→ Risk management and internal control on page 74
→ Non-financial & sustainability information statement on page 98

f

The need to act fairly as between members of the company

→ Stakeholder engagement on page 50
→ Governance Report on page 99
→ Directors' Report on page 146

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. → **Read more on capital allocation: 16**	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 the 47th consecutive year, the Board took the decision to increase the dividend by 5% or more and are recommending an increase to the final dividend of 7%. As a 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 Adjusted dividend cover and moderate indebtedness; and equitable treatment of our stakeholders when taking this decision.	That dividends are consistent with the Company's long-term organic 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 five acquisitions during the year, three 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.
Supplier Code of Conduct • Shareholders and investors. • Our companies. • Customers and suppliers. • Society and community.	The Board considered both positive and negative impacts that the new Supplier Code of Conduct (Code) may bring to our suppliers and companies, as well as the wider society and community and the autonomous operating model. Investors were also considered, given the increasing focus on sustainable and ethical practices in the supply chain, as well as the potentially positive impact the new Code would bring to our customers. The Board satisfied itself that the Code aligned with our purpose and values and concluded that the introduction of the Code would bring improved governance, compliance and ethical working practices across the Group and its supply chain.	The Code closely aligns with Halma's Code of Conduct and cements our approach to ethical and sustainable business practices and procurement. It is rooted in our purpose and cultural DNA and mirrors the Code of Conduct's approach to "just be a good person". The Code sets out minimum standards expected of Halma and its companies' suppliers and business partners; it covers human rights and labour standards; environmental responsibility; the governance standards we expect as a minimum from all of our suppliers; and due diligence and risk management expectations.

Our approach to sustainability

Sustainability for growth

At Halma, sustainability is 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 purpose-aligned and 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.

We recognise that conflicts can arise between different elements of our purpose – safer, cleaner, healthier. While certain growth opportunities may help drive one element, such as creating safer workplaces, they may not necessarily enhance another, like promoting cleaner surroundings. We evaluate potential trade-offs within our drive growth pillar and remain committed to a balanced approach.

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. Spanning our second and third pillars, we also focus on creating sustainable supply chains.

To drive Group-wide sustainability progress, 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.

Crowcon fixed gas detector protecting operations at a green hydrogen production site.

Sustainability governance and compliance

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 & Analysis and a member of the Executive Board, and regularly presents to the Board. Funmi Adegoke, Safety Sector Chief Executive, will take over this responsibility from September 2026.

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.

During 2026, the Board and Executive Board reviewed and approved our updated Scope 1 & 2 targets and associated execution plan.

Sustainability Reporting and Risk Steering Group

The main objective of our Sustainability Reporting and Risk Steering Group 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.

During the year, this group has:

- Participated in discussion and direct review of our limited double materiality assessment (DMA).
- Reviewed and contributed to our annual sustainability-related disclosures.
- Helped to guide and influence decisions affecting internal emissions data reporting which has included reviewing the impact of the transition to Watershed – Halma's new emissions reporting platform.

Compliance with sustainability regulations and frameworks

Compliance with various sustainability-related standards and compliance schemes is a significant focus at Halma.

Managing Director of Apollo Fire Detectors Limited receiving the Halma Sustainability Award from Halma's Chief Sustainability Officer.

Our TCFD Statement can be found on page 85 which complies with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. We are also closely monitoring and preparing for disclosure against the UK Sustainability Reporting Standards (SRSs) in due course.

Following the final announcement regarding the European Commission's omnibus package, Halma (and European-based Halma companies) are no longer subject to the obligations set out in the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). Notwithstanding this regulatory change, a limited double materiality assessment (DMA) was undertaken earlier in the year. Although the requirement to conduct and report on a DMA has been removed, the insights obtained will continue to inform and underpin strategic sustainability decisions and future reporting practices, including disclosure against the UK SRSs. Similarly, we continue to advance our work on sustainable supply chains, as set out on page 70.

In addition, we participate annually in the CDP Climate Change disclosure process, providing transparent and comparable environmental data in response to investor needs. In the current reporting year, we sustained a CDP Climate Change score of B, reflecting the robustness of our governance practices and the clarity of our emissions reporting. We remain committed to continuously improving our CDP disclosures, with a particular focus on advancing reporting in areas such as Scope 3 emissions and climate transition planning.

Aside from reporting, Halma has complied with the requirements of the UK Energy Savings Opportunity Scheme (ESOS) and the UK's Extended Producer Responsibility (EPR) regulations for packaging.

Drive growth in sustainability

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.

Key focus areas:

- Sustainability-related product and market opportunities
- Purpose-aligned M&A

We contribute to the UN Sustainable Development Goals (SDGs)

The societal and environmental benefits we enable through our products and services help to directly and indirectly contribute towards the broad aims and some of the more specific targets and actions of many UN SDGs. Highlighted below are some indicative examples of the ways in which Halma's products and services may support the UN SDGs.

SDG	Target	Halma highlight
3. Good Health and Wellbeing	3.9 – By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Sensit, Crowcon and Sensitron's advanced gas sensing monitors can quickly and accurately detect the presence of multiple hazardous gases, providing an extra layer of protection for people working in such environments.
9. Industry, Innovation and Infrastructure	9.1 – Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all.	Our Public Safety and Fire Safety companies are committed to advancing resilient and sustainable infrastructure by designing fire and safety systems that enhance safety, reliability and efficiency, supporting the development of smart and secure communities worldwide.
14. Life Below Water	14.a – Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing states and least developed countries.	Deep Trekker produces submersible robots that support marine habitat monitoring projects and expand environmental research capabilities.

Advanced's next generation fire panels are mounted on an easy-fit chassis plate, making it straightforward for trained engineers to switch the basecard to extend the life of the panel without replacing entire hardware installations.

We focus on bottom-up 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.

We acquire purpose-aligned companies

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.

Brownline, a recent acquisition in our Environmental & Analysis Sector, illustrates a move into a new sustainability-aligned growth opportunity via M&A. Its trenchless drilling technology safeguards communities, infrastructure and the environment by eliminating the need for disruptive and inefficient traditional installation methods. A key driver of its future growth is the need to expand and upgrade electricity transmission and the growth of renewables.

We have a flexible approach to monitoring sustainable growth

Sustainable growth is an integral part of our organisation's purpose, business model and overall strategy. Consequently, we do not find it meaningful to disaggregate and track sustainability-related growth opportunities in isolation. Our efforts are directed towards developing a range of flexible measurement and reporting methods for evaluating such opportunities over time.

Last year, through our annual strategic planning process, we assessed, aggregated and reviewed the financial potential of climate-related opportunities across our products and markets. This year, we continue to promote company-level progress monitoring via individual SAPs. Given our Sustainable Growth Model, we also consider our Group-wide organic profit and revenue growth as well as our acquisition profit growth as key sustainable growth indicators.

Case Study: Ocean Optics

SpeedSorter™ technology for efficient aluminium recycling

Ocean Optics, a Halma company in the Environmental & Analysis Sector, developed the SpeedSorter™, an innovative laser-induced breakdown spectroscopy (LIBS) system that enhances the sorting and recycling of aluminium scrap. This technology addresses environmental challenges by enabling efficient recovery of high-purity aluminium, significantly reducing energy use and carbon emissions compared to primary aluminium production.

Increasing environmental regulations, rising energy prices and constrained primary aluminium production in some regions (eg Europe) is creating strong demand for recycled aluminium. Recycling aluminium can save up to 95% energy and can reduce CO_2 emissions by 39m tonnes annually worldwide. Aluminium recycling facilities operate in demanding conditions.

Recycling yards are noisy, dusty and non-laboratory environments where uptime is critical – any interruption directly translates into lost revenue.

The SpeedSorter™ system uses high-powered lasers and ultra-fast spectrometers to identify aluminium alloys in mixed scrap streams within milliseconds, enabling precise mechanical sorting by grade without extensive preprocessing. It can detect alloys even through dirt or paint coatings.

Developed over several years and now commercially deployed, the system is being integrated into large-scale recycling operations across Europe and Asia, supporting higher recovery rates of valuable scrap metals and enabling more circular material flows. Early feedback from industry has been enthusiastic: on Global Recycling Day 2025, Ocean Optics' customers and partners noted that improving scrap sorting not only boosts profit through higher metal purity but also "keeps material out of landfills – win-win for profit and planet". This positive reception highlights Ocean Optics' impact as an enabler of sustainable practices beyond its own operations.

Beyond recycling, the underlying technology has potential applications across multiple sectors where elemental analysis is critical, reinforcing Ocean Optics' long-term role in enabling resource efficiency and supporting the transition to a more circular economy.

Sources: Aluminium recycling saves 95% of the energy needed for primary aluminium production – International Aluminium Institute
european-aluminium-circular-aluminium-action-plan.pdf

Support our people

We support our people by:

Building an inclusive, safe and high performing culture across Halma, helping teams do their best work and enabling them to succeed in a decentralised model. Much of our core activity has continued throughout the year, including sharpening our focus on how we listen and respond to colleagues, promoting health and safety, fostering collaboration across the Group, and progressing our commitment to diversity, equity and inclusion. This year we improved programmes supporting wellbeing and developing leaders more consistently.

We also strengthened community welfare through company-led initiatives and have enhanced supplier collaboration by streamlining due diligence processes.

Key focus areas:

- Diversity, equity and inclusion
- Employee engagement and wellbeing
- Health and safety

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Highlights of the year

Diversity, equity and inclusion

31%
women on company boards
(-2pp)

16%
senior management from underrepresented ethnic groups
(-2pp)

Employee engagement

85%
survey response
(+2pp)

75%
engagement
(+2pp)

Health and Safety

0.10
Recordable Injury Rate

0
work-related fatalities

Health and wellbeing

24/7
menopause, pregnancy & midlife support now available for US employees

238
families supported through parental leave

Talent and development

22
internal company board promotions

300
leadership development programme participants

Community impact

48
non-profits nominated through Impact the Future Fund

19
non-profits funded across six countries

Listening and responding to our people

We listen to our people through an annual employee survey, now in its tenth cycle. After introducing our new engagement platform, Peakon, last year, more Halma companies are using it to check in throughout the year and track progress against the actions we take after the annual results.

In the 2026 survey, our response rate increased to 85% (+2pp) and our overall engagement score rose to 75% (+2pp). In recent years, we have seen a higher proportion of companies make progress on their engagement scores, with the new tools available to leaders, helping to turn the data into useful actionable insights into how colleagues are experiencing work. This year 60% of companies improved their scores (up from 55% in 2025 and 46% in 2024), and 22% declined (down from 43% in 2025).

This year's results highlight clear strengths: colleagues have well-defined goals, understand their role in company priorities, and feel aligned on what "good" looks like. The support people get from their managers, and the way teams collaborate across our companies are also strong, as is our purpose and DNA, especially among operating company boards.

Developing leaders for a decentralised model

Nurturing internal talent and building future leaders is a core part of our strategy. With inclusive recruitment and deliberate development, we're strengthening succession into senior roles across the organisation.

Throughout the year, 22 internal promotions were made to company board positions, including eight appointments to managing director roles. Additionally, two former managing directors and a group leader were appointed as Divisional Chief Executives.


Halma Catalyst 2025 cohort meeting in Amersham, UK.

We also strengthened how we assess leaders by introducing Deeper Signals, a data-driven platform that supports how we identify, develop and support leadership talent. It replaces our legacy assessment tools for company board roles and for Halma Group hires. Deeper Signals helps us make more consistent, evidence-based decisions across hiring, onboarding, development and succession planning, and it can also support team dynamics and collective self-awareness.

Our Catalyst early careers programme remains an important source of leadership talent. It combines rotating operating company roles with structured development, mentoring, coaching and peer networks to build commercial capability and accelerate progression. As at 31 March 2026, 43 former participants achieved leadership roles with eight holding operating company board positions and three serving as managing directors. Our 2025 cohort also reflects our focus on widening opportunity, with 60% women and 47% from ethnically diverse backgrounds.

Equipping people through talent programmes

Alongside local development in our operating companies, we run and sponsor a set of Group-wide programmes to build capability, support succession planning and strengthen networks across Halma. During the year, nearly 300 leaders took part in leadership development programmes. We delivered more than 1,000 in-person delegate training days, alongside virtual sessions across the organisation. Close to 100 leaders also received individual coaching, and more than 60 mentors supported others' growth. In addition, 500 people are actively engaged on our online platforms for blended learning, with on-the-job experiences used more often alongside formal programmes.

Because demand is growing and the programmes are working, we plan to increase investment in leadership development in 2026. We will introduce four new programmes to support leaders at different stages building self-awareness, supporting transitions into new roles, and helping people move from functional management to strategic board leadership.

External recognition

External recognition reflects our commitment to building inclusive businesses

During the year, Halma Group Chief Executive Marc Ronchetti was recognised for his commitment to gender diversity in business. He was included for the second year running in the involve heroes Advocate Role Model list. The global heroes Role Model lists, supported by YouTube, showcase leaders who are breaking down barriers at work and smashing the ceiling for women within global business. These inspirational leaders are paving the way when it comes to increasing representation and driving inclusion for others within the workplace.

Our companies were also recognised for inclusive practices. For example, Apollo won the Inclusive Company Award at the Women in Fire Safety Awards 2025, and Perma Pure (now Salaera) was honoured by NJBIZ for Empowering Women. The Empowering Women – Companies Leading the Way awards recognise organisations based in New Jersey, US for their tangible and innovative efforts to advance women in business and in the community.

Promoting a safe working environment

We want everyone at Halma to go home safe and well. We promote health and safety, and we expect everyone to play their part by speaking up, looking out for each other and following safe ways of working.

Consistent with our decentralised model, each operating company board is responsible for complying with local health and safety requirements, including relevant supplier obligations. At Group level, we monitor performance and encourage continuous improvement to strengthen health and safety culture across our companies. Companies complete an independent health and safety review at least every three years to assess compliance and support consistent reporting and investigation of incidents.

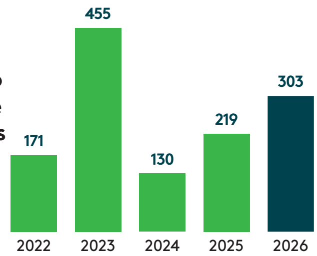
In addition, our lead global insurer reviews employee and third party safety arrangements and controls at four to five sites each year as part of a rotational programme.

When an accident occurs, the company involved reviews the root cause and puts preventative actions in place, which may include additional training and awareness to reduce the likelihood of recurrence.

This year, we have adopted the internationally recognised Recordable Injury Rate (RIR) as our primary Health & Safety metric, replacing Accident Frequency Rate (AFR) to align with industry practice and improve comparability with peers. RIR is calculated as the number of recordable injuries per 200,000 hours worked. This update is a change in presentation rather than performance as our strong safety record, values-driven safety culture and internal reporting remain unchanged. By moving to a more widely accepted metric and focusing on reducing incidents to "as low as reasonably practicable" instead of setting fixed targets, we reinforce our commitment to continuous improvement.

The RIR for the year was 0.10, lower than prior year. 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 2026 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. Despite the decrease in the RIR, the days lost to preventable injuries has increased by 84, primarily due to one incident requiring a prolonged recovery period.

303
Days lost to preventable work injuries



Supporting wellbeing

We also offer practical policies, inclusive benefits and access to professional support to help people look after their wellbeing.

Our key actions in 2026 have included:

Volunteering leave:
From 1 January 2026, all Halma employees based in the UK, Europe or USA receive two paid days each year to volunteer with charitable organisations, in addition to standard paid time off.

Menopause and mid-life support:
US employees and their partners now receive up to 12 months of virtual fertility and maternity support, plus holistic menopause and midlife health services with 24/7 specialist access and referral options. In the UK, employees can use Stella, an online menopause clinic accessible through YuLife for expert advice on symptoms and treatments.

YuLife:
This wellbeing platform is available to UK employees, supporting healthier everyday behaviours. Employee participation during the year funded both access to health and lifestyle apps and a charitable contribution to a leading organisation working to tackle ocean pollution worldwide.

Inclusive leave:
In India, we introduced a menstrual leave policy allowing all female employees up to 52 years of age to take leave during menstruation without requiring a medical certificate.

Caregiver support:
We continued offering gender-neutral parental leave, supporting 238 parents last year to look after their newborns, and nearly 1,200 since 2020 when we introduced the policy.

Employee Assistance Programme (EAP):
We expanded coverage for our global EAP to include five additional countries covering 97% of all employees.

Fostering team collaboration across Halma

Collaboration is a strategic advantage in a decentralised group. We create opportunities for people to share expertise across functions and geographies, strengthening networks that accelerate learning and support best practices.

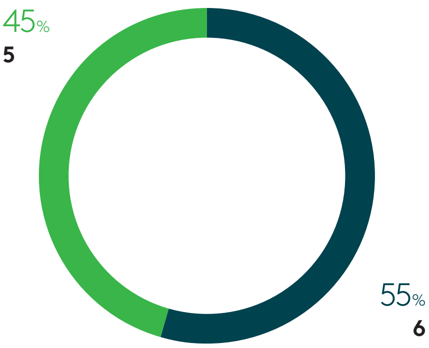
- **Accelerate CEO conference:** brought managing directors together to learn from outside perspectives, learn from each other and strengthen their peer network.
- **CFO conference:** Halma finance leaders met to discuss sustainable value, high-performance culture, future-focused leadership and using technology to improve insight and decision-making.
- **Talent partner conference:** convened talent leaders to share priorities, tools and approaches to talent management.
- **IT managers'/directors' forum:** brought nearly 40 operating companies together to explore trends in AI, cyber security, cloud computing and IT governance, strengthening our technology community and sharing practical opportunities.
- **Marketing functional network:** connected almost 60 marketers online with industry experts to discuss how to optimise digital marketing in the era of AI-driven search.
- **Quality and regulatory collaboration:** teams from the Healthcare Sector came together for a dedicated summit to learn, share insights and build community.
- **China Hub leadership conference:** gathered regional leaders to reflect on performance amid China and competitive pressures, and to align on priorities across key functions.
- **India Hub rewards and recognition:** over 200 employees from more than 25 operating companies and support functions joined in Bengaluru to celebrate performance and build cross-company relationships.

Our gender diversity

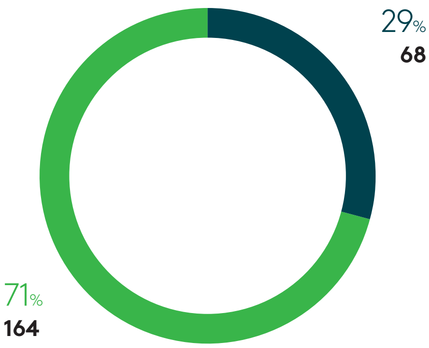
Figures at 31 March 2026

Men Women

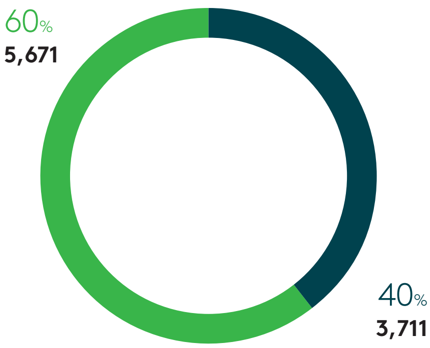
Board of Directors[1]



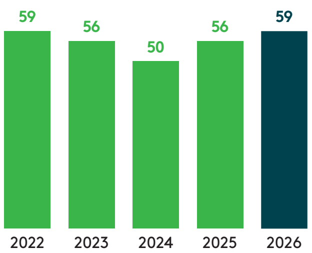
Senior Management[2]



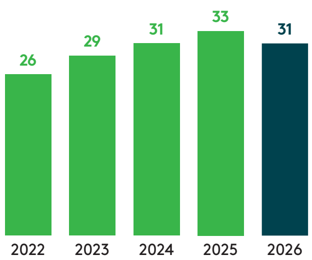
Other employees



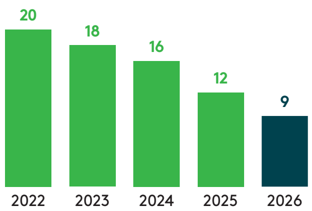
% Women on plc and Executive Boards



% 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 all our companies, regardless of how long they have been in the portfolio. 45% of our senior leaders (Executive Board and their direct reports) are women.
3 This includes companies that have been in the portfolio for three years or longer as at 31 March 2026.
4 Mean gender pay gap for all US and UK employees. Rounded to whole percentage numbers.

Building inclusive, high-performing teams

Diversity, equity and inclusion help us attract, develop and retain great people. By building inclusive businesses where everyone feels valued, we drive innovation, make better decisions and support high-performing teams across Halma.

We continue to make strong progress on gender balance at senior levels. As at 31 March 2026, women represented 45% of the Executive Board and their direct reports, demonstrating sustained improvement across the senior leadership population. Additionally, women comprised 55% of Halma's Board and 67% of the Executive Board, both of which exceed the FTSE Women Leaders' recommendation of a minimum of 40% representation.

The Group is committed to sustaining balanced gender representation in executive and leadership roles, with a target of 40–60% gender representation on company boards by 2030. At year end, women represented 31% of our company board positions, slightly down from 33% last year though overall progress remains positive. Notably, in the Safety Sector, a traditionally challenging area for attracting female talent, we have achieved our targeted 40–60% gender balance threshold. Additionally, several other key metrics demonstrate encouraging trends toward greater diversity. For instance, gender balance is robust within operational leadership. All three sector boards fall within the Group's 40–60% gender-balanced range, and 40% of Divisional Chief Executives are women, supporting inclusive decision-making at the highest levels of the organisation.

In addition, the Group aims for 20% of senior management roles to be held by colleagues from under-represented ethnic groups by December 2027. Representation in UK-based roles, as defined by the Parker Review, increased to 23%, up from 21% in the prior year, demonstrating continued progress against this important benchmark. Having already achieved the 20% target set for December 2027 ahead of schedule, we remain committed to further improving our performance. Our internal definition of ethnic diversity adopts a broader, global perspective and sets more ambitious targets by considering ethnic diversity beyond an individual's country of employment. Based on this definition, 16% of the Executive Board and their direct reports were from under-represented ethnic groups, slightly down from 18% in 2025.

Halma Presidents/MDs gathered at the Accelerate CEO Conference in Vienna.

To help us reach our ambitions, we continue to strengthen diverse sourcing and broaden candidate pipelines through a mix of direct sourcing, referral networks and inclusive recruitment practices.

Across the year, we marked key cultural moments including Black History Month, Women's History Month and International Women in Engineering Day, creating space for learning, dialogue and reflection.

Reducing the gender pay gap

Given the Group's organisational structure, we are not required to report a statutory gender pay gap, as fewer than 250 employees are employed by Halma plc. However, consistent with prior years, the Group has voluntarily reported its gender pay gap, using combined employee data for two of its largest regions – the UK and the US.

The Group continued to make progress in reducing its gender pay gap, with the mean gap decreasing from 12% to 9%. Improvement was evident with the majority of points across the pay range showing a downward (improving) trend. Pay parity was maintained at the lowest pay levels, with a 0% gap at the minimum pay threshold, alongside continued progress in the lower quartile of the pay distribution.

At senior specialist and leadership-critical pay levels, progress was also observed, with the gender pay gap reversing just below the highest pay levels, such that women earn more than men on average in these senior roles.

However, challenges remain at specific points in the pay structure, highlighting the importance of strengthening the mid-to-senior leadership pipeline. The Group remains focused on addressing these structural drivers through inclusive recruitment, succession planning and progression into senior roles, recognising that sustainable change requires sustained focus over time.


Advanced colleagues sort donated clothing at a local charity shop.


Volk runs a simulation experience to build awareness of the challenges faced by people who are blind or visually impaired.


Crowcon team members come together for a Christmas wreath-making event.

MK Test volunteers paint a barn used for equine-assisted psychotherapy.


APAC Hub colleagues take part in a LEGO building session in support of people who are blind or visually impaired.

Strengthening the communities where we live and work

Across Halma, our people contribute time, skills and expertise to support the communities where we live and work. These activities reinforce our commitment to building connected, resilient communities through local action and collective giving.

Launched in September 2025, Impact the Future Fund builds on the community work already led by our companies around the world. It helps to amplify local impact by supporting purpose-driven partnerships with non-profit organisations tackling urgent challenges, from protecting vulnerable people to improving health outcomes. In its first year, an employee-led committee awarded grants to 19 out of the 48 non-profit organisations nominated by our companies, totalling over £500,000 and supporting projects across India, China, the US, Canada and Europe.

We are already seeing meaningful impact across communities, alongside strong employee engagement and pride in the partnerships supported.

Highlights include:

- In Florida, US, a grant to a local non-profit supported the purchase of a vehicle, enabling outreach across a very rural area where limited resources and infrastructure make it harder to address homelessness.
- In Europe, funding supported a local organisation providing animal-and nature-based therapeutic support to deliver a free 10-week equine-assisted psychotherapy programme for nearly 40 people facing challenges including special educational needs and disability, social isolation or medical conditions.
- In India, a grant facilitated an office relocation for a non-profit working to protect vulnerable children at railway stations, strengthening operational capacity and supporting the effectiveness of their programmes.
- In China, colleagues are volunteering to develop practical solutions for travel challenges faced by people with disabilities and to promote awareness and support for the disability community.

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. Our work this year aimed to bring a more joined-up approach to existing company-led due diligence efforts, with the creation of our Supply Chain Working Group. This group of Halma companies (around 30% of Group revenue) has co-created a Halma-wide Supplier Code of Conduct. Our companies will be implementing this Code over the next three years, beginning with the working group participants and a number of key shared suppliers. Working group participants are also onboarding onto our new supplier engagement platform, IntegrityNext, which is now available to our companies to support risk assessment, due diligence via supplier assessment questionnaires, and ESG-related data gathering.

Protect our environment

We protect our environment by:

Reducing our environmental footprint in our own operations and in our wider value chains. This is vitally important to Halma, not only because it is the right thing to do, but also as it will make our future growth more sustainable.

Much of our core work in this pillar has continued throughout the year, such as action focused on improving energy efficiency, reducing emissions through renewables, engaging with sustainable product design initiatives and supply chains.

This year we have also implemented a new emissions reporting platform, Watershed, to help enhance our emissions data collection and subsequent decision making.

Key focus areas:

- Reducing operational greenhouse gas emissions
- Sustainable product design and Scope 3 reductions

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Key metrics

5%
Scope 1 & 2 reduction
(2025: base year)

Target: 60%
reduction by 2035
from 2025 baseline

Net Zero by: 2040

91%
Renewable electricity
(2025: 86%)

Target: 100%
by 2030

4%
Scope 3 intensity reduction
(2025: base year)

Target: 66%
intensity reduction by 2035
from 2025 baseline

Net Zero by: 2050

Stretching our Scope 1 & 2 targets

By the end of last year, we had achieved a greater than 60% reduction of Scope 1 & 2 emissions against our previous 2020 baseline year, and exceeded our 80% renewable electricity target.
To demonstrate our ongoing commitment to reducing operational emissions and environmental impact, we have established a new goal of achieving a 60% absolute reduction of Scope 1 & 2 emissions between 2025 and 2035 to sustain progress towards our Net Zero by 2040 target.

This is supported by a new 100% renewable electricity by 2030 target, which will be accomplished via renewable electricity tariffs and certificates, alongside encouraging our companies to implement onsite solar installations wherever feasible.

Scope 3 – our greatest challenge

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, it's important that we encourage and support 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 85 to 96) give an overview of our key sources of Scope 3 emissions, our 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 multi-year approach to supporting our companies to build bottom-up Scope 3 decarbonisation plans.

For most of our companies, supply chain 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.

Keeler's redesigned packaging, using bare board, zero plastic and an 80% reduced print area.

Sustainability Action Plans (SAPs)

As explained on page 59, our requirement for Halma companies to maintain a Sustainability Action Plan (SAP) is integral to how we make progress in our key focus areas. 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 for our larger and more mature companies.
- Engaging with supply chains on both environmental and wider social matters for our larger and more mature companies.

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

Making progress against these goals is a 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 93 of our TCFD Statement.

All Halma companies are encouraged to undertake an ISO 14001 environmental management accreditation. 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); this will be updated in 2027.

Improving our emissions data

This year, we transitioned to the Watershed emissions reporting platform to enhance the accuracy and reliability of our energy, Greenhouse Gas (GHG), water and waste reporting. Using Watershed enables us to better understand and analyse our emissions data and implement targeted action.

Both 2025 and 2026 data presented in this report are based on the Watershed global standard methodology. As part of the transition, we conducted a reconciliation process to evaluate and analyse difference between our previous methodology and those implemented through Watershed. A restatement of the 2025 GHG data was necessary, which is disclosed and explained in full in our Sustainability Review. Further information regarding methodology can be found in our GHG inventory and other environmental data basis of preparation at **www.halma.com**.

Case Study: OsecoElfab

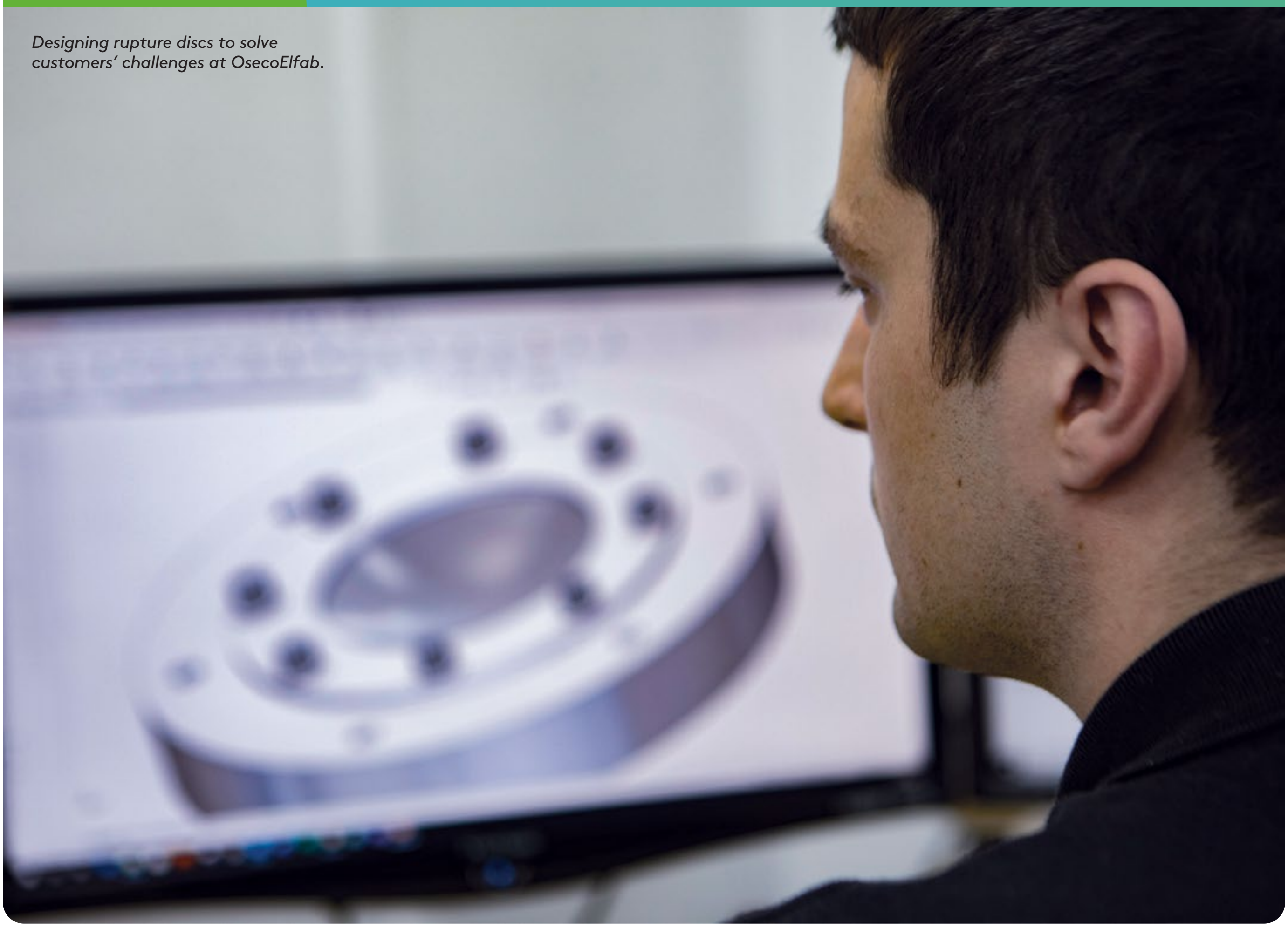
Furnace optimisation delivers major energy and cost savings

OsecoElfab, a Halma company in the Safety Sector, is a leading manufacturer of rupture discs and, unlike most Halma companies, operates a relatively energy-intensive production process requiring high-temperature furnaces. In 2025, two of its large, long-standing electric furnaces reached the end of their operational life and could no longer be repaired. This presented an ideal opportunity to reassess equipment needs, improve energy efficiency and reduce environmental impact.

Traditionally, the manufacturing of larger rupture discs necessitated the use of sizeable furnaces, which are inherently less energy efficient. However, market demand had shifted towards smaller discs, raising questions about whether replacing the old furnaces with similar large models would best serve the company's evolving production profile and sustainability objectives. Running oversized furnaces for smaller production lots would result in significant, unnecessary energy consumption and excessive operational costs.

After analysing production requirements and energy efficiency targets, OsecoElfab chose not to opt for like-for-like replacement but, rather, install a combination of one large and three small furnaces to replace the two outgoing large units. This mix better reflected the current and anticipated demand for different disc sizes and allowed for more flexible, efficient operation.

The new configuration enables OsecoElfab to use the most appropriately-sized furnace for each production run, significantly cutting baseline energy usage and avoiding the inefficiencies of running large furnaces below capacity. OsecoElfab estimates approximately 60% reduction in electricity usage from the furnaces based on consistent production utilisation – positioning the company to achieve considerable cost savings alongside reducing energy use.



Designing rupture discs to solve customers' challenges at OsecoElfab.

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.

Crisis management

Recognising the importance of resilience, we continue to strengthen our crisis management protocols across the Group.

Our crisis response plans are subject to ongoing evaluation. Halma companies are required to test their business continuity on a biannual basis and IT disaster recovery plans on an annual basis. These regular reviews are audited by the Internal Audit & Assurance team.

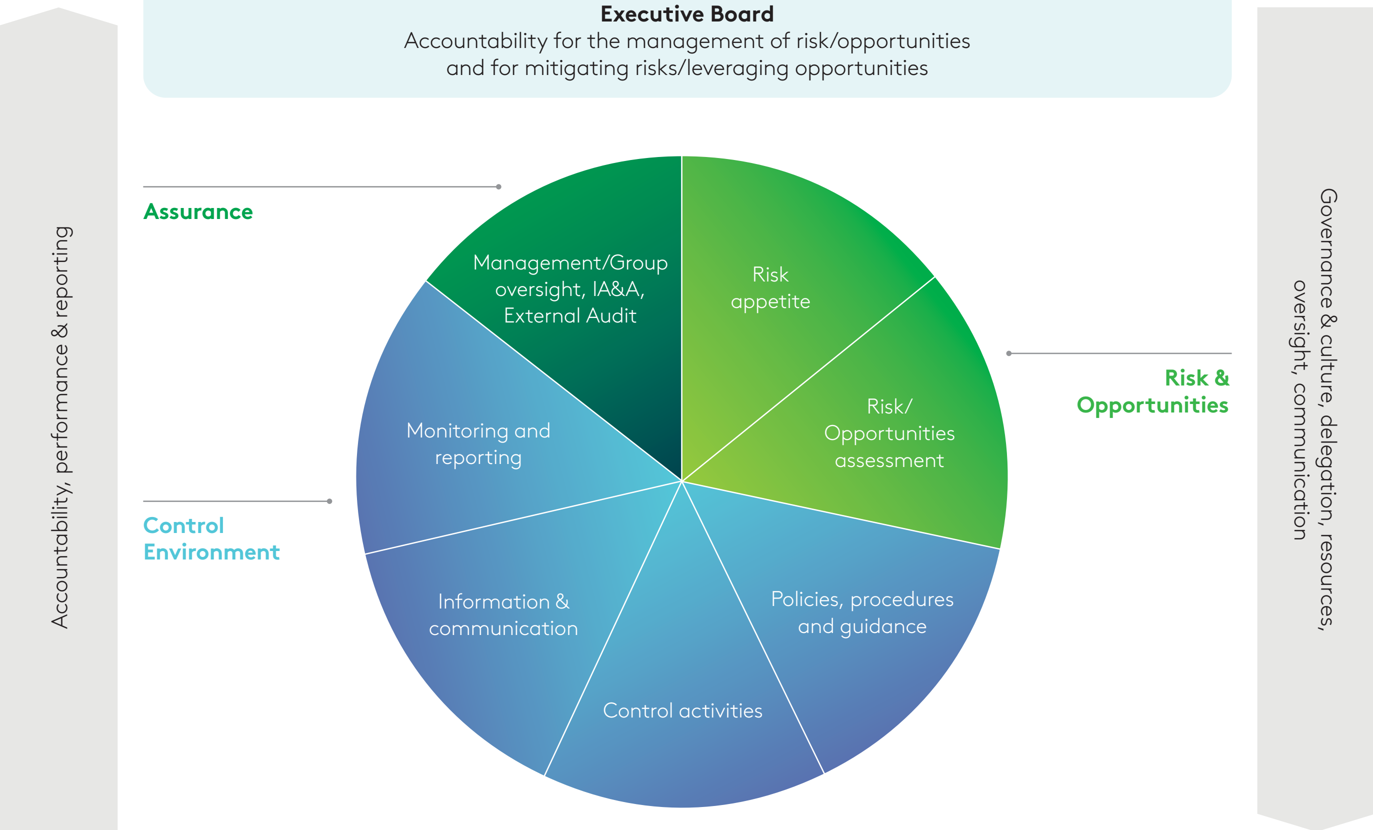
Group-level crisis protocols were tested through a tabletop exercise involving the Executive Board and the Group Crisis Response Team, conducted in collaboration with an external crisis management specialist. This exercise, which focused on a product failure incident scenario, served as a test for our preparedness. As a result, we are increasingly able to identify and address opportunities for improvement in our crisis response mechanisms. A critical aspect of this review involved a thorough examination of our escalation procedures, ensuring seamless communication throughout the Group and swift decision-making in times of crisis.

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	Internal Audit & Assurance
Company boards	Expert teams at Group level	

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

→ **Corporate Governance Report: 99**

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 three categories:

Averse
We have little appetite for risk and will seek to minimise our exposure and avoid uncertainty.

Cautious
We have an appetite for some risk but prefer options that have a low degree of downside.

Open
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.

This year, we refined our risk appetite framework to better reflect management's intent and risk approach. Most notably, we streamlined our risk appetite categories from four to three, removing the "Seeking" category to reflect that we do not actively pursue risk in any area.

All three appetite levels continue to be reviewed and approved by the Board, and each principal risk is annually assessed against these categories to determine if additional mitigation is required, consistent with our process in prior years.

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 saw this as an opportunity to enhance 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 and closely aligned to our model and to our risk appetite. The focus on this area started last year and has continued this year in preparation for our first disclosure in 2027. The preparation for disclosure under Provision 29 of the UK Corporate Governance Code 2024 included:

- Active engagement with management to define the scope of the material controls and their ownership.
- Define our approach to assess the effectiveness of material controls.
- Engage with external experts and peers to benchmark our approach. This included an external review of our approach to risks and material controls to assess alignment with the Code.
- Evolve our assurance approach in alignment with the material controls approach to enable effective assurance.
- During the year we have been sharing updates with the Audit Committee and the Board on the steps taken to prepare for our first disclosure to ensure they are aligned with the approach.

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 "Organic growth" principal risk 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 stakeholders.

→ **See also our TCFD Statement: 85**

- **Long-term (10+ years)** An example of a long-term emerging risk is environmentally driven changes in product regulations.

→ **See also our TCFD Statement: 85**

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 implementing 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 Corporate Governance Report: 99**

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.

→ **See also our Viability Statement: 97**

During the year, no new principal risks were identified. However, there was a minor evolution in the Liquidity principal risks, which is detailed in the following section. All principal risks remain within the risk appetite levels set and approved by the Board.

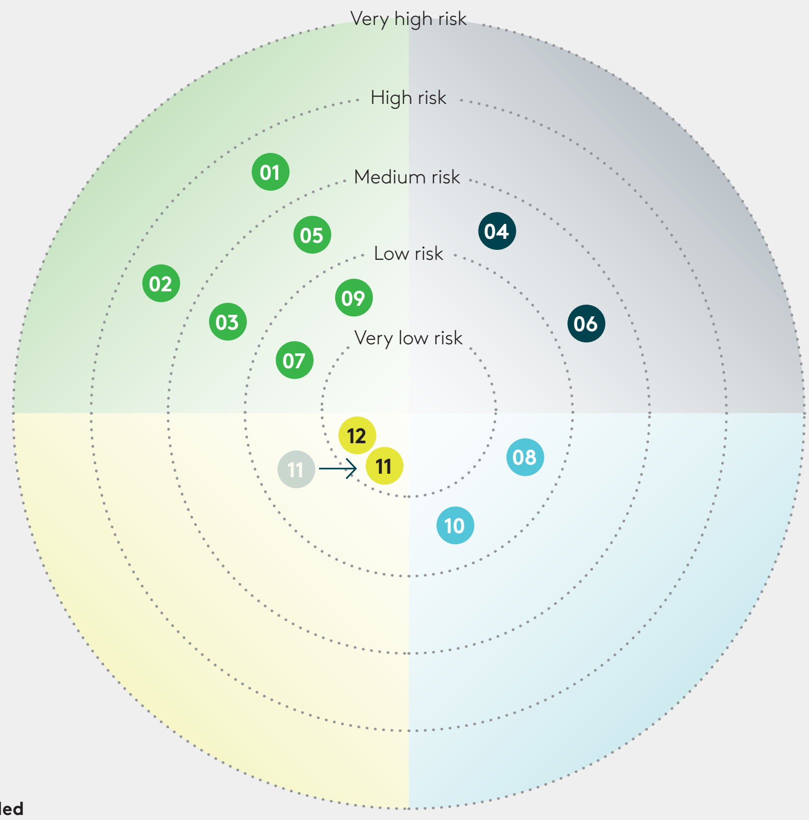
Halma's risk profile

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



→ **Further explanations on these evolutions are provided in the detailed descriptions of the principal risks: 78-84**

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 32 and 33.**

Risk evolution

Inherent risk remains very high, reflecting the fundamental importance of attracting and retaining the right talent to our business model. Mitigating measures are in place and continue to reduce residual risk, which remains within the appetite level and is closely monitored across the Group.

How do we manage the risk?

Halma's Cultural DNA and ethical principles are embedded through strong tone from the top, leadership frameworks, performance reviews and clear escalation protocols for breaches. Culture is monitored through employee engagement surveys, workplace concerns and whistleblowing insights, with oversight and challenge from DCEs, sector boards and the Executive Board. Red flags are actively reviewed, and corrective actions are taken where required.

→ **For more information, see the Culture and DNA section on page 23.**

A structured Group-wide talent management framework supports delivery of Halma's strategy and operating model. This covers talent planning, attraction and selection, development, performance management, reward, retention and succession planning for MDs, sector, Group and Executive leadership. Leadership capability is assessed against defined competency and potential models aligned to Halma's Cultural DNA and technical requirements, supported by continuous monitoring and evidence-based insights.

Robust recruitment and development processes are in place, including the Catalyst graduate programme.

Talent needs and succession pipelines are reviewed annually at sector and Group level and by the Nomination Committee for Executive Board members. Senior management reward structures are aligned with companies, sectors, and Group strategic priorities, including DEI targets.

→ **For more information, see the Talent & Culture review on page 18.**

02. Innovation

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

Risk appetite: Open

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 31.**

Risk evolution

Risk remains consistent with the prior year at both inherent and residual levels. Opportunities to innovate are continuously monitored, assessed and acted upon by our companies as part of their strategies. Following the streamlining of our risk appetite categories, the risk appetite for this risk was formally reclassified from "seeking" to "open" to better reflect the existing management approach.

How do we manage the risk?

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 niche-focused growth and resilience through balance between new product development and continuous innovation.

Ongoing R&D investment is tracked via Board-level KPIs. Sectors review R&D budgets and project pipelines through structured processes, including capitalised development costs (CDCs) stage gate reviews. IP is protected where it adds value.

Sector-led M&As support innovation and R&D. Lessons from past performance guide decisions, with a focus on niche clarity and risk mitigation through portfolio diversity.

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

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

Very high — Very low

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 76.**

- 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. Accordingly, strategies are evolved to ensure they remain relevant and responsive to changing market conditions, enabling agility in adapting to both challenges and opportunities.

The Group provides continuous support to company boards and Divisional Chief Executives (DCEs) to navigate geopolitical changes. At a sector level, macroeconomic and geopolitical considerations are embedded in portfolio decisions.

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, 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 and the Group cybersecurity posture.

How do we manage the risk?
A Group-wide Cyber & Data Governance policy framework is in place and evolved accordingly with the evolving external landscape.

The framework is regularly reviewed, and includes cyber risk policies, procedures and guidance. Companies are required to comply with the Group policies and complete regular online IT awareness training. Deviations are identified, reported and investigated with appropriate corrective actions taken where necessary. 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 annually and these controls are periodically and independently tested by the Internal Audit & Assurance team.

Centrally managed critical cybersecurity services and Halma's cyber posture are kept updated as needed to match the evolving cyber threat landscape and manage the information security and data integrity risk across the organisation.

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. Halma's Technology 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, email 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 Adjusted profit growth KPI in on page 30.**

Risk evolution

No significant changes in risk factors have been identified at both inherent and residual risk levels during the year. 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.

06. Production Interruption

Risk Owner:
Group Chief Executive

Inherent risk level:

Residual risk level:

Residual risk change:
= No change

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

Notwithstanding ongoing external uncertainties, Halma's diversified portfolio across geographies and markets continues to mitigate exposure to single-event production disruptions and supports operational resilience; accordingly, the residual production interruption risk remains at a medium level, unchanged from the prior year.

How do we manage the risk?

Halma's diversified portfolio, combined with its companies operating across varied geographies and 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 85.**

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

Very high — Very low

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 Adjusted profit growth KPIs on page 29.**

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 sector boards and in line with the Halma DNA.

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.

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.

At Group level, the annual strategic plan, budget and monthly forecast provide visibility into the delivery of the organic growth strategy, enabling financial discipline, performance monitoring and portfolio management.

Talent management remains a key enabler of successful execution. Remuneration of companies' board directors and above is aligned with adjusted profit growth to reinforce this objective.

→ **More information in the Invest to Grow section on page 12.**

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, guidance and mandatory 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. A whistleblowing hotline is available to employees and third parties, with all reports independently investigated.

The Group Legal & Compliance team advises on legal and regulatory developments relevant to Halma as a listed company. Together with external legal advisers, they support sectors and companies in managing legal compliance risks, including during due diligence.

Companies certify the effectiveness of key legal compliance controls annually and these controls are periodically and independently tested by the Internal Audit & Assurance team.

Each company's board is responsible for complying with relevant laws and managing legal risks, including emerging legislation. Regular updates on compliance insights and process effectiveness are provided to the Executive Board, Audit Committee and Board.

Legal claims and litigation risks are regularly reviewed and any significant matter reported to the Executive Board and Board. 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.

Our scalable organisational model is supported by a decentralised structure that empowers our companies to deliver our purpose with clearly defined roles and responsibilities.

Companies' directors have legal and operational responsibilities as they are statutory directors of their companies. This reinforces local accountability within Halma's decentralised model.

The DCEs, as chairs of the companies, monitor, challenge and support the companies to deliver their strategies, in line with Halma's Sustainable Growth Model.

→ **More information on our Sustainable Growth Model is available on page 21.**

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.

This is also informed by regular assessment by the Executive Board supported by high-quality advisers. 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:
- Decreased

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 Adjusted Cash generation KPI in the KPI section at page 31.**

Risk evolution
The residual risk was reassessed from low to very low, based on the current level of liquidity and leverage, our ability to access additional liquidity if necessary, and the strength of Halma's cash-generation model.

→ **More information is given in note 27 to the Accounts on page 207.**

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's cash position are monitored regularly through monthly forecast reviews, a semi-annual review of the three-year 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 inherent and residual risk levels remain consistent with the prior year.

How do we manage the risk?
Group policies, procedures and guidance set out the Group's requirements for both financial and reporting controls. Ongoing training to finance personnel, including the finance teams of newly acquired companies, on Halma's policies and its financial and reporting control framework is provided.

Each company confirms the effectiveness of its most critical financial and reporting controls annually and these controls are 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. Peer reviews of reported results provide an independent challenge and support greater consistency and rigour in reporting across the Group.

A strong process to assess and review the Group's judgements and estimates ensures that half-year and full-year results align with relevant accounting standards.

A robust accounting consolidation process is in place at the Group level to ensure the consolidation is free from material errors or omissions.

External disclosures are prepared based on internal information validated by the respective owner and supported by appropriate internal documentation. Material external disclosures go through a structured review process involving relevant subject matter experts, business owners and external auditors (if required), and are approved prior to release.

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

Very high — Very low

TCFD statement

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.

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: 106** → **Sustainability Governance: 60**

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 considering 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.

Governance in action

The Board

The Board has ultimate oversight of Halma's climate-related opportunities and risks and is highly engaged on this topic. Annually, the Board reviews:

- 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.

Throughout 2026, sustainability remained a regular topic on the Board's agenda. The Board received sustainability updates at every meeting during the year. The Board has also received an annual progress update on climate change actions and targets. During 2026, the Board approved the adoption of our updated 2035 interim Scope 1 & 2 reduction target, as set out in Metrics and Targets.

→ **Metrics and Targets: 94**

Audit and Remuneration Committees

The Audit Committee supports the Board with its oversight responsibilities by reviewing and monitoring non-financial disclosures and the internal control framework covering non-financial reporting information. In 2025, the Remuneration Committee approved the retirement of the climate-related energy productivity target from executive remuneration for 2026. While this target was successful in driving progress since 2022, our evolving sustainability approach means energy productivity is no longer central to Halma's climate progress. Our diverse companies face different climate-related challenges, making one single metric impractical. The Remuneration Committee maintains that strong sustainability performance is inextricably linked to long-term sustainable growth and returns and continues to evaluate whether it is appropriate to introduce a new climate-related target into executive remuneration in the future.

→ **Remuneration Committee Report: 124**

The Executive Board

The Executive Board 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.

The Executive Board reviews and inputs into the continued development and roll-out of our sustainability strategy, which encourages our companies to pursue climate and sustainability-related business opportunities. In 2026, the Executive Board reviewed and approved the investment and support plan proposed to underpin our updated 2035 interim Scope 1 & 2 reduction target. In addition, the Executive Board has received an update on our sustainability agenda from the Sustainability function at least quarterly; this year the climate aspects of these updates have included progress on Scope 3 decarbonisation activities and progress on the implementation of our new emissions reporting system – Watershed. 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.

Each company board appoints a Board Member Responsible for Sustainability (BMRS), tasked with overseeing and advancing sustainability initiatives – including climate-related actions – within the organisation.

Sustainability function

Responsible for monitoring and translating external regulation into policy, action and reporting as well as setting the goals and frameworks to enable sustainability improvements. Some of the ways in which the Sustainability function (reporting to the CSO) has enabled execution of the Group's climate strategy in 2026 include:

- Modelling and presenting a proposal and associated execution plan for our renewed Scope 1 & 2 interim target and renewable electricity target to the Board and Executive Board.
- Supporting Halma companies with individual Sustainability Action Plans and decarbonisation plans.
- Leading implementation of a new emissions reporting system.

Sustainability Risk and Reporting Steering Group

The Sustainability Risk and Reporting Steering Group is comprised of representatives from sustainability, compliance, finance, company secretariat, and investor relations teams to ensure the impact of sustainability regulations and reporting requirements on Halma are adequately assessed. The group helps shape our approach to sustainability compliance and reporting, and inputs into associated recommendations made to the Board and Executive Board.

The Sustainability Risk and Reporting Steering Group met three times during the year and have been deeply involved with Halma's initial limited double materiality assessment (DMA) work (see our Sustainability governance and compliance section on page 60). The Group has also helped to guide any relevant methodological decisions regarding the implementation of Watershed – our new emissions reporting system.

Risk Management

The Risk management and principal risks section on pages 74 to 84 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 21 to 27), 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 Profit before Taxation (as set out on page 156) – 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

We refreshed our original climate-related risks to ensure continued relevance and to reassess the likelihood and magnitude of these risks. We also performed a 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 for our two physical climate-related risks.

As a result of setting our 2035 interim Scope 3 reduction target, we updated our qualitative assessment of risks relating to Scope 3 target setting.

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.

2026

This year, we used the detailed outputs from the 2025 physical climate risk scenario assessment to inform company and sector bottom-up risk assessment processes and to help highlight to companies where adaptation and mitigation actions may be worthwhile.

We have considered and subsequently concluded that there are no changes to existing risks resulting from the revision of our Scope 1 & 2 interim reduction target.

In addition, we conducted an initial limited double materiality assessment (DMA) which has built on multiple strands of previous work such as the refreshed climate-related risk assessment conducted last year as well as our annual principal risk reviews. We are still evaluating the broader (beyond climate) outputs from this assessment; however, it is clear that while climate change is not financially material for Halma, it is an impact material topic. This supports our existing disclosures, metrics and targets on climate-related matters and strengthens the mandate for continued progress on climate-related initiatives at Halma.

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 to the Group.

Timeframes and scenarios

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

0-3 years

Short term
Annual strategic planning process and viability assessment.

3-10 years

Medium term
Useful life of most premise leases and assets. Timeframe for major product and market shifts.

10-30+ years

Long term
Sustainable Growth Model and M&A assessment timeframes.

We have assessed our climate-related risks and opportunities using 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 are described under each climate-related risk/opportunity.

Climate-related opportunities

We believe that our climate-related opportunity – Products and Markets – is material for the Group across all time horizons.

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 was 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. Companies were asked to quantify (where possible) the potential financial impact of such opportunities. The outcome of this exercise continued to support our initial assessment that aggregated Products and Markets climate-related opportunities are material for the Halma Group.[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 an 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**		Safety Sector: Provision of worker and asset safety equipment to renewable energy industries.	E&A Sector: Stormwater and wastewater management.	All Halma sectors: 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[1]	**Short term**	High: 5.0-10.0% 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 is financially material in aggregate.

Climate-related risks

None of Halma's seven climate-related risks are considered material. As explained in the Risk Management section above, our climate-related risks were reviewed last year 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 and 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 four 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: 26**

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.

To support our assessment that these risks are not likely to be financially material, at 31 March 2026 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: 165**

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.

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 an NZE scenario due to higher costs of carbon and greater global implementation of carbon tax schemes. The risk level is largely unchanged under the 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 our climate-related targets.

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 emissions 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 an 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 our 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.

Risk level

Very high — Very low

Net Zero transition planning

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

At the time of writing, development of our Halma Group transition plan is underway. We are using the Disclosure Framework of the Transition Plan Taskforce (TPT) to support the development of our plan. Alongside this we continue to work with a number of our companies on bottom-up decarbonisation planning.

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. This year, we have updated our near-term Scope 1 & 2 target. Our Board also approved an accompanying high-level Scope 1 & 2 execution plan, including new internal guidance and mandates and additional investments in renewables and low-carbon equipment over the next 10 years. Given our Scope 1 & 2 emissions are very small and proposed investments are not financially material, further detail on our Scope 1 & 2 plans can be found in our Sustainability Review. This report focuses 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: 94**

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%
Target reduction of Scope 3 emissions intensity by 2035 from 2025 baseline

Near-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
- Identify the key dependencies and assumptions that will underpin our transition plans

Our goal is to find a practical, realistic strategy tailored for our mostly small and medium-sized companies, while also meeting the transition plan and reporting standards that outside stakeholders expect.

Our multi-year approach to bottom-up Scope 3 decarbonisation

During 2024 and 2025 we commenced engagement on Scope 3 with a group of companies representing approximately two-thirds of estimated emissions. This engagement included working with companies to understand and improve 2024 and 2025 emissions estimates, identify emissions hotspots, and prioritise initial near-term actions, suppliers and products for further decarbonisation planning and action.

In 2026, we have continued to support the companies above with their decarbonisation plans and actions, including providing additional guidance and tools relating to supply chain engagement, and supporting their transition to our new emissions reporting software to enable better insights into their emissions and continued data improvement.

Levers

- Sustainable product design: including through designing for energy efficiency and selection of more sustainable materials.
- Supplier engagement: including prioritising suppliers for engagement based on actual or potential Scope 3 reduction opportunities.
- Transport modes and logistics optimisation: including through routing efficiencies and lower carbon alternatives.

Challenges

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 purchase of globally traded components via distributors;
- product design restrictions due to the high level of regulation and certification of our products; and
- limited granularity and accuracy of data.

Assumptions and dependencies

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.

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.

2025 restatement

This has been a significant year for us as we have transitioned to Watershed – our new emissions reporting platform. In doing this, we have taken the opportunity to recalculate our Scope 1, 2 and 3 emissions for 2025, which is our new baseline year for all of our emissions targets. Our restated 2025 emissions reflect the revised calculations using Watershed global standard methodology and have been analysed against our previously disclosed footprint to help us to understand the main drivers behind the changes. The variations between the previously disclosed 2025 data and the restated data fall into one of three categories:

- Use of different emissions factor databases.
- Improved or more granular activity and spend data.
- Adjustments (including introduction of Category 15 emissions) due to an emissions-significant new associate: FluidSmile[1].

Scope 1 & 2 emissions and targets

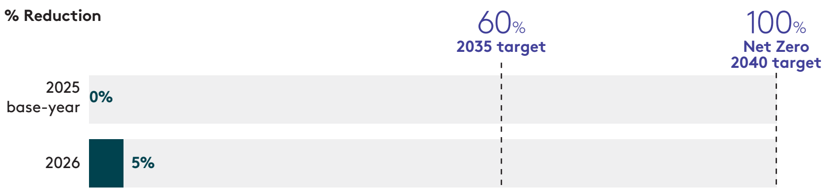
Our Scope 1 & 2 emissions, calculated in accordance with the GHG protocol, are disclosed in the SECR-compliant table at the bottom of this section.

For 2025, 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 repeated in respect of 2026 and published on our website when available.

To demonstrate our ongoing commitment to reducing operational emissions and environmental impact, we have revised our Scope 1 & 2 reduction and renewable electricity targets this year. Having surpassed our previous Scope 1 & 2 reduction target, we have now established a new goal of achieving a 60% absolute reduction between 2025 and 2035 to sustain progress towards our Net Zero target by 2040. These medium- and long-term targets to reduce Scope 1 & 2 emissions are aligned with guidance from the Science Based Targets initiative (SBTi) and our medium-term target is an absolute measure aligned with the non-sector specific 1.5-degree emissions pathway.

Last year, we exceeded our 80% renewable electricity target. We are now pursuing 100% renewable electricity by 2030, which will be accomplished by encouraging our companies to implement onsite solar installations wherever feasible, alongside the use of renewable electricity tariffs and certificates.

Scope 1 & 2 emissions reduction targets: 60% reduction from 2025 by 2035[2], Net Zero by 2040[3]

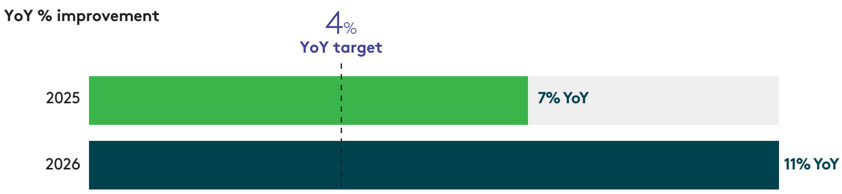


Our medium-term target has been refreshed this year, with a 2025 baseline. The reduction this year is largely due to increasing renewable electricity purchases, alongside energy efficiency measures and changes to our companies' operations.

Renewable electricity target: 100% renewable electricity by 2030[4]

This year's improvement is driven by bottom-up company-led purchase and generation of renewables. Approximately 94% of renewable electricity (2025: 95%) is local renewable tariffs, largely backed by Energy Attribute Certificates (EACs), or unbundled EACs. Onsite electricity generated increased by 20% year-on-year, comprising the remaining 6% (2025: 5%).

Energy productivity target: at least 4% annual energy productivity improvements[5]



This year we saw a c.14% increase in revenue while energy consumption has increased by c.2%[5]. 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).

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

Footnotes are on page 96.

Scope 3 emissions and targets

Our Scope 3 emissions comprise around 99% of our total emissions footprint in 2026. As part of our transition to our new reporting platform, Watershed, we recalculated our emissions for 2025. This work has confirmed that our two largest Scope 3 categories are:

Category 1: Purchased goods and services – c.40% of our total footprint

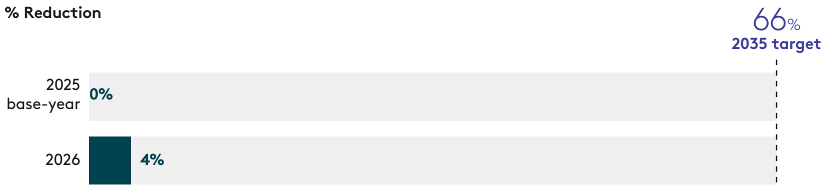
Category 11: Use of sold products – c.40% of our total footprint

Total Scope 3 emissions have increased by approximately 12% year-on-year, mostly driven by an increase to the purchased goods and services category. This category is predominantly calculated using a spend-based methodology and therefore as our companies have grown, so too have emissions. In contrast, the use of sold products category has remained relatively flat year-on-year despite an increase in sales. This is mostly due to a change in mix of products sold.

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 are committed to 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 Scope 3 emissions reduction target:

Scope 3 emissions reduction targets: 66% intensity reduction excluding Category 15[8] from 2025 by 2035[9], absolute Net Zero by 2050



This year, we have seen a substantially larger increase in profit compared with Scope 3 emissions, resulting in a reduction to our Scope 3 emissions intensity.

Scope 3 category		2026 (tCO_2e)	Restated 2025[6] (tCO_2e)
1	Purchased goods and services	**420,854**	333,414
2	Capital goods	**29,826**	25,417
3	Fuel and energy-related activities	**4,045**	3,813
4	Upstream transportation and distribution	**30,399**	24,949
5	Waste generated in operations	**2,070**	1,903
6	Business travel	**16,664**	15,517
7	Employee commuting	**16,347**	14,404
8	Upstream leased assets	**–**	–
9	Downstream transportation and distribution	**–**	–
10	Processing of sold products	**–**	–
11	Use of sold products	**413,731**	408,585
12	End-of-life treatment of sold products	**5,094**	4,425
13	Downstream leased assets	**–**	–
14	Franchises	**–**	–
15	Investments[1]	**71,434**	67,086
Total Scope 3 emissions		**1,010,464**	899,513

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 applied an Operational Control approach to define 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	2026	Restated 2025[6]
Scope 1[10]	tCO_2e	**4,991**	4,707
Scope 2: Location-based[11]	tCO_2e	**10,324**	10,097
Total Scope 1 & 2: Location-based	tCO_2e	**15,315**	14,804
Of which UK	tCO_2e	**3,430**	3,824
Scope 2: Market-based[11]	tCO_2e	**2,009**	2,641
Total: Scope 1 & 2: Market-based	tCO_2e	**7,000**	7,348
Of which UK	tCO_2e	**1,878**	2,079
Energy consumption in MWh used to calculate above emissions	MWh	**59,798**	57,978
Of which UK	MWh	**18,206**	18,996
Intensity ratio (market-based)[12]	tCO_2e/£m	**2.8**	3.4
Scope 3: Estimated[13]	tCO_2e	**1,010,464**	899,513

1 Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a long-standing partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain Nuvonic products in China and other agreed southeastern Asian markets. Nuvonic also acquired a 35% associate investment in FluidSmile on the same date. Category 15 includes our 35% share of Category 11 emissions from products manufactured by FluidSmile, as though the investment had taken place at the beginning of 2025. For more detail, please see our Basis of Preparation at **www.halma.com**.
2 From 2025 market-based baseline of 7,348 tCO_2e.
3 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.
4 Current year renewable % excludes acquisitions and disposals made during the period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods.
5 Revenue/energy consumed. Energy productivity is calculated excluding acquisitions and disposals in the current period. Comparative figures are not updated for the impact of acquisitions and disposals made in subsequent periods. Revenue is unadjusted for currency. 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).
6 Restated to reflect the revised calculation of emissions in the Watershed platform. Changes from previously disclosed emissions are largely attributable to use of different emissions factors, use of improved or more granular underlying data and the structural change from our associate investment in FluidSmile. For more details, see our Sustainability Review.
7 All data sources and methodologies can be found in our Basis of Preparation document at **www.halma.com**.
8 Our near-term target excludes emissions from Category 15, comprising our 35% share of Scope 3 Category 11 emissions from our associate investment in FluidSmile. These emissions comprise approximately 7% of our total footprint.
9 This target is aligned with the SBTi's non-sector specific emissions reduction trajectory.
10 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.
11 Electricity purchased for our own use. Market-based is net of market instruments.
12 Total Scope 1 & 2 (market-based) emissions divided by revenue excluding disposed entities.
13 Estimated as explained further in our Basis of Preparation document at **www.halma.com**.

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 74 to 84 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 four downside scenarios 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 2027 and 31 March 2028 with further assumptions applied for the year ending 31 March 2029. The base case reflects the latest forecasts and strategic plans of the Group. The Group's RCF will be subject to renewal within this period and has been assumed to renew on broadly the same terms as currently in place.

Four downside scenarios were considered when assessing the Group's viability over the three-year period:

Scenario 1: Macroeconomic downturn caused by global geopolitical events resulting in a 5% reduction in revenue and 10% increase in overheads for the first 12 months of the viability period and reduced growth in the subsequent years.

Link to principal risks:
Risk 1: Talent and Diversity;
Risk 2: Innovation;
Risk 3: Economic and Geopolitical Uncertainty;
Risk 5: Acquisitions and Portfolio Management;
Risk 7: Organic Growth;
Risk 9: Business Model and its Communication; and
Risk 11: Liquidity.

Scenario 2: Supply chain or production issue preventing a key operating company from producing for 12 months resulting in a negative margin impact of £21m.

Link to principal risks:
Risk 6: Production Interruption.

Scenario 3: Product failure, non-compliance or cyber event leading to a one-off £30m charge in the year ending 31 March 2027.

Link to principal risks:
Risk 4: Cyber and IT Interruption;
Risk 8: Non-compliance with Laws and Regulations;
Risk 10: Product Failure or Non-compliance; and
Risk 11: Liquidity.

Scenario 4: This scenario combines the impact of scenarios 1 and 3 as well as worsening working capital and increased cash requirements to reflect increased liquidity requirements to meet challenging conditions.

Link to principal risks:
Risk 1: Talent and Diversity;
Risk 2: Innovation;
Risk 3: Economic and Geopolitical Uncertainty;
Risk 4: Cyber and IT Interruption;
Risk 5: Acquisitions and Portfolio Management;
Risk 7: Organic Growth;
Risk 8: Non-compliance with Laws and Regulations;
Risk 9: Business Model and its Communication;
Risk 10: Product Failure or Non-compliance; and
Risk 11: Liquidity.

Under all scenarios considered, the Group remains within its debt facilities and the attached covenants and, accordingly, the Board confirms that it has 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 2029.

In reviewing the Company's viability, the Board has identified the following factors which it believes supports its 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 and renew current facilities on broadly the same terms.

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.

Non-financial & sustainability information statement

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 sets out where you can find further information on each key area of disclosure. The description of our business model can be found on pages 26 and 27 and how we manage principal risks can be found on pages 74 to 84.

Area	Overview	Group Policy	Additional information
Environmental and climate-related matters	Our environmental policies set out our guiding principles and commitments for both internal and external audiences. 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.	Environmental Policy[1] Environmental Commitment Statement[2] Supplier Code of Conduct[2]	• Sustainability – page 58 • TCFD Statement – page 85 • Sustainability Review at **www.halma.com** • Principal risk – Production Interruption, page 80 • Non-financial KPI – Reduction in Scope 1 & 2 emissions, page 33
Employees	Our employee policies aim to ensure that Halma maintains consistently high ethical standards, while recognising that our companies operate in markets and countries with cultural differences and practices.	Code of Conduct[2] Whistleblowing Policy[2,3] Health and Safety Policy[1] Diversity and Inclusion Policy[2] Equal Opportunities Policy[1]	• Sustainability – page 58 • Sustainability Review at **www.halma.com** • Principal risk – Talent and Diversity, page 78 **Non-financial KPIs:** • Recordable Injury Rate – page 32 • Employee engagement % – page 32 • Company board gender balance – page 33
Social matters	We set high standards of behaviour for our employees and supply chain partners, including a clear expectation that they respect and safeguard our people and the wider community.	Code of Conduct[2] Data Protection Policy[1] Competition Law Policy[1] Supplier Code of Conduct[2]	• Sustainability – page 58 • Business reviews – page 38
Human rights	The Group Chief Executive has overall responsibility for ensuring that human rights considerations are integral to our operations. All employees are responsible for ensuring that their 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.	Modern Slavery Act Statement[2] Human Rights and Labour Conditions Policy (including Conflict Minerals)[2,3] Supplier Code of Conduct[2]	• Principal risk – Non-compliance with Laws and Regulations – page 81
Anti-bribery and anti-corruption	Our Anti-Bribery and Anti-Corruption Policy extends to all business dealings and transactions in which the Group is involved. It is well understood, routinely reviewed and compliance is checked as part of the half-year and year-end control process.	Anti-Bribery and Anti-Corruption Policy[3]	• Principal risk – Non-compliance with Laws and Regulations – page 81

1 Available to all employees of Halma and our companies via a dedicated SharePoint site. 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.

The Strategic Report was approved by the Board of Directors on 11 June 2026 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 2024 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

100 Introduction to governance
102 Board of Directors
105 Executive Board
106 How we are governed
108 Board oversight of our culture
110 Board engagement with our employees
111 Nomination Committee report
117 Audit Committee report
124 Remuneration Committee report
128 Remuneration at a glance
131 Annual Remuneration Report
142 Directors' Remuneration Policy
146 Directors' report
150 Statement of Directors' responsibilities

Governance in numbers

These metrics illustrate the composition of the Board and Executive Board. Figures are as at 31 March 2026.

For more information, see the Nomination Committee report: 111

For more information about our people: 64

55% Women on the Board

73% Independent Board members

67% Women on the Executive Board

27% Ethnic minority representation on the Board

44% Ethnic minority representation on Executive Board

Board activities and outcomes

Portfolio management

The Board takes an active interest in capital allocation and oversees portfolio management through regular updates from management and approval of material acquisitions and disposals. Portfolio decisions are assessed through the lens of Halma's purpose and Sustainable Growth Model.

The Board challenges management on both strategic fit and financial discipline, ensuring acquisitions align with our culture, operate in niche markets supported by long-term growth drivers, and have the potential to deliver high returns. It also reviews businesses where future performance, market positioning or capital requirements no longer meet these criteria, and maintains visibility over post-acquisition performance against the original investment case.

During the year, the Board engaged in more detailed strategic discussions on the evolving composition of the portfolio, including disposals and the risks of niche dilution. The Board also reviewed the implications of the premium growth in photonics and the risk of increasing concentration of revenue from this business, while considering the opportunities to redeploy capital across the Group.

Outcome

Over the year, the Board approved a record level of acquisition investment – and one disposal, which no longer had a strategic fit with the Group – further reshaping the portfolio towards higher-growth, higher-return opportunities. It also agreed a clear approach for photonics, reinvesting cash flows into innovation, talent and acquisitions to sustain long-term compounding growth while actively managing concentration risk.

Cyber resilience

Cyber resilience remained a priority for the Board, reflecting the increasingly complex external threat landscape and the importance of maintaining operational continuity across a decentralised model.

During the year, the Board strengthened its oversight through targeted development and deeper engagement with management. This included participation in the ISTARI Lighthouse Cybersecurity Governance Enablement programme, delivered in partnership with the University of Oxford's Saïd Business School. The programme supported the Board in exploring the practical application of cyber risk governance, including setting risk appetite and preparedness for a major cyber incident.

The Board also deepened its understanding of Halma's cyber resilience through detailed briefings from the CTO and CISO, including an extended session on how artificial intelligence is reshaping the threat landscape, and a review of Halma's cyber governance against the UK National Cyber Security Centre's (NCSC) Cyber Assessment Framework (CAF).

Outcome

The Board enhanced its ability to challenge management and assess cyber resilience at both a strategic and operational level, with a clearer understanding of risk appetite, escalation and incident response. The CAF assessment identified targeted areas to improve the Board's understanding and assurance, enabling progress to be tracked against a defined action plan.

UK Corporate Governance Code 2024

The Company reports against the Financial Reporting Council's (FRC) UK Corporate Governance Code 2024 (the Code), which is available at **www.frc.org.uk**. For the year ended 31 March 2026, the Company has applied all Principles and complied with all Provisions of the UK Corporate Governance Code 2024, other than the additional requirements of Provision 29 introduced by the 2024 Code, which apply from 1 April 2026. The Company complied with Provision 29 of the 2018 Code throughout the year.

How we apply the Code

Board Leadership and Company Purpose	→ Sustainable Growth Model: 21	→ Board oversight of our culture: 108
	→ Our purpose in action: 03	→ Board engagement with our employees: 110
	→ Board activities and outcomes: 100	→ How we are governed: 106
	→ Stakeholder engagement: 50	→ Risk management and internal control: 74
	→ S.172 statement and decision-making: 56	→ Audit Committee report: 117
Division of Responsibilities	→ How we are governed: 106	→ Independence: 107
	→ Board of Directors: 102	
Composition, Succession and Evaluation	→ Nomination Committee Report: 111	
Audit, Risk and Internal Control	→ Risk management and internal control, including principal and emerging risks: 74	→ Audit Committee Report, including fair, balanced and understandable assessment: 117
Remuneration	→ Remuneration Committee Report: 124	

Governance and control optimisation

Following preparatory work for Provision 29 of the UK Corporate Governance Code 2024, the Board undertook a broader review of the Group's governance and control framework, to ensure it remains effective as the Group continues to scale. This included balancing robust oversight with the agility required to support entrepreneurial decision-making within a decentralised model.

As a result, the Board approved an increase in the Group Chief Executive's delegated authority from £10m to £50m and endorsed the roll-out of a refreshed Group-wide delegation of authority framework. The review also provided an opportunity to simplify processes and internal reporting requirements, freeing up senior management to focus more on strategic priorities, including talent development and portfolio management, rather than short-term operational and financial performance.

Outcome

The revised framework better reflects the Group's scale and complexity while preserving agility. It enables timely, locally driven decision-making within a consistent system of accountability and control. It also allows the Board and Executive Board to focus more on strategic matters, while reducing the operational burden on the Group Chief Executive and Chief Financial Officer so they can focus on priorities of Group-wide importance and value creation.

Sustainability commitment

Sustainability remains central to Halma's purpose and long-term growth strategy. During the year, the Board approved more ambitious targets for Scope 1 & 2 emissions reduction and renewable electricity usage. The Board received regular updates and undertook a deeper review of associated risks, opportunities and strategic implications.

In exercising this oversight, the Board recognises both the strengths and challenges of the decentralised model, balancing local accountability with the need for consistency, particularly in addressing Scope 3 emissions.

The Board also recognises that sustainability initiatives increasingly support commercial outcomes, including meeting evolving customer expectations and enhancing the long-term competitiveness of our products and solutions. Sustainability considerations are therefore integrated into strategic decision-making and capital allocation, ensuring alignment between environmental commitments and long-term value creation.

Outcome

Through approval of enhanced climate targets, the Board has reinforced sustainability as a core strategic driver. Improved visibility of delivery and decarbonisation pathways supports more effective monitoring and targeted intervention. Embedding sustainability into strategy and capital allocation positions the Group to deliver long-term value while responding to evolving environmental expectations and transition risks.

Board of Directors

Our Board brings together a broad range of experience and expertise to support our long-term success. Through effective oversight, constructive challenge and strategic guidance, the Board works closely with management to promote sustainable growth, strong governance and value creation for stakeholders.

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 trustee 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.

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

See full biographies at www.halma.com

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 in April 2025, having previously served as an independent non-executive Director from 2016 to 2025. Before joining Halma's Executive Board, Carole was Chief Financial and Commercial Officer of Forth Ports Limited, 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. Carole is a non-executive director and Chair of the Audit Committee at RS Group plc.

External appointments:
RS Group 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

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 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 at 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

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 Future Media and Technology, 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
National Institute for Health and Care Excellence, Chairman

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

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

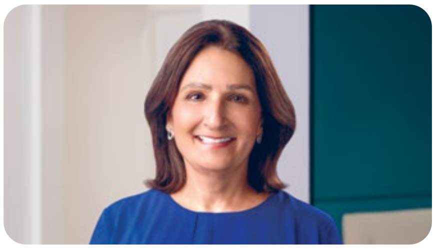
Giles Kerr
Independent non-executive Director

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



Barbara Thoralfsson
Independent non-executive Director

A N R

Appointed: June 2025

Barbara brings extensive international experience from her executive and non-executive positions in public and private companies across numerous sectors, including industrial, consumer goods, telecommunications and technology. She is deeply passionate about sustainability, having founded Fleming Industrier AS, owner of the largest recycler of plastic waste in the Nordics. She has served as CEO of NETCOM ASA, and her non-executive career spans 20 years.

External appointments:
SCA AB, non-executive director
Essity AB, non-executive director

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

See full biographies at www.halma.com

Executive Board

Marc Ronchetti
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

Carole has extensive financial experience and a strong focus on governance and risk. Carole was appointed as Chief Financial Officer in April 2025, having previously served as an independent non-executive Director from 2016 to 2025. Before joining Halma's Executive Board, Carole was Chief Financial and Commercial Officer of Forth Ports Limited, 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. Carole is a non-executive director and Chair of the Audit Committee at RS Group plc.

Jennifer Ward
Chief Talent, Culture and Communications Executive

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 at PayPal, Bank of America and Honeywell. Jennifer is a non-executive director and Chair of the Remuneration Committee at Diploma plc.

Steve Brown
Sector Chief Executive, Healthcare

Steve joined Halma in 2015 and was appointed to the Executive Board in November 2021. Steve has a strong track record of building high-performing teams and delivering organic and inorganic growth. 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. Steve was additionally appointed as President of Halma Asia Pacific in March 2026.

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 from FirstGroup plc as Director, Strategy & Operational Performance. Prior to that she was Managing Director of Solutions at De La Rue plc. She brings a wealth of industrial and innovation experience and strong capability in driving organic growth in her sector.

Funmi Adegoke
Sector Chief Executive, Safety

Funmi was appointed to the Executive Board in September 2020. She was previously Halma's Group General Counsel and Chief Sustainability Officer, leading complex commercial, regulatory and M&A activity and driving the group's sustainability agenda. She joined Halma from bp where she held a senior role in the commercial development team, focused on driving innovation and digital products and solutions within the energy sector. Funmi brings strong strategic, commercial and business acumen, with considerable experience across multiple industries and proven ability to build and develop talent.

How we are governed

Reflecting on the Guidance on the Strategic Report, issued by the Financial Reporting Council in February 2026, we streamlined our Governance Report to focus on material, proportionate and outcome focused reporting. An overview of our governance structure is set out below and governance matters relevant to the year under review are reported in this Annual Report. Information on the composition, role and activities of each Board Committee is set out in the respective Committee Reports. The following governance information is available on our website at **www.halma.com**:

- Board roles and responsibilities – which are clearly defined, set out in writing and regularly reviewed.
- Committee roles, responsibilities and terms of reference, as approved by the Board.
- Matters reserved for the Board.

As a decentralised organisation, Halma's business model places the autonomy of its companies at its core. A robust, clearly defined and well-communicated governance and control framework is essential to support delivery of the Group's strategy while ensuring appropriate oversight and accountability.

To balance autonomy with stewardship at Group level, all companies are required to comply with Halma's suite of financial and non-financial policies and procedures and to confirm compliance on an annual basis. These policies cover areas including financial reporting and internal control, health and safety, the environment, ethics, human resources, IT and cyber security, data privacy, and compliance, and are available to all employees via Halma's SharePoint site. The Board receives assurance over their effectiveness through a rotational programme of internal audits, pulse checks and peer reviews. In addition, financial checks and procedures are performed by the Auditors for half-year and full-year reporting.

Clear decision-making responsibilities are set out in an authority matrix, which communicates the matters reserved for the Board, those delegated to the Group Chief Executive, and the authority delegated to Executive Board (EB) members, Divisional Chief Executives (DCEs) and company managing directors. This framework provides clarity and consistency across the Group while supporting local decision-making.

Each company within the Group has its own legally constituted board of directors, which meets regularly. The DCE acts as chair of the board for each company within their portfolio. They also meet with the full EB, and individually with the Group Chief Executive, at least twice a year.

Halma governance structure

Board-level governance

Halma plc Board
Group purpose, strategy, culture and stewardship.
Approves Group policies and authority framework.

Principal Board Committees
Audit Committee, Remuneration Committee, Nomination Committee

Executive and operating governance

Executive Board (chaired by Group Chief Executive)
Executive leadership of the Group.
Performance, priorities and delivery in line with Group purpose and strategy.

Sector boards (chaired by SCEs)
Sector-level strategy, performance and oversight forums.
Forum for talent, culture, sustainability, risk and M&A.

Company boards (chaired by DCEs)
Statutory boards of companies. Responsible for strategy, governance, operations and performance of companies, within the Group framework.

DCEs provide regular written reports to EB members and the Halma plc Chair, to update on relevant matters, including strategy, operational and financial performance, talent and culture, compliance and sustainability.

Sector Chief Executives (SCEs) hold regular sector board meetings, attended by the respective DCEs and finance, talent and M&A leads. This structure provides a clear framework in which the companies can operate. It ensures clear accountability and channels of communication are established, while supporting the Group's autonomous business model by enabling agility throughout the Group.

Board meetings

At each meeting, the Board receives updates from the Group Chief Executive, Group CFO, SCEs, Investor Relations, M&A, Board Committees, Company Secretary, Legal, Risk & Compliance. Rotational presentations from the SCEs, functional experts 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 provides opportunities for Directors to engage with employees, to inform the Board's decision-making and for Directors to discharge their Section 172 duties. Read our s.172 statement on page 56.

The Board has six meetings per year but will meet outside this schedule, or pass Board 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 and Committee attendance

Member attendance at scheduled Board and Committee meetings, for year ended 31 March 2026, is provided below.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings	**6**	**4**	**4**	**2**
Number attended/eligible to attend:				
Dame Louise Makin	6/6		4/4	2/2
Marc Ronchetti	6/6			
Carole Cran	6/6			
Jennifer Ward	6/6			
Liam Condon	6/6	4/4	4/4	2/2
Jo Harlow	6/6	4/4	4/4	2/2
Giles Kerr	6/6	4/4	4/4	2/2
Hudson La Force[1]	6/6	4/4	4/4	1/1
Dharmash Mistry	6/6	3/4	4/4	2/2
Sharmila Nebhrajani OBE	6/6	4/4	4/4	2/2
Barbara Thoralfsson[2]	5/5	3/3	3/3	0/0

1 Hudson La Force joined the Board on 2 June 2025.
2 Barbara Thoralfsson joined the Board on 16 June 2025.

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 2026.

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.

The Board approves all significant external appointments before a Director accepts a role. Executive Directors may hold one external appointment where it benefits both the Company and the individual, provided it does not create a conflict of interest or interfere with their executive responsibilities.

For non-executive Directors, overall time commitment is considered carefully at the appointment stage, with candidates required to demonstrate they can dedicate sufficient time to the role, and is monitored thereafter. Before approving additional appointments, the Board assesses the combined time commitments and will not approve a role where this could adversely affect a Director's availability or effectiveness at Halma.

Board oversight of our culture

Our culture

Our 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 businesses brings competitive advantage. 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 23 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 people are critical for delivering our growth objectives. By fostering a collaborative and inclusive culture, we are unified by our purpose and aspiration to deliver on our strategic ambition. Our positive culture is demonstrated through the 75% overall employee engagement score achieved from our global annual engagement survey, which this year had a very strong participation rate of 85%.

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

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 and 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 on our website.

Find out more information on our website www.halma.com/sustainability

→ **Read more on Sustainability: 58**

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 and report their observations to the Board and to the relevant Sector Chief Executive and Divisional Chief Executive. Additionally, all Directors engaged with employees from across the Halma Group at the Accelerate Halma event in April 2026.

→ **Read more: 50**

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.

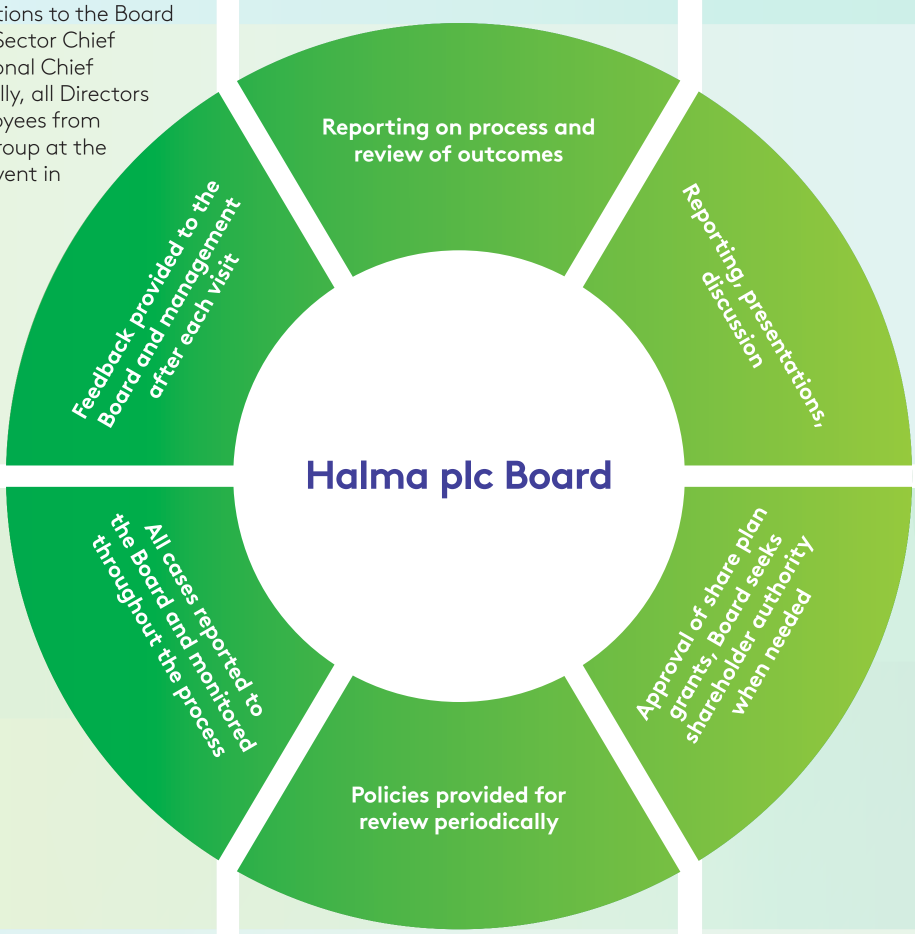
→ **Read more on the outcomes of our employee engagement survey on page 65**

→ **Employee engagement KPI, page 32**

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.



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 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. This year, the Board approved a new Supplier Code of Conduct and updates to our Code of Conduct. Find both of these at **www.halma.com**.

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: 109**

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 are 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: 50**

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 Chief Talent, Culture and Communications Executive.

Executive Board and Sector Chief Executives (SCEs)

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 (DCEs)

The DCEs chair their respective subsector company boards and meet with the Executive Board at least twice 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.

Nomination Committee report

Committee membership and responsibilities

The Committee comprises the Chair and the independent non-executive Directors. Committee attendance, for the year ended 31 March 2026, is on page 107.

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 2025/26

Principal activities during the year included:

- Reviewing the internal 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 secure the appointment of two non-executive Directors as part of the Committee's succession planning for retiring non-executive Directors.
- Considering succession for the roles of Senior Independent Director and Remuneration Committee Chair.
- Reviewing the Board's skills and experience matrix to ensure it remains aligned with the Group's needs and supports Halma's growth strategy.
- Approving the Nomination Committee report.
- Following the individual Director evaluations undertaken by the Chair, recommending the re-election of Directors standing at the 2026 Annual General Meeting.

Dame Louise Makin
Nomination Committee Chair

Board and Executive Board composition

Our Board comprises an independent Chair, seven 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 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.

The Executive Board comprises the three executive Directors and three Sector Chief Executives.

Further background on the skills and experience of the Board and Executive Board is set out in the biographies on pages 102 to 105 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 112 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 2026 and up to the date of this report, the Board had met the following targets:

- at least 40% of the individuals on the Board are women;
- women hold 75% of the senior Board positions (Chair, CFO and Senior Independent Director); and
- at least two individuals on the Board are from a minority ethnic background.

Our Board Diversity Policy, which is available at **www.halma.com**, 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 highlighted over 18% of the population identified as being from an ethnically diverse group.

Board skills and experience

● Advanced experience and expertise ○ Experience

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

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 members of the Executive Board and their direct reports, excluding administration staff) to be held by individuals from ethnically diverse backgrounds by December 2027. As at 31 March 2026, in line with the Parker Review's updated definition, the percentage was 23%.

Board and Executive Board – Gender diversity as at 11 June 2026

	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	45%	1	2	33%
Women	6	55%	3	4	67%

Board and Executive Board – Ethnic diversity as at 11 June 2026

	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	73%	4	5	83%
Mixed/Multiple Ethnic groups					
Asian/Asian British	2	18%			
Black/African/Caribbean/Black British				1	17%
Other ethnic group, including Arab	1	9%			

Board and Executive Board – Age diversity as at 11 June 2026

	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	17%
50–59	5	45%	2	4	66%
60–69	6	55%	2	1	17%

Board appointments during the year

Two new non-executive Directors, Hudson La Force and Barbara Thoralfsson, were appointed during the year. Both appointments followed the formal and rigorous process outlined below.

Lygon Group, an independent executive search firm with no connection to the Company or any of its Directors, was engaged to support the search and selection process.

Following a comprehensive evaluation, the Committee recommended to the Board the appointment of Hudson and Barbara. Hudson was recommended in light of his extensive US and international industrial leadership experience. He brings deep expertise in operational transformation, capital allocation and driving growth across complex, global businesses, particularly in North America and other international markets.

Barbara was recommended for her broad international experience and strong expertise in remuneration, sustainability and governance. She also contributes an owner-led, entrepreneurial perspective, which complements the Board's existing capabilities.

The Committee considers that both Hudson and Barbara demonstrate strong cultural alignment with Halma. Their appointments enhance the Board's diversity and strengthen its ability to provide effective oversight of leadership, incentives and long-term value creation within Halma's devolved operating model.

In the prior year, Carole Cran transitioned from her role as a non-executive Director to an executive Director, assuming the position of Group CFO with effect from 1 April 2025.

Jo Harlow will be stepping down from the Board at the 2026 AGM, having served more than nine years as a non-executive Director. In line with the Committee's succession planning in advance of her retirement from the Board, Sharmila Nebhrajani OBE will be appointed Senior Independent Director and Giles Kerr will succeed Jo Harlow as Chair of the Remuneration Committee, with both appointments taking effect from the conclusion of the 2026 AGM.

Board appointment process

The Board has an established and rigorous process for identifying and assessing candidates for Board positions. Before recommending a Director appointment to the Board, the Committee undertakes the following steps:

Role definition

The Committee considers the skills and experience required for the role, including how these complement the composition of the Board, and agrees the role specification.

Search and benchmarking

An independent executive search firm with a strong understanding of Halma's business model and culture is appointed. The firm prepares a long list of diverse external candidates and, for executive roles, benchmarks any internal candidates identified through the Committee's succession planning process.

Shortlisting

The Committee reviews the long list of candidate profiles and, drawing on internal insight and the search firm's assessment, agrees a shortlist of diverse candidates to progress to interview.

Interviews

For non-executive appointments, interviews are conducted by Committee members (including the Chair), the Group Chief Executive and the Chief Talent, Culture and Communications Executive. For executive appointments, the Chair and non-executive Directors lead the process, with input from other executives where appropriate.

Assessment and diversity considerations

Following the interviews, Committee members meet to share feedback and assess candidates against the agreed role criteria, taking into account references obtained by the search firm. Maintaining a focus on gender and ethnic diversity, while ensuring that other aspects of diversity are not overlooked, remains an important consideration for the Committee. Where diversity may be reduced as Directors come to the end of their tenure, the Committee seeks to ensure that the Board remains sufficiently diverse or seeks to appoint a replacement Director to maintain or restore diversity across the Board and its Committees.

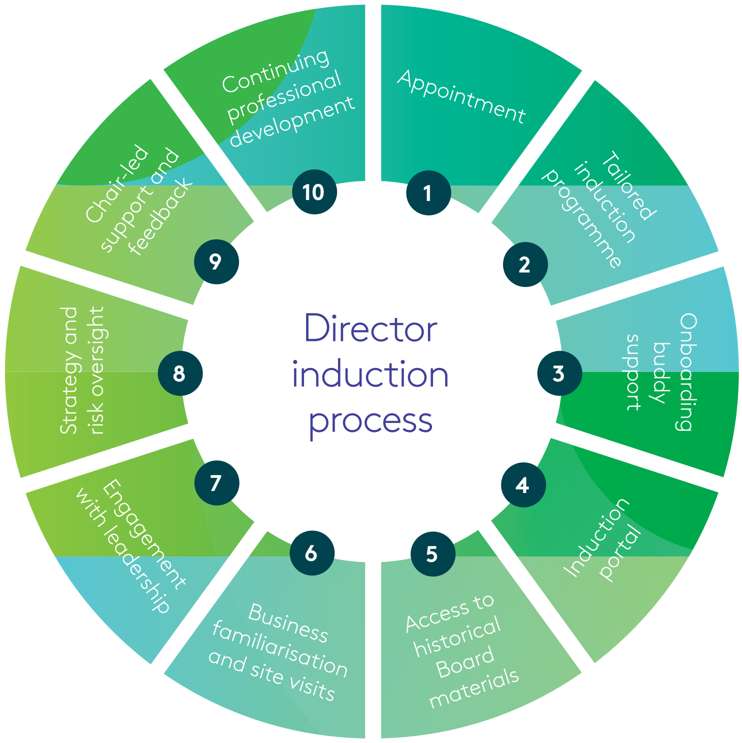
Recommendation and appointment

The Committee selects a preferred candidate and makes a formal recommendation to the Board. Subject to Board approval, the Company announces the appointment via a regulatory information service.

Director induction process

Newly appointed Directors participate in a structured and tailored induction programme designed to support their effective integration into the Board. During the prior year, a material enhancement was made to the structure and resources of the programme to enable more timely and effective onboarding. The refreshed approach is outlined below.

The induction process is designed to ensure rapid familiarisation with the Group's strategy, governance, culture and operations. The key elements are as follows:



1. Appointment
Ahead of, or on joining, the Director meets with the Company Secretary to review onboarding materials, confirm their assigned onboarding buddy, and receive an introduction to the Director induction portal.

2. Tailored induction programme
A bespoke onboarding plan is developed for each Director, setting out key internal stakeholders to meet, including Board members, the Executive Board and senior functional leaders. This may be supplemented by meetings with external advisers to the Group.

3. Onboarding buddy support
Each Director is paired with an experienced Director who acts as an onboarding buddy, providing peer support, practical insight and guidance on navigating the Group's decentralised and entrepreneurial operating model. For new non-executive Directors, their onboarding buddy would be a fellow non-executive Director.

4. Induction portal
A dedicated Director induction portal provides comprehensive information on the Group's purpose, strategy, structure, performance, governance framework, leadership, remuneration, external perception and Board culture, alongside practical resources to support the role.

5. Access to historical Board materials
Directors are granted access, via a secure Board portal, to Board, Committee and strategy papers (including detailed financial information and meeting minutes) for at least the preceding 12 months to develop their understanding and prepare for initial meetings.

6. Business familiarisation and site visits
Following initial Board meeting cycles, Directors undertake a programme of site visits across companies, either independently or with other Directors or executives. These visits are supported by preparatory materials and guidance, and post-visit insights are shared with the Board to enhance collective understanding.

7. Engagement with leadership
Non-executive Directors are required to attend Accelerate – the Group's leadership conference – during their first term. Directors are also encouraged to participate in the panel or breakout sessions, to build engagement with senior leaders and deepen understanding of companies and the sectors. Additional forums, including the Accelerate non-executive Director breakfast and annual DCE dinner, provide opportunities for direct engagement with senior management from across the Group.

8. Strategy and risk oversight
Participation in the annual strategy meeting enables Directors to engage with the Executive Board on long-term strategic priorities, growth delivery and key risks.

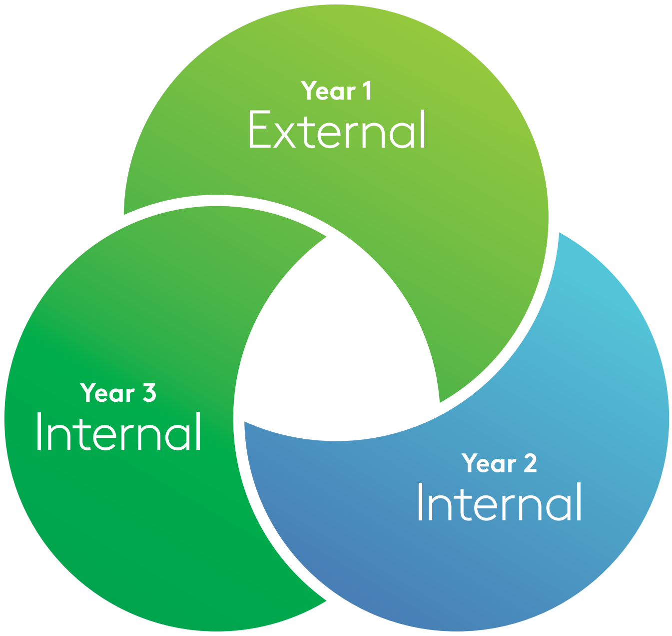
9. Chair-led support and feedback
An ongoing dialogue with the Chair supports Director development and an effective boardroom dynamic, with annual performance reviews providing formal feedback and a focused development discussion.

10. Continuing professional development
Directors have access to ongoing learning opportunities through engagement with Board colleagues, management and external advisers, supported by periodic expert briefings on relevant topics to ensure continued effectiveness and up-to-date knowledge. If it is beneficial to the Board, the Company may fund individual Director training or development.

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 2025 actions

A summary of the progress made on the agreed actions from 2025 is set out below.

Action	Progress
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.	This session was held in November 2025. The Board concluded that its open, transparent culture and strong engagement between non-executive and executive Directors supports effective challenge and decision-making. Its focus on long-term strategy, talent and culture, reinforced through regular company visits, was seen as a key strength.
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.	As part of the Board's ongoing effectiveness review, input has been sought from Directors appointed in 2025, with further assessment to continue on a rolling basis. The elements that now make up the enhanced induction process are set out on page 114.

2025/26 Effectiveness Review

The Committee 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 Independent Board Evaluation in 2024, with internal reviews undertaken in 2025 and 2026.

This year's internal review was facilitated using an online questionnaire. We ensure that the internal exercise is thorough and targeted, with tailored questions on areas most relevant to Halma at that time, or on new or emerging topics. 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, risk and resilience.

2026 Nomination Committee review outcomes

The Committee's own effectiveness review concluded that:

- The Committee is effective and its dynamics enable high-quality discussions.
- There is a good mix of thinking styles and constructive challenge.
- The frequency and duration of meetings is appropriate.
- Papers and presentations are of a high quality and relevant to Halma's approach and talent philosophy.
- The Chair provides effective leadership, particularly around succession.
- Relationships with management are strong.

2026 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.
- Board discussions are sufficiently deep and balanced, to support robust decision-making.
- Stakeholder concerns are understood and there is a proactive and open approach to engagement.
- Strong relationships have been formed among 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.
- With support from the Company Secretary, clear and effective lines of communication are maintained between the Board and the Executive, ensuring appropriate topics and information are provided to the Board in a timely manner.

Following the Board and Nomination Committee review, the following actions were agreed for the year ahead:

- The Nomination Committee will undertake a deep talent and succession assessment of the Executive Board, one level below, and the managing director population, which will also be informed by Deeper Signals core values and drivers assessments.
- The Board will continue to be updated on AI enablement and practical use cases by our companies, to continually broaden understanding of the approach, risks and opportunities for the Group in this fast changing area.
- M&A strategy and geopolitical insights will be incorporated into the sector presentations at the annual Board strategy meeting.

Director re-election

Following the annual effectiveness review, and the individual Director performance reviews undertaken by the Chair, all Directors that are standing for 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 re-election of the Directors standing at the 2026 AGM.

Dame Louise Makin
Committee Chair

For and on behalf of the Committee, 11 June 2026

Audit Committee Report

Committee membership and responsibilities

The Committee comprises the independent non-executive Directors. Committee attendance, for the year ended 31 March 2026, is on page 107. Biographies for each Committee member are set out on pages 102 to 104.

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, and in line with the FRC's Minimum Standard, for the year.

Committee activities 2025/26

- Reviewing half year results and Annual Report and Accounts, considering key accounting judgements and estimates and approving the going concern and viability statements.
- Reviewing internal controls, and principal and emerging risks, including regular updates on preparatory work in relation to Provision 29 under the UK Corporate Governance Code 2024.
- 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 developments, and reviewing TCFD disclosures.
- Monitoring the continued progress on implementation of the Enterprise Performance Management (EPM) system.
- Agreeing the external Auditor fee and confirming independence and effectiveness.
- Receiving insight sessions on geopolitical matters, and key judgements and estimates from internal and external experts.
- Receiving updates on the external audit tender process.
- Receiving presentations from the E&A Sector CEO, Safety Sector CFO and Head of Group Tax.

Sharmila Nebhrajani OBE
Committee Chair

2026 Committee review outcomes

An evaluation of the Committee's effectiveness is undertaken each year, and the findings are reported to the Board. In 2026, 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. The key action agreed by the Committee was to ensure a continued schedule of relevant and pertinent internal and external sessions, led by subject matter experts.

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 below, 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 2025 and the full year ended 31 March 2026.

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 and 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.

Following the implementation of, and transition to, the new EPM system during the prior year, the Committee monitored and reviewed the quality of reporting post-implementation and efficiencies gained, including through the Auditor's work to support their opinion.

During the year, the Company received correspondence from the FRC's Corporate Reporting Review team in relation to its interim report for the six months ended 30 September 2025, which was reviewed by the Chair of the Committee. Management provided the FRC with acknowledgement of receipt of the letter and communicated that the matters raised would be incorporated in the Annual Report and Accounts 2026.

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 five acquisitions were attributed.
Carrying value of acquired intangible assets 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. • Reviewing the fair value of acquired intangible assets and carrying values arising on the five acquisitions in the year, particularly in relation to the larger acquisitions of Brownline, E2S, Safetec and Altomed.
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 2026, the treatment and valuation of the contingent consideration provisions in relation to Visiometrics, Safe-com and Safetec.
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. • Monitoring the evolving BEPS Pillar 2 legislation and the likely compliance impact on the Group. • Received information on the new public Country-by-Country Reporting (pCBCR) requirement applicable for the year-end 31 March 2026.
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 Company and any impact to future viability.	• Reviewing evidence to support the going concern basis of accounts preparation, the Viability Statement and the risk management and internal control disclosure requirements.
Judgements and estimates involved in valuing defined benefit pension plans.	• Assessing the assumptions used in determining pension obligations. • The recognition of the plan surpluses in accordance with IFRIC 14.
Task Force on Climate-related Financial Disclosures (TCFD).	• Reviewing 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 120. 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 management's assumptions; and the quality of service and delivery of the audit.

The proposal to reappoint PwC as Auditors for the year ending 31 March 2027 is considered to be in the best interests of 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.

Accordingly, the Committee recommends that PwC are reappointed as Auditor at the 2026 Annual General Meeting (AGM).

Audit tendering

The Committee has primary responsibility for leading the audit tender and recommending to the Board the appointment or reappointment of the external Auditor, before it is put to shareholders at the AGM. This process is 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.

In line with the information provided in our Annual Report and Accounts 2025, an external audit tender process commenced during the financial year ended 31 March 2026, and will conclude during 2026, with the preferred firm appointed with effect from 1 April 2027, subject to shareholder approval at the 2027 AGM. To date, an audit tender panel has been formed internally and a Request for Proposal (RFP) has been issued to selected audit firms; the RFP process is expected to conclude by October 2026 and a recommendation will be made to the Board at its meeting in November 2026. Full details of the audit tender process will be disclosed in the Committee's Report in the Annual Report and Accounts 2027.

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 January 2026 to align with the FRC's revised Ethical Standard 2024. 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, two pieces of permitted audit-related services work (in addition to the half year review) were undertaken by PwC. These were in respect of a building subsidy certification for BEA SA and a submission to the King's Awards for Palintest Limited.

Additionally, PwC provided a subscription to their technical guidance toolkit as a non-audit service. Non-audit services are 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 2026 were £3.3m (2025: £3.2m) and permitted audit-related service fees were £0.1m (2025: £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.5% 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 2024/25 –** the Committee reviewed the results of the FRC's PwC Audit Quality Inspection and Supervision report 2024/25 during the year and noted that the FRC had concluded that PwC had achieved an improvement on prior years.
- **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 the 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 from 1 April 2022.
- **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 & 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 Audit Quality Inspection and Supervision 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 annual review questionnaire and the FRC's Audit Quality Inspection and Supervision 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 2026 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 resilience. 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 75 and the risk management and internal control processes are detailed on pages 76 to 77.

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 78 to 84, 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.

During the financial year ended 31 March 2026, we have continued preparatory work for our first disclosure under Provision 29 of the UK Corporate Governance Code 2024, which we will report on in our Annual Report and Accounts 2027. This work has been an evolution of existing controls, focusing on formalising and streamlining the framework and controls already in place, to ensure they are fit for purpose and that we are well positioned to meet the reporting obligations of Provision 29. The Committee and the Board have overseen this area of work during the year, receiving regular status updates, reviewing and challenging the proposed approach, and ensuring overall alignment with the framework. The Committee and the Board are satisfied that the assurance, oversight and governance of material controls is robust. Further details of the work conducted to date can be found in the Risk management and principal risks report on page 76.

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 98.

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 85.

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, a shorter walkthrough, give assurance touchpoints mid-way between full audits, and are also undertaken to provide an additional assurance snapshot. These 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 controls, 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. Each 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 & Assurance reports are issued to management and the Auditor.

Evaluation of the effectiveness and quality of the Internal Audit & Assurance function

The effectiveness of the Internal Audit & Assurance function is monitored throughout the year, including through:

- **Progress against the Internal Audit & Assurance plan –** the Committee reviews and discusses progress made against an annually agreed Internal Audit & Assurance action plan at each meeting.
- **Internal Audit & Assurance reports to the Committee –** Internal Audit & Assurance 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 holds regular private sessions with the Director of Internal Audit & Assurance, without management present, to facilitate open dialogue.

A summary of the process and key findings is set out below.

Internal Audit & Assurance evaluation process and outcome

Bespoke questionnaire covering:
- The function's 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 2026 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 & Assurance 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 150.

Sharmila Nebhrajani OBE
Committee Chair

For and on behalf of the Committee, 11 June 2026

Committee membership and responsibilities

The Committee comprises the independent non-executive Directors. Committee attendance, for the year ended 31 March 2026, is on page 107.

Biographies for each Committee member are set out on pages 102 to 104.

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 2025/26

Principal activities during the year:

- Reviewed and approved the 2025 Directors' Remuneration Report, including narrative on the gender pay gap and the Chief Executive pay ratio.
- Approved the 2025 annual bonus payout and Performance Share Award vesting.
- Reviewed salaries for the Executive Board effective 1 June 2025, taking the budgets for salary reviews across the Group into consideration.
- Approved the 2026 annual bonus and Performance Share Award targets.
- Approved the award of Key Talent Grants for our critical and/or high potential talent.
- Commenced the review of the Directors' Remuneration Policy to be put forward to a binding shareholder vote in July 2027.
- Reviewed survey results from Halma UK companies on the impact of paying the Real Living Wage (RLW).
- Received executive remuneration governance and market updates from our remuneration consultants, WTW.

Jo Harlow
Committee Chair

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the year ended 31 March 2026.

The Directors' Remuneration Report provides a comprehensive overview of our remuneration framework, describing how the Remuneration Policy was implemented over the year to 31 March 2026 and outlining the intended arrangements for the 2027 financial year.

The context of remuneration in 2026

Group performance and shareholder return

Halma delivered its 23rd consecutive year of Adjusted profit growth, underpinned by strong performance spread broadly across the portfolio. This included premium growth from the photonics business within the Environmental & Analysis Sector, alongside a record level of investment, including five acquisitions. See page 9, of our Group Chief Executive's Review for more information on premium growth in photonics.

The share price strengthened during the year, and Total Shareholder Return once again exceeded the performance of the FTSE 100. Over the 10 year period to 31 March 2026, a £100 investment in Halma shares would have grown to £457, compared with £241 for an equivalent investment in the FTSE 100. In the 2026 financial year, revenue grew by 15%, alongside growth of 22% in Adjusted EBIT and 21% in Adjusted earnings per share (EPS), with Adjusted Return on Total Invested Capital (Adjusted ROTIC) of 16% exceeding the Group's Weighted Average Cost of Capital, which is estimated to be 10.2% (2025: 9.8%).

Wider workforce pay, benefits and engagement

We continue to publish details of the mean (average) gender pay gap across our two largest regions – the UK and the US. As at 31 March 2026, the mean gender pay gap reduced from 12% at 31 March 2025 to 9%, reflecting our continued focus on fair and inclusive reward practices. Further information on our progress is set out in the supporting our people section on page 69.

Halma surveyed its UK companies to assess the impact, costs and practical challenges associated with paying the Real Living Wage (RLW). The Company reaffirmed its commitment to paying the RLW. Accordingly, with effect from 1 June 2026, pay increases of almost 7% were implemented for the lowest-paid colleagues, with pay rates remaining well ahead of the statutory National Living Wage.

The Group introduced access to a confidential, multidisciplinary support service providing clinical and lifestyle guidance relating to menopause, mental wellbeing and physical health for our US employees. These enhancements were complemented by expanded employee choice through the introduction of pet insurance, legal cover and identity theft protection.

Across the Group, employees are supported by a broad range of wellbeing benefits, including a 24/7 Employee Assistance Programme, financial education and advice, pension and 401(k) arrangements, and comprehensive health insurance.

UK employees are also able to become Halma shareholders through an all-employee Share Incentive Plan that provides free shares, supporting engagement and alignment with shareholder outcomes. In October 2025, over 2,500 UK employees were granted free shares with an average gross award value of over £900.

The Group's median CEO pay ratio for the year was 177:1, with further detail provided on page 136. The Committee recognises the importance of transparency in this disclosure and notes that the Group Chief Executive's total remuneration is significantly weighted towards variable pay, with outcomes linked to performance and the delivery of sustainable long-term value. Over the three-year period to 31 March 2026, a £100 investment in Halma shares would have grown to £164 compared to £131 for an equivalent investment in the FTSE 100, representing strong shareholder value.

In determining executive remuneration, the Committee is mindful of pay and reward practices across the wider workforce, while recognising that direct comparisons are inherently complex given the Group's decentralised operating model and geographic diversity. To support informed decision-making, the Committee receives regular updates on pay structures below Board level and considers developments in employee pay and benefits across the Group. It is a strength of our remuneration approach that there is clear consistency in how the broader executive population are incentivised to support the sustainable compounding growth strategy – particularly through the use of Economic Value Added (EVA) and bonus deferral – which was reinforced through recent engagement that was carried out to gather stakeholder views on executive remuneration.

The Board continues to support opportunities for non-executive Directors to engage directly with employees through a programme of in-person site visits. During the year, members of the Committee visited several Halma companies, engaging with employees on a variety of workforce topics and questions, listening to feedback, and receiving positive commentary on the breadth and quality of benefits provided across the Group. A breakfast meeting was also held with selected employees at our Accelerate Halma leadership conference, held in April 2026. The sessions provided an opportunity for open and constructive discussion on the role of the Remuneration Committee, executive and employee remuneration and broader topics such as job satisfaction and company culture.

Remuneration outcomes for 2026

In light of the context set out above, the Committee made the following decisions in respect of executive pay.

Short-term incentive outcome – 95%

Bonuses for 2026 were based on the two metrics below:

- Economic Value Added (EVA) – Performance against a weighted average target of EVA for the past three years, representing 95% of overall bonus opportunity.
- Diversity, Equity and Inclusion (DEI) – Gender balance on the boards of individual Halma companies, 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 both metrics are set out below, with an overall payout of 95% of maximum. As per the Policy, one-third of the total payout is deferred into shares, which will become available after two years:

Metric (Weighting)	EVA (95%)	DEI (5%)	Weighted total
Achievement as a % of maximum outcome	100%	0%	95%

Long-term incentive outcome – 88.08%

For the 2023 Performance Share Award, granted under the Executive Share Plan (ESP), the two performance metrics, equally weighted and measured over three years, are:

- Growth in Adjusted earnings per share (EPS).
- Average Adjusted Return on Total Invested Capital (Adjusted ROTIC).

Average Adjusted ROTIC was 15.09% (being the average for financial years 2024 to 2026) and Adjusted EPS increased by an average of 13.71% per annum over the period from 1 April 2023 to 31 March 2026[1]. This resulted in vesting of 88.08% of the awards, as set out in the table below:

Metric (Weighting)	Adjusted EPS growth (50%)	ROTIC (50%)	Total
Vesting achievement as a % of maximum outcome	50%	38.08%	88.08%

The performance measures and targets for the award continue to demonstrate a high level of stretch, with threshold and maximum outcomes calibrated to deliver sustained earnings growth and strong capital discipline. Maximum vesting would reflect a rate of earnings growth consistent with Halma doubling its earnings over the medium term, alongside returns generated at a substantial premium to the Group's cost of capital.

The Committee considers the targets for this award to be aligned with our Sustainable Growth Model and is confident that the measures incentivise shareholder value creation effectively.

1 Both measures exclude the post-tax effect of the one-off profit from the Nuvonic transaction.

The Committee reviewed the topic of windfall gains for the 2023 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 but should exclude the one-off profit from the Nuvonic transaction, as described.

In line with the Corporate Governance Code 2024 (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 also carefully considered the broader stakeholder experience, and the Company's share price performance over the relevant performance periods. The Committee is satisfied that the total remuneration received by Executive Directors in respect of the year ended 31 March 2026 is a fair reflection of the strong performance over the period and no use of discretion is warranted.

Remuneration Policy

The Directors' Remuneration Policy was approved by shareholders at the 2024 Annual General Meeting and is therefore required to be approved at the 2027 AGM.

The Committee continues to believe that the Policy is operating effectively and as intended, providing a strong link between executive remuneration and the long-term interests of shareholders, while remaining consistent with evolving best practice in corporate governance. However, since the last material review of the Policy in 2021, Halma has continued to grow and scale at pace. The Group has further established its position in the upper half of the FTSE 100. It is now substantially larger, with a greater number of companies operating in a broader range of niche end markets and is managing substantial expansion in some higher growth areas, including in photonics.

As a result, the market within which Halma competes for executive talent has continued to evolve and increasingly includes global organisations with similar growth profiles, including private equity backed businesses. Remuneration levels in these markets are often significantly higher and more performance-focused than those of the FTSE 100 peer group that Halma has primarily used in recent years. This has intensified competition for a limited pool of proven leaders capable of delivering Halma's long-term growth strategy, affecting both recruitment and retention of senior talent. In parallel, the Committee has observed increasing pay compression within the Group, reflecting these external market dynamics across Halma's three sectors.

Against this backdrop, the Committee has started its review of the Directors' Remuneration Policy and, during the 2027 financial year, will continue to assess the executive remuneration arrangements to ensure they remain fit for purpose and aligned with the Group's strategic direction. The review will focus on ensuring the remuneration framework continues to reinforce – rather than hinder – the high-performance culture of the business and enables us to secure, retain and reward the best talent in a competitive global market. As part of this process, the Committee intends to engage with major shareholders and relevant advisory bodies to seek their views on any potential changes to the Policy.

Remuneration arrangements for 2027

Salary review and pension arrangements

The Executive Directors received a salary increase of 5%, consistent with the approach applied to top performers within the wider workforce. Following this increase for the three Executive Directors, their base salaries are appropriately positioned against the relevant market benchmark (the median of the FTSE 100 excluding financial services), taking into account the nature, scale and complexity of their roles.

Role	Current position	Position with effect from 1 June 2026
Group Chief Executive	£1,015,800	£1,067,000
Chief Financial Officer	£642,800	£675,000
Chief Talent, Culture and Communications Executive	£527,100	£553,000

Pension arrangements for Executive Directors will remain aligned with the wider UK workforce at 10.5% of base salary.

Annual bonus

We will continue to use EVA as the primary financial performance metric for the annual bonus, as it aligns closely with our core business model and reinforces our focus on delivering sustainable growth alongside consistently high returns. We also remain focused on our overarching ambition to achieve 40–60% gender representation on the boards of Halma companies, as we believe that diverse, inclusive teams consistently outperform and are essential to delivering our purpose and accelerating our growth.

As described in the Group Chief Executive's review on page 9, the impact of the premium growth experienced at Avo Photonics (a business in our Environmental & Analysis Sector) was significant in the 2026 financial year, meaning that it represents a material part of the Group's profit growth. To further align the bonus with the expected reinvestment of the photonics premium to support the sustainable growth of the Group, the Committee will introduce a related measure into the annual bonus for the 2027 financial year. The details of this measure are commercially sensitive and, in line with prior years' approach to financial bonus metrics, will be disclosed in next year's Annual Report.

Executive Share Plan (ESP)

Performance Share Awards will be granted under the ESP as normal in June 2026, using Adjusted EPS growth and Adjusted ROTIC as the performance metrics based on stretching performance conditions.

Chair and non-executive Director fees

Fees are subject to an annual review and to align with the timing of Executive Director and the wider workforce salary reviews, Chair and non-executive Director fees are now reviewed with effect from 1 June. The previous review took effect 1 January 2025.

The Committee undertook a benchmarking review of the Chair's fees and unanimously approved an increase of 8.5%, details of which are set out on page 136. This positions the Chair's fee at the median of the FTSE 100 (excluding financial services).

The Chair and management also approved increases of 9% to the base fees for non-executive Directors with effect from 1 June 2026. Fees for the Senior Independent Director and Committee Chairs were increased by 25% and 11% respectively to align with the median of the FTSE 100 (excluding financial services).

The resulting increases are higher than those for the wider workforce, reflecting the alignment of review timing from January to June. The revised fee levels are appropriately positioned against the market, recognise the Group's increasing scale and complexity, and support the continued attraction and retention of high-calibre Board members.

Details of these changes can be found on page 136.

Closing remarks

The Committee's performance was assessed as part of the annual Board evaluation process. I am pleased to report that the Board takes assurance from the quality of the Committee's work.

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 will be stepping down as Chair of the Remuneration Committee following the conclusion of the 2026 AGM, and consequently, this will be my final report before handing over to Giles Kerr. I would like to take this opportunity to thank our major shareholders and the key institutional investor bodies for the time taken to engage with us during my tenure as Chair. I am confident that, under Giles' leadership, there will continue to be meaningful engagement with shareholders and investor bodies, particularly as part of the review of the Directors' Remuneration Policy, ensuring that it remains performance aligned and attentive to wider stakeholder views.

I hope that you will join the Board in supporting the resolution to approve the 2026 Directors' Remuneration Report.

Jo Harlow
Committee Chair

For and on behalf of the Committee, 11 June 2026

Remuneration at a glance

The Group's pay-for-performance framework is aligned to the Sustainable Growth Model, supporting long-term value creation alongside strong performance in the financial year.

The components of our executive remuneration

Fixed Pay + **Short-term incentive** + **Long-term incentive** = **Total Pay**

Salary, benefits and 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.

Performance Share Award
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 2026

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.

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.
Adjusted Return on Total Invested Capital[1] (Adjusted ROTIC)	• Adjusted 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	Outcome achieved (% of maximum)
Economic Value Added (EVA)	95%	Threshold: £425.3m; Maximum: £510.1m; Actual: £550.1m	100%
Diversity, Equity and Inclusion (DEI)	5%	Threshold: 35%; Maximum: -; Actual: 31%	0%
Weighted annual bonus outcome (% of maximum)			**95%**

Long-term incentive – Performance Share Award

Metric	Weighting	Threshold / Maximum	2026 achievement (Vesting %)
Adjusted[2] EPS growth over a three-year period	50%	Threshold: 5%; Maximum: 12%; Actual: 13.71%	50.0%
Three-year average Adjusted ROTIC[2]	50%	Threshold: 11%; Maximum: 17%; Actual: 15.09%	38.08%
Vesting percentage (2023 award)			**88.08%**

2 Both metrics exclude the post-tax effect of the one-off profit from the Nuvonic transaction.

2025 and 2026 single total figure of remuneration

	Year	Fixed Pay	Short-term incentive	Long-term incentive	Total pay (£000)
Marc Ronchetti Group Chief Executive	2026	16%	27%	57%	7,113
	2025	20%	33%	47%	5,405
Carole Cran Chief Financial Officer	2026	41%	59%		1,862
	2025	40%	60%		437[3]
Jennifer Ward Chief Talent, Culture and Communications Executive	2026	20%	31%	49%	2,917
	2025	20%	31%	49%	2,734

The remuneration levels in the chart above reflect the Group's outstanding performance, where record levels of growth have been achieved across the organisation, and strong shareholder returns delivered.

3 Carole Cran became Executive Director on 8 January 2025 when she started in her role as CFO Designate. She became Chief Financial Officer 1 April 2025.

Directors' remuneration for 2027

Salary/fees

The Executive Directors received a salary increase of 5%, consistent with the approach applied to top performers within the wider workforce.

The Committee unanimously supported these increases, especially in light of the excellent business performance.

With effect from 1 June 2026, the salaries for the Executive Directors will be:

Marc Ronchetti	Carole Cran	Jennifer Ward
£1,067,000	£675,000	£553,000

As fees for non-executive Directors were last reviewed with effect from 1 January 2025, the Chair's fee was increased by 8.5% and the base fee for the non-executive Directors by 9%. Fees for the Senior Independent Director and Committee Chairs were increased by 25% and 11% respectively.

These figures 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 124.**

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

We will continue to use EVA[3] as the primary financial performance measure for the annual bonus, as it aligns closely with our core business model and reinforces our focus on delivering sustainable growth alongside consistently high returns.

Following significant premium growth in our photonics business, the Committee will introduce a related measure into the annual bonus to further align the bonus with the expected reinvestment of the photonics premium to support the sustainable growth of the Group.

Details of the financial performance targets will be disclosed retrospectively following the end of the performance period.

We have retained the DEI target as we continue to work towards our wider diversity ambitions. The 2027 target is to achieve 31% gender balance on Halma company boards, with a weighting of 5%.

→ **Group DEI target details are set out on page 135 in the section titled "Annual bonus".**

3 All performance measures are aligned to Group performance.

Performance Share Award

The maximum long-term incentive 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 2027 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%
Adjusted 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 2027 financial year. All Executive Directors are members of the SIP.

Pension

The pension contribution for the Executive Directors for the 2027 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 2027 financial year.

Annual Remuneration Report

The Annual Remuneration Report sets out details of how the Policy was implemented in the year to 31 March 2026 and the proposed implementation for the next financial year. Details of how the Remuneration Committee intends to implement the Remuneration Policy during the 2027 financial year are summarised on page 134. The audited sections of this Report are clearly identified.

Remuneration for 2026

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 2025 and 31 March 2026.

	Marc Ronchetti £000		Carole Cran[1] £000		Jennifer Ward £000	
	2026	2025	2026	2025	2026	2025
Salary	1,003	934	639	146	521	486
Benefits[2]	28	29	53	12	21	18
Pension[3]	105	98	67	15	55	51
Total fixed pay	**1,136**	**1,061**	**759**	**173**	**597**	**555**
Annual Bonus[4]	1,930	1,787	1,099	264	901	835
Performance Share Award[5]	4,043	2,553	–	–	1,415	1,340
Share Incentive Plan (SIP)[6]	4	4	4	–	4	4
Total variable pay	**5,977**	**4,344**	**1,103**	**264**	**2,320**	**2,179**
Total pay	**7,113**	**5,405**	**1,862**	**437**	**2,917**	**2,734**

Notes to the table:
1. Carole Cran was a Halma non-executive Director until 7 January 2025. She was CFO Designate between 8 January 2025 and 31 March 2025 and became Chief Financial Officer on 1 April 2025.
2. Benefits: mainly comprises car allowance, travel benefit and private medical insurance.
3. Pension: value based on the Company's cash supplement in lieu of pension during the year.
4. 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 the total bonus, including amounts to be deferred.
5. Figures relate to Performance Share Awards vesting based on performance for the years ended 31 March 2025 and 2026. For the Performance Share Award vesting for the year ended 31 March 2026, 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 2026 of 3759p. For the award vesting for the year ended 31 March 2025, these figures have been updated from last year's report to reflect the actual share price on the vesting date of 3248p. Dividend equivalents in 2026 and 2025, respectively, were as follows for: Marc Ronchetti – £70,479 and £48,075, Jennifer Ward – £24,674 and £25,227.
6. SIP is based on the face value of shares at grant.

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 2026 (audited)

Annual bonus in respect of 2026

In 2026, the maximum bonus opportunity was 200% of salary for the Group Chief Executive 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 two metrics below:

- Economic Value Added (EVA): Performance against a weighted average target of EVA for the past three years, representing 95% of overall bonus opportunity.
- Diversity, Equity and Inclusion (DEI): Gender balance on the boards of Halma companies, representing 5% of overall bonus opportunity.

The Committee felt that the targets were stretching, 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 before adjustments 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:

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 2026, 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%.

Details of this non-financial target for the 2026 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%**

Performance levels against both targets are provided in the table below:

Metric	Weighting	Threshold	Maximum	Actual	2026 Achievement (% of maximum)
Economic Value Added (EVA)	95%	£425.3m	£510.1m	Actual: £550.1m	100%
Diversity, Equity and Inclusion (DEI)	5%	35%	-	Actual: 31%	0%
Weighted annual bonus outcome (% of maximum)					**95%**

The cash and Deferred Bonus Awards across both targets are set out in the table below:

Executive Director	Overall bonus outcome (% of maximum)	Overall bonus outcome (% of salary)	Bonus for 2026	Cash-settled	Value of 2026 Deferred Bonus Award
Marc Ronchetti	**95%**	**190%**	**£1,930,020**	**£1,286,680**	**£643,340**
Carole Cran	**95%**	**171%**	**£1,099,188**	**£732,792**	**£366,396**
Jennifer Ward	**95%**	**171%**	**£901,341**	**£600,894**	**£300,447**

The Deferred Bonus Awards across both metrics are calculated as one-third of the bonus earned. Deferred Bonus Awards will be granted under the ESP in June 2026. The number of shares over which awards will be made will be determined by the share price for the five trading days before 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.

Long-term incentive: Performance Share Awards vesting at the end of the year to 31 March 2026

In June 2023, the Executive Directors received Performance Share Awards under the Executive Share Plan (ESP). The performance targets for these 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%**
Adjusted 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 Adjusted 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 points.

The three-year period over which these two performance metrics are measured ended on 31 March 2026. Average Adjusted ROTIC was 15.09% (being the average for financial years 2024 to 2026) and Adjusted EPS increased by an average of 13.71% per annum over the period from 1 April 2023 to 31 March 2026. This resulted in vesting of 88.08% of the awards. The estimated vesting values of the awards granted in June 2023 are included in the 2026 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	**119,967**	**2,696**	**88.08%**	**105,667**	**3759p**	**3,972**	**1,597**	**2,375**
Jennifer Ward	**42,000**	**944**		**36,994**		**1,391**	**560**	**831**

Performance Share 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 131 capture the number of interests vesting for performance to 31 March 2026. 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 months to 31 March 2026 of 3759p. The actual values at vesting will be trued-up in the next Annual Remuneration Report.

Incentive awards granted during 2026 (audited)

Long-term incentive: Performance Share Awards granted during the year to 31 March 2026

In June 2025, the Executive Directors were granted conditional Performance Share Awards under the ESP. All awards are subject to Adjusted ROTIC and Adjusted EPS growth performance over three years measured from 1 April 2025 to 31 March 2028. Specifically, the ROTIC element will be based on the average Adjusted ROTIC for 2026, 2027 and 2028. The EPS element will be based on EPS growth from 1 April 2025 to 31 March 2028.

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%**
Adjusted 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 Adjusted 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, 26 June 2028 for the Executive Directors. 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%**	**3,044**	**3130**	**97,258**
Carole Cran	**250%**	**1,603**	**3130**	**51,233**
Jennifer Ward	**200%**	**1,051**	**3130**	**33,569**

Deferred Bonus Awards granted during the year to 31 March 2026

In June 2025, the Executive Directors were granted Deferred Bonus Awards under the ESP in respect of one-third of the total bonus earned for the financial year ended 31 March 2025. Awards are not subject to performance conditions as they are deferred awards relating to bonus earned for the year ended 31 March 2025. Awards vest in full on the second anniversary of the date of grant (June 2027).

Executive Director	Bonus to 31 March 2025 £000	Proportion awarded in shares	Face value at award date £000	Five-day average market price at award date	Awards made during the year
Marc Ronchetti	1,787	**33.3%**	**596**	**3130p**	**19,032**
Carole Cran	264	**33.3%**	**88**		**2,813**
Jennifer Ward	835	**33.3%**	**278**		**8,888**

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 ended 31 March 2026.

Non-executive Director[1]	2026 £000	2025 £000
Dame Louise Makin (Chair)	**447**	437
Jo Harlow	**121**	119
Dharmash Mistry	**78**	77
Sharmila Nebhrajani OBE	**101**	82
Liam Condon	**78**	77
Giles Kerr	**78**	77
Hudson La Force[2]	**65**	–
Barbara Thoralfsson[2]	**62**	–

1 Fees have been rounded to the nearest £1,000.
2 Hudson joined the Board on 2 June 2025 and Barbara joined on 16 June 2025.

Implementation of the Policy for the year to 31 March 2027

Base salary, effective 1 June 2026

The Executive Directors received a salary increase of 5%, consistent with the approach applied to top performers within the wider workforce. The Committee unanimously supported these increases, especially in light of the strong business performance.

Executive Director	Salary for 2027	Salary for 2026
Marc Ronchetti	**£1,067,000**	£1,015,800
Carole Cran	**£675,000**	£642,800
Jennifer Ward	**£553,000**	£527,100

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 2027 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.

We will continue to use EVA as the primary financial performance metric for the annual bonus, as it aligns closely with our core business model and reinforces our focus on delivering sustainable growth alongside consistently high returns. As described in the Group Chief Executive's review on page 8, the impact of the premium growth experienced at Avo Photonics (a business in our Environmental & Analysis Sector) was significant in the 2026 financial year, meaning that it represents a material part of the Group's revenue. To further align the bonus with the expected reinvestment of the photonics premium to support the sustainable growth of the Group, the Committee will introduce a related measure into the annual bonus for the 2027 financial year. As our financial targets are commercially sensitive, details are not disclosed at this time but will be in next year's Remuneration Report.

We also remain focused on our overarching ambition to achieve 40–60% gender representation on the boards of Halma companies by 31 March 2030 as we believe that diverse, inclusive teams consistently outperform and are essential to delivering our purpose and accelerating our growth. As such, we will continue to use Diversity, Equity and Inclusion (DEI) as a non-financial target, with a weighting of 5%. The Committee has retained the DEI target at 31%, aligned to performance at 31 March 2026 (31%), reflecting the non-linear nature of gender diversity progression on the boards of Halma companies. In determining the target, the Committee considered whether an increase would be appropriate but concluded that a higher level would be difficult to achieve in the current context. The Committee is satisfied that the 31% target remains appropriately stretching, supporting continued progress towards the Group's long-term ambition of achieving a 40–60% gender balance range by 2030. The Committee also recognises the sustained DEI progress made to date across the Group, as outlined in Support our people on pages 64 to 70.

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 Awards will be made in June 2026, 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 2027	Performance Share Award	Value of award
Marc Ronchetti	**£1,067,000**	300%	**£3,201,000**
Carole Cran	**£675,000**	250%	**£1,687,500**
Jennifer Ward	**£553,000**	200%	**£1,106,000**

The Performance Share Awards will be subject to an Adjusted EPS growth performance target for 50% of the award and an Adjusted ROTIC target for 50% of the award measured over the three financial years 2027, 2028 and 2029.

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%**
Adjusted 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 Adjusted 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 of the Chair's fee was undertaken, resulting in an increase with effect from 1 June 2026. A review of non-executive Directors' fees was also completed, with the Chair and management approving an increase to base and Committee Chair fees from the same date. Prior to this, fees were last reviewed effective 1 January 2025. Fees will now be subject to annual review, with any changes taking effect in June.

Fees	Annual fees for 2026	Annual fees for 2025
Chair	**£485,000**	£447,000
Base fee	**£85,000**	£78,000
Senior Independent Director	**£25,000**	£20,000
Audit Committee Chair	**£25,000**	£22,500
Remuneration Committee Chair	**£25,000**	£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 2026. All figures are calculated using pay and benefits data for the year to 31 March 2026 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)
2026	**Option A**	**228:1**	**177:1**	**115:1**
		£31,203	**£40,295**	**£61,702**
		(£26,222)	**(£37,514)**	**(£56,517)**

Historical information

		25th Percentile: pay ratio	50th Percentile: pay ratio	75th Percentile: pay ratio
2025	Option A	180:1	133:1	85:1
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 131.

Commentary

The Group Chief Executive is remunerated predominantly on performance-related elements (bonus and share awards), aligned to the delivery of sustained growth and returns. As a result, a greater proportion of total remuneration of the Group Chief Executive is variable pay compared to the wider workforce and is directly linked to the Company's performance over time.

The increase in the Group Chief Executive's remuneration in 2026 principally reflects strong operational performance across the Group. This has driven significant value creation for shareholders, including consistent share price growth, which in turn has resulted in a high annual bonus outturn and the vesting of long-term incentives.

The resulting increase in the pay ratio therefore reflects the operation of the performance-related pay framework, under which a significant proportion of executive remuneration is delivered in shares and varies in line with shareholder outcomes.

Pay ratios will naturally vary from year to year, reflecting Company performance and incentive outcomes. The Remuneration Committee therefore considers the pay ratio as one of a number of reference points when assessing executive remuneration.

The Committee is satisfied that the median pay ratio for 2026 remains consistent with the Company's overall approach to pay, reward and progression, and appropriately reflects the alignment between executive outcomes and shareholder experience.

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 six financial years ending 31 March.

	Salary/fees (% change)						Benefits (% change)						Annual bonus (% change)					
	2026	2025	2024	2023	2022	2021	**2026**	2025	2024	2023	2022	2021	**2026**	2025	2024	2023	2022	2021
Executive Directors																		
Marc Ronchetti[1]	**7%**	4%	35%	38%	19%	(5%)	**5%**	3%	34%	7%	(17%)	41%	**8%**	4%	102%	(5%)	187%	(40%)
Carole Cran[2]	**337%**	–	–	–	–	–	**345%**	–	–	–	–	–	**316%**	–	–	–	–	–
Jennifer Ward	**7%**	3%	5%	16%	19%	(5%)	**10%**	–	(17%)	(3%)	4%	–	**8%**	3%	40%	(19%)	187%	(40%)
Non-executive Directors																		
Dame Louise Makin[3]	**2%**	3%	3%	38%	3,612%	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Jo Harlow	**2%**	9%	15%	27%	15%	10%	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Dharmash Mistry	**1%**	2%	–	20%	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Sharmila Nebhrajani OBE	**23%**	9%	–	217%	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Liam Condon[4]	**1%**	95%	–	–	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Giles Kerr[4]	**1%**	504%	–	–	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Hudson La Force[4]	**–**	–	–	–	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Barbara Thoralfsson[4]	**–**	–	–	–	–	–	**–**	–	–	–	–	–	**–**	–	–	–	–	–
Other Halma plc employees	**5%**	5%	5%	7%	6%	–	**11%**	10%	–	8%	3%	(2%)	**9%**	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 before that.
2 Carole Cran became 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.
3 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.
4 Liam Condon, Giles Kerr, Hudson La Force and Barbara Thoralfsson joined the Board on 25 September 2023, 1 February 2024, 2 June 2025 and 16 June 2025 respectively.

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 2025 to the financial year ended 31 March 2026.

	2026 £m	2025 £m	% change
Distribution to shareholders	**93.4**	87.3	7%
Employee remuneration (gross)	**657.6**	609.1	8%

The Directors are proposing a final dividend for the year ended 31 March 2026 of 15.11p per share (2025: 14.12p).

Ten-year performance graph and history of the Group Chief Executive's remuneration

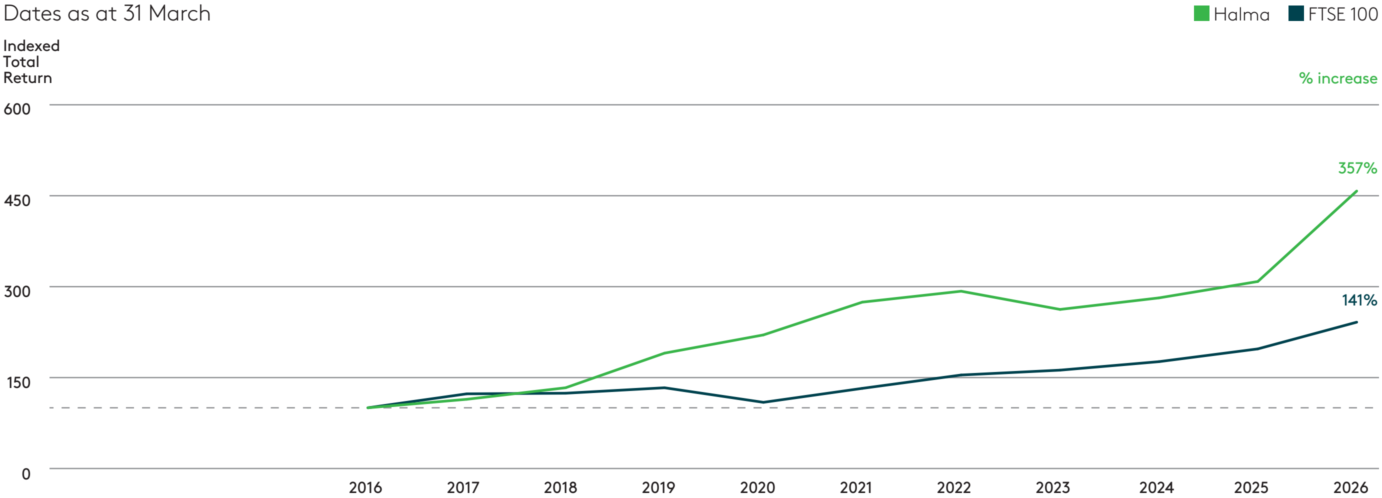
The graph below shows Halma's Total Shareholder Return (TSR) performance over the 10 years to 31 March 2026 as compared to the FTSE 100 index. Over the period indicated, Halma's TSR was 357% compared with 141% for the FTSE 100. The table below the graph details the Group Chief Executive's single figure 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	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
Single figure of remuneration (£000)	Marc Ronchetti[1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,748	5,405	**7,113**
	Andrew Williams	2,337	3,429	3,954	3,912	3,258	3,365	3,576	n/a	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	95%	95%	**95%**
	Andrew Williams	34%	89%	100%	81%	48%	100%	70%	n/a	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	84%	86%	**88%**
	Andrew Williams	92%	90%	90%	91%	74%	61%	95%	n/a	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 departure from the Board in March 2025, Steve Gunning retained the following interests under the ESP, which vested during the year:

- 12,932 Deferred Bonus Awards granted in 2024 will vest on 24 June 2026, with an estimated value of £486,114. 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 2026 of 3759p.
- 56,250 time pro-rated Performance Share Awards vesting at 88.08% based on performance to 31 March 2026 will vest on 26 June 2026, with an estimated vesting value of £1,862,467, of which £748,894 is attributable to share price growth. 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 2026 of 3759p.
- No payments were made for loss of office.

Directors' interests in Halma shares (audited)

The interests of the Directors in office during the year ended 31 March 2026 (and their connected family members) in the ordinary shares of the Company are below. During the period between 31 March 2026 and 11 June 2026 (the latest practicable date prior to the publication), no changes to Directors' interests were disclosed to the Company.

	31 March 2026	31 March 2025
Dame Louise Makin	**10,000**	10,000
Marc Ronchetti	**161,733**	114,117
Carole Cran	**10,104**	10,000
Jennifer Ward	**38,160**	27,077
Jo Harlow	**2,000**	2,000
Dharmash Mistry	**2,563**	2,563
Sharmila Nebhrajani OBE	**187**	187
Liam Condon	**1,000**	1,000
Giles Kerr	**2,000**	2,000
Hudson La Force	**4,000**	–
Barbara Thoralfsson	**350**	–

Directors' interests in Halma share plans (audited)

Details of Directors' outstanding Deferred Bonus Awards (DBA), Performance Share Awards (PSA) and free shares under the SIP are outlined in the tables below:

Executive Share Plans		Date of grant	As at 1 April 2025	Granted/ (vested) in the year	Five-day average share price on grant (p)	As at 31 March 2026
Marc Ronchetti	PSA	27-Jun-22	89,965	(77,117)	1941.2	**–**
	DBA	26-Jun-23	12,529	(12,529)	2247.6	**–**
	PSA	26-Jun-23	119,967		2247.6	**119,967**
	DBA	24-Jun-24	21,554		2644.4	**21,554**
	PSA	24-Jun-24	106,561		2644.4	**106,561**
	DBA	23-Jun-25		19,032	3129.6	**19,032**
	PSA	23-Jun-25		97,258	3129.6	**97,258**
Carole Cran	PSA	28-Feb-25	54,301		2845.2	**54,301**
	DBA	23-Jun-25		2,813	3129.6	**2,813**
	PSA	23-Jun-25		51,233	3129.6	**51,233**
Jennifer Ward	PSA	27-Jun-22	47,208	(40,466)	1941.2	**–**
	DBA	26-Jun-23	8,554	(8,554)	2247.6	**–**
	PSA	26-Jun-23	42,000		2247.6	**42,000**
	DBA	24-Jun-24	10,212		2644.4	**10,212**
	PSA	24-Jun-24	36,774		2644.4	**36,774**
	DBA	23-Jun-25		8,888	3129.6	**8,888**
	PSA	23-Jun-25		33,569	3129.6	**33,569**

The balance of PSAs that did not vest during the year have lapsed.

The DBAs 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 PSAs are described earlier in this report, on page 128.

Share Incentive Plan	Date of grant	As at 1 April 2025	Granted in the year	Share price on award (p)	As at 31 March 2026
Marc Ronchetti	01-Oct-23	185		1939	**185**
	01-Oct-24	138		2608	**138**
	01-Oct-25		104	3450	**104**
Carole Cran	01-Oct-25		104	3450	**104**
Jennifer Ward	01-Oct-23	185		1939	**185**
	01-Oct-24	138		2608	**138**
	01-Oct-25		104	3450	**104**

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 the award date. There have been no variations to the terms and conditions for share awards during the financial year.

Share ownership guidelines

Executive Directors are required to build and maintain a shareholding in the Company with a minimum value broadly aligned to their maximum Performance Share Award opportunity, expressed as a percentage of salary: 300% for the Group Chief Executive, 250% for the 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. Carole Cran has yet to meet the share ownership guideline. Until this threshold is achieved, she is required to retain no less than 50% of the net of tax value of any vested conditional share or deferred share awards. Steve Gunning remains subject to the two-year post-vest holding period on his Performance Share Awards and a two-year post-cessation guideline based on his shareholding at retirement. There are no other non-beneficial interests of Directors. There were no changes in Directors' interests from 31 March 2026 to 11 June 2026.

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 50, 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. At these sessions, there were productive conversations on the role of the 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.

Details on the votes received on the Remuneration Policy at the 2024 Annual General Meeting and Remuneration Report at the 2025 Annual General Meeting are provided on page 141.

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 the 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 £76,677 (2025: £59,200) 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 2026 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 and 2025 Annual General Meetings

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 Meetings held on 25 July 2024 and 24 July 2025 respectively.

	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 (2025)				
Total number of votes	274,586,015	13,488,712	288,074,727	87,862
% of votes cast	95.32%	4.68%	100%	

Jo Harlow

Committee Chair

For and on behalf of the Board, 11 June 2026

Directors' Remuneration Policy

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.

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.

Fixed pay: Pension	
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: Performance Share Plan (PSP)	
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 PSP 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.

Long-term incentive: Performance Share Plan (PSP)	
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 required to build and maintain a shareholding in the Company with a minimum value broadly aligned to their maximum Performance Share Award opportunity, expressed as a percentage of salary: 300% for the Group Chief Executive, 250% for the 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

Malus and clawback

The Committee believes that it is appropriate for all variable pay awards to be subject to provisions that allow it to recover any value delivered (or which would otherwise be delivered) in connection with any variable award including annual incentive and Performance Share Awards in exceptional circumstances, and where it believes that the value of those variable pay awards is no longer appropriate. Malus and clawback provisions are set out in the annual bonus and Executive Share Plan rules.

Malus provisions apply before payment and clawback provisions are in place following payment of the annual bonus (or vesting of any element of annual bonus deferred into an award over shares) or vesting of any Performance Share Awards.

Annual bonuses paid in cash may be clawed back for up to three years following payment and Performance Share Awards may be clawed back for three years following vesting. These periods are deemed appropriate in light of the risk profile of the business and standard market practice.

The malus and clawback provisions can be used in certain scenarios. Such scenarios include, but are not limited to:

- material misstatement of the Company's financial accounts;
- a material failure of risk management by the Company or any Group company;
- an error in calculation of any awards based on false or misleading information;
- gross misconduct by the relevant participant; and
- any action or omission on the part of a participant resulting in serious reputational damage to the Company, any member of the Group; a serious breach or non-observance of any code of conduct, policy or procedure operated by the Group.

No malus or clawback has been applied in the last financial year for any Executive Director.

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 2026.

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 227 to 235. 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 98:

- 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 15.11p per share and, if approved, the dividend will be paid on 14 August 2026 to ordinary shareholders on the register at the close of business on 10 July 2026. Together with the interim dividend of 9.63p per share already paid, this will make a total dividend of 24.74p (2025: 23.12p) 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 102 to 104. The Remuneration Report on page 124 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 50 of the Strategic Report and page 110 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 50 to 55. Examples of how the Directors had regard to stakeholder interests when making principal decisions during the year are set out on pages 56 and 57.

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 the 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 May 2022 and the US$425m April 2024 US Private Placement Note Purchase Agreements 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 Group has contractual arrangements with a wide range of suppliers. One customer of the Group's Environmental & Analysis Sector represents 20% of the Group's total revenue for the year ended 31 March 2026. No other single customer amounts to more than 10% of the Group's revenue. 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 11 June 2026 (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 2027 and 30 September 2027.

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 11 June 2026, 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 11 June 2026 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 2026, 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 2026		
	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 2026 and 11 June 2026 (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 2025 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 2026 and 30 September 2026. 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 2027 AGM and 30 September 2027, in respect of up to 37,900,000 ordinary shares, which is approximately 10% of the Company's issued share capital as at 11 June 2026.

Annual General Meeting

The Company's AGM will be held on 23 July 2026.

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 2026, 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 78 to 84. 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 approximately £1,231m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2026 amounts to £428m. 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 30 June 2027, 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.

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 UKLR 6.6.1 can be located as follows:

	Page
Details of long-term incentives	124
Shareholder waiver of dividends	146
Shareholder waiver of future dividends	146

Corporate Governance Statement

The Company's statement on corporate governance can be found in the Governance Report on page 101. 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

11 June 2026

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 102 to 104, 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 151 to 241 were approved by the Board of Directors on 11 June 2026 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

11 June 2026

Financial Statements

Our Financial Statements provide a comprehensive overview of the Group's financial performance and position for the year ending 31 March 2026.

In this section

152 Independent Auditors' report
160 Consolidated Income Statement
161 Consolidated Statement of Comprehensive Income and Expenditure
162 Consolidated Balance Sheet
163 Consolidated Statement of Changes in Equity
164 Consolidated Cash Flow Statement
165 Accounting policies
175 Notes to the Accounts
220 Company Balance Sheet
221 Company Statement of Changes in Equity
222 Notes to the Company Accounts
240 Summary 2017 to 2026

Independent Auditors' report to the members of Halma plc

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 2026 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 Balance Sheet as at 31 March 2026;
- the Company Balance Sheet as at 31 March 2026;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income and Expenditure for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the 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, 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 52 of the 264 reporting components in the group to provide sufficient group wide coverage on all financial statement line items; and
- This provided coverage of approximately 71% of revenue, approximately 72% of profit before tax on an absolute basis, and approximately 78% 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 (company)

Materiality

- Overall group materiality: £28,223,600 (2025: £22,970,000) based on 5% of adjusted profit before taxation.
- Overall company materiality: £24,696,000 (2025: £21,983,000) based on 1% of total assets.
- Performance materiality: £21,167,700 (2025: £17,227,500) (group) and £18,522,000 (2025: £16,487,000) (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 12 – Other Intangible Assets and Note 25 – Acquisitions. During the year ended 31 March 2026, the group completed five business acquisitions with a combined total cash and debt free consideration of £458.6m. Acquired intangibles recognised in these transactions totalled £228.2m. 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. 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 four largest acquisitions during the year. 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 four largest acquisitions which in aggregate led to the recognition of acquired intangible assets totalling £228.2m, the fifth acquisition had nil acquired intangibles. In respect of these four 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; • 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 where rates differed from those we might typically use; • 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 also compared to historic growth rates and margins and industry reports where available; and • Reviewed the disclosures in the Annual Report, including in notes 12 and 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 £1,509.0m (2025: £1,263.3m) and £684.7m (2025: £518.4m) respectively as at 31 March 2026. 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. Management also assessed whether there are any indications that other 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 for CGUG's and Sector forecasts for the acquired intangibles, prior year budgets to actual results, and historical cash generation of these CGUG's where applicable, 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; • 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 2026 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 (company) Refer to Notes C1 – Accounting policies and C5 – Investments. At 31 March 2026, the company held investments in subsidiaries with a carrying value of £979.4m (2025: £696.4m). There is a risk that the recoverable amount of investments held at 31 March 2026 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 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 intercompany loans outside of the investment sub-group. Through this assessment management concluded that no investment impairment was required.	The audit procedures we performed to address the risk around the carrying value of investments in subsidiaries 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 other intangible models where applicable; • 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 2026; • Compared the total market capitalisation of the group to the carrying value of certain 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 2026.

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 264 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 32 reporting components where statutory audits are already required in the UK, Belgium, Germany, France, China, Singapore, Switzerland, Italy, Australia and Cyprus, and in relation to the component holding all consolidation adjustments. In addition, specified audit procedures were performed over all material balances for a further 14 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 6 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 and within the UK during the execution phase of the audit to provide additional oversight to the component teams. Based on the detailed audit work performed across the group, we have gained coverage of approximately 71% of total revenue, approximately 72% of profit before tax on an absolute basis, and approximately 78% 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, which contains sections on Sustainability and the TCFD statement. 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. This is 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 60% (absolute reduction) from management's 2025 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 and 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 2026. 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	£28,223,600 (2025: £22,970,000).	£24,696,000 (2025: £21,983,000).
How we determined it	5% of adjusted profit before taxation	1% of total assets
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, profit before tax before adjustments 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.	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 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 £0.3m to £26.8m. 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% (2025: 75%) of overall materiality, amounting to £21,167,700 (2025: £17,227,500) for the group financial statements and £18,522,000 (2025: £16,487,000) 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 £1,411,100 (group audit) (2025: £1,148,000) and £1,234,800 (company audit) (2025: £1,148,000) 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 the adjustments recorded to determine proforma EBITDA;
- 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 2026 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, included within the Governance Report 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 regulations, Health and Safety regulations, Pensions legislation, 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, The UK Corporate Governance Code 2024 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;
- Challenging estimates and judgements made by management in its significant accounting judgements and estimates that involved 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 certain 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

We were first appointed by the company for the financial year ended 31 March 2018. Our uninterrupted engagement covers 9 financial years.

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

11 June 2026

Consolidated Income Statement

	Notes	Year ended 31 March 2026 Adjusted* £m	Adjustments* (note 1) £m	Total £m	Year ended 31 March 2025 Adjusted* £m	Adjustments* (note 1) £m	Total £m
Continuing operations							
Revenue	1	**2,582.3**	**–**	**2,582.3**	2,248.1	–	2,248.1
Operating profit		**593.4**	**(67.6)**	**525.8**	486.6	(77.1)	409.5
Share of profit/(loss) of associate	14	**1.1**	**–**	**1.1**	(0.3)	(1.0)	(1.3)
(Loss)/profit on disposal of operations	30	**–**	**(6.2)**	**(6.2)**	–	3.0	3.0
Profit before interest and taxation		**594.5**	**(73.8)**	**520.7**	486.3	(75.1)	411.2
Finance income	4	**6.0**	**–**	**6.0**	6.4	–	6.4
Finance expense	5	**(36.0)**	**–**	**(36.0)**	(33.3)	–	(33.3)
Profit before taxation	6	**564.5**	**(73.8)**	**490.7**	459.4	(75.1)	384.3
Taxation	9	**(133.8)**	**15.4**	**(118.4)**	(103.6)	15.7	(87.9)
Profit for the year	1	**430.7**	**(58.4)**	**372.3**	355.8	(59.4)	296.4
Attributable to:							
Owners of the parent				**372.3**			296.4
Non-controlling interests				**–**			–
Earnings per share	2						
From continuing operations							
Basic		**114.05p**		**98.57p**	94.23p		78.49p
Diluted				**98.17p**			78.14p
Dividends in respect of the year	10						
Paid and proposed (£m)				**93.4**			87.3
Paid and proposed per share				**24.74p**			23.12p

* 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 2026 £m	Year ended 31 March 2025 £m
Profit for the year		**372.3**	296.4
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Actuarial losses on defined benefit pension plans	29	**–**	(30.0)
Tax relating to components of other comprehensive income that will not be reclassified	9	**–**	7.4
Unrealised losses in the fair value of equity investments at fair value through other comprehensive income	14	**(6.7)**	(6.0)
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Effective portion of gains in fair value of cash flow hedges	27	**(0.9)**	1.7
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	9	**0.2**	(0.1)
Exchange gain/(loss) on translation of foreign operations and net investment hedge		**3.6**	(36.7)
Exchange gain on translation of foreign operations recycled to income statement on disposal	30	**(3.8)**	(1.1)
Other comprehensive expense for the year		**(7.6)**	(64.8)
Total comprehensive income for the year		**364.7**	231.6
Attributable to:			
Owners of the parent		**364.7**	231.6
Non-controlling interests		**–**	–

The exchange gains of £3.6m (2025: losses of £36.7m) includes losses of £19.1m (2025: gains of £11.3m) which relate to net investment hedges as described in note 27.

Consolidated Balance Sheet

	Notes	31 March 2026 £m	31 March 2025 £m
Non-current assets			
Goodwill	11	**1,509.0**	1,263.3
Other intangible assets	12	**745.1**	576.0
Property, plant and equipment	13	**310.3**	283.2
Interest in associates and other investments	14	**21.4**	12.5
Retirement benefit asset	29	**3.0**	4.0
Deferred tax assets	22	**4.3**	4.4
		2,593.1	2,143.4
Current assets			
Inventories	15	**322.2**	300.3
Trade and other receivables	16	**601.0**	485.9
Tax receivable		**30.1**	14.7
Cash and bank balances		**143.4**	313.2
Derivative financial instruments	27	**0.9**	1.1
Assets held for sale	32	**22.0**	–
		1,119.6	1,115.2
Total assets		**3,712.7**	3,258.6
Current liabilities			
Trade and other payables	17	**396.9**	343.3
Borrowings	19	**48.9**	35.6
Lease liabilities	28	**25.2**	23.1
Provisions	21	**30.0**	44.5
Tax liabilities		**16.1**	10.5
Derivative financial instruments	27	**1.2**	0.8
Liabilities held for sale	32	**4.1**	–
		522.4	457.8
Net current assets		**597.2**	657.4
Non-current liabilities			
Borrowings	19	**756.7**	703.8
Lease liabilities	28	**82.6**	86.5
Retirement benefit obligations	29	**1.1**	2.0
Trade and other payables	20	**24.6**	24.5
Provisions	21	**13.3**	11.2
Deferred tax liabilities	22	**144.0**	73.4
		1,022.3	901.4
Total liabilities		**1,544.7**	1,359.2
Net assets		**2,168.0**	1,899.4
Equity			
Share capital	23	**38.0**	38.0
Share premium account		**23.6**	23.6
Own shares		**(55.9)**	(46.9)
Capital redemption reserve		**0.2**	0.2
Hedging reserve		**(0.4)**	0.3
Translation reserve		**88.3**	88.5
Other reserves		**(3.4)**	3.3
Retained earnings		**2,077.6**	1,792.4
Equity attributable to owners of the parent		**2,168.0**	1,899.4
Non-controlling interests		**–**	–
Total equity		**2,168.0**	1,899.4

The financial statements of Halma plc, company number 00040932, were approved by the Board of Directors on 11 June 2026.

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 2025	**38.0**	**23.6**	**(46.9)**	**0.2**	**0.3**	**88.5**	**3.3**	**1,792.4**	**–**	**1,899.4**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**372.3**	**–**	**372.3**
Other comprehensive expense	**–**	**–**	**–**	**–**	**(0.7)**	**(0.2)**	**(6.7)**	**–**	**–**	**(7.6)**
Total comprehensive income and expense	**–**	**–**	**–**	**–**	**(0.7)**	**(0.2)**	**(6.7)**	**372.3**	**–**	**364.7**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(89.7)**	**–**	**(89.7)**
Share-based payment charge	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**26.5**	**–**	**26.5**
Deferred tax on share-based payment transactions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3.3**	**–**	**3.3**
Excess tax deductions related to share-based payments on vested awards	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.8**	**–**	**2.8**
Purchase of own shares	**–**	**–**	**(31.5)**	**–**	**–**	**–**	**–**	**(2.0)**	**–**	**(33.5)**
Performance share plan awards vested	**–**	**–**	**22.5**	**–**	**–**	**–**	**–**	**(28.0)**	**–**	**(5.5)**
At 31 March 2026	**38.0**	**23.6**	**(55.9)**	**0.2**	**(0.4)**	**88.3**	**(3.4)**	**2,077.6**	**–**	**2,168.0**

	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

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 £74.8m (2025: £50.2m).

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 £28.4m (2025: £9.3m). 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	31 March 2026 £m	31 March 2025 £m
Net cash inflow from operating activities	26	**480.6**	492.4
Cash flows from investing activities			
Purchase of property, plant and equipment – owned assets	13	**(54.9)**	(43.8)
Purchase of computer software	12	**(1.0)**	(1.1)
Purchase of other intangibles	12	**(0.3)**	(0.7)
Proceeds from sale of property, plant and equipment and capitalised development costs		**1.2**	0.9
Development costs capitalised	12	**(14.8)**	(13.8)
Interest received		**5.8**	4.9
Acquisition of businesses, net of cash acquired	25	**(428.7)**	(116.2)
Disposal of business, net of cash disposed	30	**6.9**	5.9
Purchase of equity investments and associates	14	**(13.1)**	–
Net cash used in investing activities		**(498.9)**	(163.9)
Cash flows from financing activities			
Dividends paid		**(89.7)**	(83.8)
Purchase of shares for settlement of employee share arrangements		**(33.5)**	(7.9)
Interest paid		**(32.6)**	(28.9)
Loan arrangement fees		**–**	(1.4)
Proceeds from bank borrowings	26	**345.6**	38.9
Repayment of bank borrowings	26	**(264.4)**	(337.0)
Repayment of acquired debt on acquisition	26	**(19.0)**	(46.6)
(Repayment)/drawdown of loan notes	26	**(35.1)**	335.8
Repayment of lease liabilities, net of interest		**(25.0)**	(24.2)
Net cash used in financing activities		**(153.7)**	(155.1)
(Decrease)/increase in cash and cash equivalents	26	**(172.0)**	173.4
Cash and cash equivalents brought forward		**312.7**	142.4
Exchange adjustments		**2.7**	(3.1)
Cash and cash equivalents carried forward	26	**143.4**	312.7

	Notes	31 March 2026 £m	31 March 2025 £m
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash and cash equivalents		**(172.0)**	173.4
Net cash (inflow)/outflow from bank borrowings and loan notes	26	**(27.1)**	8.9
Net debt acquired	26	**(19.0)**	(46.7)
Lease liabilities additions and accretion of interest		**(16.8)**	(54.1)
Lease liabilities acquired net of disposal		**(11.2)**	(2.4)
Lease liabilities and interest repaid	28	**29.3**	28.8
Exchange adjustments		**(16.5)**	9.5
(Increase)/decrease in net debt		**(233.3)**	117.4
Net debt brought forward		**(535.8)**	(653.2)
Net debt carried forward		**(769.1)**	(535.8)

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 2026 and 31 March 2025, 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 2026

There are no new standards and interpretations adopted for the first time in 2026.

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 IFRS 7 and IFRS 9 – Classification and measurement of financial instruments
- IFRS 18 'Presentation and disclosures in financial statements'
- IFRS 19 'Subsidiaries without Public Accountability'

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.

The Group is currently finalising its impact assessment of the adoption of IFRS 18 on the Group's Consolidated Financial Statements. The IASB issued IFRS 18 in April 2024 and it will replace IAS 1 Presentation of Financial Statements. IFRS 18 will be effective for reporting periods starting on or after 1 January 2027, for Halma this will be the period ending 31 March 2028. Retrospective application is required so the comparative period ending 31 March 2027 will also be restated.

The standard introduces a new structure to the Consolidated Income Statement, including new defined subtotals, introduces new principles for aggregation and disaggregation of information in the primary statements and the notes to the accounts, and mandates enhanced disclosure of management defined performance measures. In addition, it also includes consequential amendments to IAS 7 'Statement of Cash Flows' that may affect the presentation, classification and disaggregation of operating, investing and financing cash flows.

Although IFRS 18 is not expected to have a material impact on the recognition or measurement of any item contained in the financial statements, it will have a presentational impact on the Group's financial statements and related disclosures. The impact to the Group is expected to be the reclassification of income and expenses into the operating, investing and financing categories within the Consolidated Statement of Income.

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 Organic growth, Adjusted EBIT/EBITDA, Adjusted profit, Adjusted operating cash flow, Adjusted cash conversion, Adjusted Return on Total Invested Capital (Adjusted ROTIC), Adjusted Return on Capital Employed (Adjusted ROCE), earnings per share measures and net debt 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 2026, 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 74 to 84. 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 approximately £1,231m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 31 March 2026 amounts to £428m. 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.

Accounting policies continued

Key accounting policies continued

Going concern 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 30 June 2027, 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.

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.

Goodwill is recognised as an intangible asset in the Consolidated Balance Sheet. Goodwill includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills.

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.

Where the calculation of goodwill results in a negative value, the resulting gain on a bargain purchase is recognised directly in the Consolidated Income Statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. 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.

Any contingent consideration payable may be accounted for as either:

- 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
- 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.

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

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

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. These 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 projected unit credit 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 to which the expense relates.

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 31 March 2026 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.

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 21 and 27 for details of the changes in estimates made in the year and the sensitivity of contingent consideration payables to further changes.

Accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty continued

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. In certain circumstances, the recoverable amount may be assessed by reference to fair value less costs to sell, based on indicative market pricing where available. 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 2026, 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.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This classification is adopted once the sale is highly probable, the assets or disposal groups are available for immediate sale in their present condition and the sale is expected to complete within one year. Assets, or asset groups that are held for sale are measured at the lower of their carrying amount and their fair value less costs to sell and any depreciation or amortisation ceases.

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.

(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.

Other accounting policies continued

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

Leases 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, control, mitigate and suppress the effects of fires, protecting people and assets; Public Safety technologies that safeguard the public by protecting people against risks in daily life; 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, but some companies have contracts where certain performance obligations are delivered over a number of years. 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 enable customers to analyse, test and transmit critical data through optical and photonic technologies. Markets include: Optical Solutions which provides world-class optical, optoelectronic and spectral imaging systems that use light in a wide variety of industrial, scientific 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 & Measuring technologies that detect hazardous gases, preventing environmental damage, and monitoring performance to ensure assets operate safely and reliably.

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 prevention, diagnosis and treatment of patient conditions, and the provision of improved healthcare through data analysis. Markets include: Healthcare Enablement which provides systems and technologies that enable healthcare providers to operate more efficiently, safely and effectively, supporting staff safety, optimising workflows and asset utilisation, and improving the delivery of patient care; Therapeutic Solutions technologies, materials and solutions used in surgical and acute healthcare settings that provide targeted treatments across key clinical specialties; Discovery, Prevention & Diagnostics which provides components, devices and systems that generate information and insights to help providers understand and diagnose health conditions, and support earlier intervention and prevention.

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.

Notes to the Accounts continued

1 Segmental analysis and revenue from contracts with customers continued

Sector revenue disaggregation

	Year ended 31 March 2026 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	**222.5**	**297.6**	**185.2**	**159.2**	**53.8**	**29.2**	**947.5**
Environmental & Analysis	**700.9**	**96.4**	**104.1**	**105.4**	**12.9**	**18.0**	**1,037.7**
Healthcare	**313.7**	**106.2**	**56.7**	**68.5**	**19.5**	**33.8**	**598.4**
Inter-segmental sales	**–**	**–**	**(1.3)**	**–**	**–**	**–**	**(1.3)**
Revenue for the year	**1,237.1**	**500.2**	**344.7**	**333.1**	**86.2**	**81.0**	**2,582.3**

	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

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 £152.2m (2025: £125.8m).

	Year ended 31 March 2026		
	Revenue recognised over time £m	Revenue recognised at a point in time £m	Total Revenue £m
Safety	**16.7**	**930.8**	**947.5**
Environmental & Analysis	**553.6**	**484.1**	**1,037.7**
Healthcare	**82.8**	**515.6**	**598.4**
Inter-segmental sales	**–**	**(1.3)**	**(1.3)**
Revenue for the year	**653.1**	**1,929.2**	**2,582.3**

	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	320.4	456.2	776.6
Healthcare	80.3	490.1	570.4
Inter-segmental sales	–	(0.9)	(0.9)
Revenue for the year	411.4	1,836.7	2,248.1

* The balances for revenue recognised over time and revenue recognised at a point in time for the year ended 31 March 2025 have been restated where amounts were presented incorrectly in a small number of companies in the Environmental & Analysis sector. There was no change to total revenue.

1 Segmental analysis and revenue from contracts with customers continued

Sector revenue disaggregation continued

	Year ended 31 March 2026			
	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	**938.8**	**8.7**	**–**	**947.5**
Environmental & Analysis	**1,029.7**	**8.0**	**–**	**1,037.7**
Healthcare	**574.1**	**24.3**	**–**	**598.4**
Inter-segmental sales	**(1.3)**	**–**	**–**	**(1.3)**
Revenue for the year	**2,541.3**	**41.0**	**–**	**2,582.3**

	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

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 2026 Total £m	**To be recognised < 1 year £m**	**To be recognised 1-2 years £m**	**To be recognised > 2 years £m**
Safety	**15.1**	**9.2**	**3.6**	**2.3**
Environmental & Analysis	**30.1**	**15.6**	**4.9**	**9.6**
Healthcare	**21.3**	**20.8**	**0.5**	**–**
Inter-segmental sales	**–**	**–**	**–**	**–**
Total	**66.5**	**45.6**	**9.0**	**11.9**

	Aggregate transaction price allocated to unsatisfied performance obligations			
	31 March 2025 Total £m	To be recognised < 1 year £m	To be recognised 1-2 years £m	To be 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

1 Segmental analysis and revenue from contracts with customers continued

Segment results

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Segment profit before allocation of adjustments (Sector adjusted profit)*		
Safety	**253.6**	217.9
Environmental & Analysis	**250.6**	185.5
Healthcare	**143.1**	130.6
	647.3	534.0
Segment profit after allocation of adjustments*		
Safety	**219.2**	192.1
Environmental & Analysis	**233.0**	174.8
Healthcare	**121.3**	92.0
Segment profit	**573.5**	458.9
Central administration costs	**(52.8)**	(47.7)
Group profit before interest and taxation	**520.7**	411.2
Net finance expense	**(30.0)**	(26.9)
Group profit before taxation	**490.7**	384.3
Taxation	**(118.4)**	(87.9)
Profit for the year	**372.3**	296.4

* 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.

Adjusting items

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 2026

		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 (note 30) £m	Total £m
Safety	**(24.2)**	**(3.0)**	**0.3**	**(2.4)**	**(29.3)**	**(5.1)**	**(34.4)**
Environmental & Analysis	**(16.0)**	**(1.6)**	**1.4**	**(0.5)**	**(16.7)**	**(0.9)**	**(17.6)**
Healthcare	**(23.0)**	**0.6**	**1.1**	**(0.3)**	**(21.6)**	**(0.2)**	**(21.8)**
Total Segment & Group	**(63.2)**	**(4.0)**	**2.8**	**(3.2)**	**(67.6)**	**(6.2)**	**(73.8)**

The transaction costs in Safety related to the acquisitions of E2S Group Limited (E2S) and Safetec S.r.l (Safetec) in the current year, Safe-com Wireless LLC (Safe-com) and Remlive Limited (Remlive) which were acquired in the prior year. In Environmental & Analysis, they related to the acquisitions of MC Steering B.V. (Brownline) in the current year, Hathorn Corporation Inc (Hathorn) and Ziegler Electronic Devices GmbH (ZED) which were acquired in the prior year and DCR Inspection Systems Ltd (DCR) which was acquired after the period closed. In Healthcare, they related to the acquisitions of Nu Perspectives Limited (Nu Perspectives) and Altomed Group Holdings Limited (Altomed) in the current year offset by a credit in relation to Infinite Leap which was acquired in previous years.

The £2.8m adjustments to contingent consideration comprised a credit of £0.3m in Safety arising from a decrease in estimates payable for Remlive, Safe-com and G.F.E. – Global Fire Equipment – Montagem de Equipamento Electrónico S.A. (Global Fire Equipment). In Environmental & Analysis there was a credit of £1.4m arising from a decrease in the estimates payable for Sewertronics partially offset by an increase in the estimates of the payable for Alpha, Visual Imaging Resourcing LLC (VIR) and ZED. In Healthcare there was a credit of £1.1m arising from a decrease in estimates payable for Apriomed and Infinite Leap partially offset by an increase in the estimate of the payable in Rovers.

The £3.2m release of fair value adjustments to inventory related to Remlive and E2S in Safety; Brownline in Environmental & Analysis; and Altomed in Healthcare. All amounts have been released in relation to Remlive, Brownline and E2S.

The loss on disposal of operations in Safety of £5.1m related to the disposal of Apollo America Inc. (AAI) in the year. The charge in Environmental & Analysis related to the selling costs for the disposal of Labsphere which completed after the period end (note 32) partially offset by a deemed profit on the stepped disposal of the Group's associate, OneThird B.V. (OneThird), following a funding round which diluted the Group's interest. Following the stepped disposal, the Group now recognises OneThird as an equity investment (see note 14). The charge in Healthcare related to the selling costs for the disposal of Cardios which completed after the period end.

For more information on the Group's disposals of Labsphere and Cardios subsequent to the year-end, refer to note 32.

1 Segmental analysis and revenue from contracts with customers continued

Segment results continued

Year ended 31 March 2025

	Amortisation 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 impairment of associates £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), Global Fire Equipment and Remlive, Advantronic Systems, S.L. (Advantronic) and Safe-com in the prior year. In Environmental & Analysis, they relate to the acquisition of Hathorn in the prior year and ZED which was acquired in a previous year. In Healthcare, they related to the acquisitions of Altomed in the current year and Lamidey Noury Médical (Lamidey) in the prior 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 VIR, 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.

Segment balance sheet

Before goodwill, interest in associates and other investments and acquired intangible assets are allocated to specific segment assets/liabilities	Assets 31 March 2026 £m	Assets 31 March 2025 £m	Liabilities 31 March 2026 £m	Liabilities 31 March 2025 £m
Safety	**428.6**	377.5	**132.0**	125.7
Environmental & Analysis	**361.2**	285.4	**144.9**	108.3
Healthcare	**278.0**	258.4	**87.7**	90.6
Total segment assets/liabilities excluding goodwill, interest in associates and other investments and acquired intangible assets	**1,067.8**	921.3	**364.6**	324.6
Goodwill	**1,509.0**	1,263.3	**–**	–
Acquired intangible assets	**684.7**	518.4	**–**	–
Interest in associate and other investments	**21.4**	12.5	**–**	–
Total segment assets/liabilities including goodwill, interest in associates and other investments and acquired intangible assets	**3,282.9**	2,715.5	**364.6**	324.6

After goodwill, interest in associates and other investments and acquired intangible assets are allocated to specific segment assets/liabilities	Assets 31 March 2026 £m	Assets 31 March 2025 £m	Liabilities 31 March 2026 £m	Liabilities 31 March 2025 £m
Safety	**1,345.8**	1,005.8	**132.0**	125.7
Environmental & Analysis	**865.4**	667.3	**144.9**	108.3
Healthcare	**1,071.7**	1,042.4	**87.7**	90.6
Total segment assets/liabilities including goodwill, interest in associates and other investments and acquired intangible assets	**3,282.9**	2,715.5	**364.6**	324.6
Cash and bank balances/borrowings	**143.4**	313.2	**805.6**	739.4
Derivative financial instruments	**0.9**	1.1	**1.2**	0.8
Other unallocated assets/liabilities	**263.5**	228.8	**369.2**	294.4
Assets and liabilities held for sale (note 32)	**22.0**	–	**4.1**	–
Total Group	**3,712.7**	3,258.6	**1,544.7**	1,359.2

Assets and liabilities held for sale (note 32) were included in the Environmental and Analysis sector for the year ended 31 March 2025.

Notes to the Accounts continued

1 Segmental analysis and revenue from contracts with customers continued

Segment results continued

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.

Other segment information

	Additions to non-current assets		Depreciation, amortisation and impairment	
	31 March 2026 £m	31 March 2025 £m	31 March 2026 £m	31 March 2025 £m
Safety	**334.3**	111.9	**39.3**	37.2
Environmental & Analysis	**161.8**	38.5	**25.4**	21.8
Healthcare	**44.8**	54.7	**32.8**	33.4
Total Segment additions/depreciation, amortisation and impairment	**540.9**	205.1	**97.5**	92.4
Unallocated	**45.7**	67.9	**32.7**	32.0
Total Group	**586.6**	273.0	**130.2**	124.4

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, a reversal of impairment of £0.8m was recognised in other intangible assets in the Healthcare Sector (2025: impairments of £3.2m comprising £1.1m in Safety, £0.4m in Environmental & Analysis and £1.7m in Healthcare). Impairment and impairment reversals 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	
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
United States of America	**844.8**	900.5
Mainland Europe	**901.4**	671.0
United Kingdom	**653.1**	377.5
Asia Pacific	**127.0**	124.2
Other countries	**59.5**	61.8
	2,585.8	2,135.0

Non-current assets comprise goodwill, other intangible assets, interest in associate and other investments, and property, plant and equipment. Assets classified as Held for sale as at 31 March 2026 are excluded.

Information about major customers

Revenue from one customer of the Group's Environmental & Analysis segment represents 20% (2025: 15%) of the Group's total revenue for the year ended 31 March 2026. No other single customer (2025: 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 impairment of associates; 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:

Basic earnings per share

			Per share	
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	**Year ended 31 March 2026 pence**	Year ended 31 March 2025 pence
Earnings from continuing operations attributable to owners of the parent	**372.3**	296.4	**98.57**	78.49
Amortisation and impairment of acquired intangible assets (after tax)	**49.2**	42.9	**13.03**	11.39
Acquisition transaction costs (after tax)	**3.5**	8.2	**0.93**	2.16
Adjustments to contingent consideration (after tax)	**(2.8)**	5.3	**(0.74)**	1.39
Release of fair value adjustments to inventory (after tax)	**2.4**	5.0	**0.64**	1.33
Impairment of associates (after tax)	**–**	1.0	**–**	0.26
Disposal of operations (after tax)	**6.1**	(3.0)	**1.62**	(0.79)
Adjusted earnings attributable to owners of the parent	**430.7**	355.8	**114.05**	94.23
Weighted average number of shares in issue for basic earnings per share, million	**377.7**	377.6		

Diluted earnings per share

			Per share	
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	**Year ended 31 March 2026 pence**	Year ended 31 March 2025 pence
Earnings from continuing operations attributable to owners of the parent	**372.3**	296.4	**98.17**	78.14
Weighted average number of shares in issue for basic earnings per share, million	**377.7**	377.6		
Dilutive potential shares – share awards, million	**1.5**	1.6		
Weighted average number of shares in issue for diluted earnings per share, million	**379.2**	379.2		

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 Adjusted Return on Total Invested Capital (Adjusted ROTIC), Adjusted Return on Capital Employed (Adjusted ROCE), Organic growth, Net debt, Adjusted operating profit, Adjusted profit before interest and taxation (Adjusted EBIT), Adjusted cash conversion and Adjusted operating cash flow. During the year the Group clarified the naming of certain Alternative Performance Measures to make explicit where measures are calculated on an adjusted basis. The underlying calculations have not changed.

Note 1 provides further analysis of the adjusting items in reaching adjusted profit measures. Net debt is defined as Borrowings plus Lease liabilities less Cash and bank balances. Note 26 provides an analysis of Net debt for the year.

Organic growth

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

Constant currency excludes the effects of currency movements. The current year's revenue and adjusted profit are restated at last year's exchange rates.

Organic growth has been calculated for the Group as follows:

Group

	Revenue		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	2,588.2	2,218.8	16.6%
Acquired and disposed revenue	56.1	29.3	1.0%
Constant currency adjustment	(62.0)		(2.7)%
Continuing operations – reported	2,582.3	2,248.1	14.9%

	Adjusted* profit before interest and taxation			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	% growth contribution
Organic at constant currency ("organic")	589.1	487.2	20.9%	566.4	460.3	23.1%
Acquired and disposed profit	19.3	(0.9)	4.1%	11.9	(0.9)	2.7%
Constant currency adjustment	(13.9)		(2.8)%	(13.8)		(2.9)%
Continuing operations – reported	594.5	486.3	22.2%	564.5	459.4	22.9%

3 Alternative performance measures continued

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 2026 £m	Year ended 31 March 2025 £m	**% growth contribution**	**Year ended 31 March 2026 £m**	Year ended 31 March 2025 £m	**% growth contribution**
Organic at constant currency ("organic")	**931.1**	**874.0**	**6.5%**	**247.5**	**218.8**	**13.1%**
Acquired and disposed revenue/profit	**24.7**	**28.0**	**(0.6)%**	**7.8**	**(0.9)**	**4.1%**
Constant currency adjustment	**(8.3)**		**(0.9)%**	**(1.7)**		**(0.8)%**
Continuing operations – reported	**947.5**	**902.0**	**5.0%**	**253.6**	**217.9**	**16.4%**

Environmental & Analysis

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	**% growth contribution**	**Year ended 31 March 2026 £m**	Year ended 31 March 2025 £m	**% growth contribution**
Organic at constant currency ("organic")	**1,052.4**	**775.7**	**35.7%**	**251.7**	**185.5**	**35.7%**
Acquired and disposed revenue/profit	**22.8**	**0.9**	**2.7%**	**7.9**	**–**	**4.3%**
Constant currency adjustment	**(37.5)**		**(4.8)%**	**(9.0)**		**(4.9)%**
Continuing operations – reported	**1,037.7**	**776.6**	**33.6%**	**250.6**	**185.5**	**35.1%**

Healthcare

	Revenue			Adjusted* profit before taxation		
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	**% growth contribution**	**Year ended 31 March 2026 £m**	Year ended 31 March 2025 £m	**% growth contribution**
Organic at constant currency ("organic")	**606.0**	**570.0**	**6.3%**	**143.1**	**130.6**	**9.6%**
Acquired and disposed revenue/profit	**8.6**	**0.4**	**1.4%**	**3.6**	**–**	**2.3%**
Constant currency adjustment	**(16.2)**		**(2.8)%**	**(3.6)**		**(2.4)%**
Continuing operations – reported	**598.4**	**570.4**	**4.9%**	**143.1**	**130.6**	**9.5%**

* 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 2026 £m	Year ended 31 March 2025 £m
Profit before interest and taxation (EBIT)	**520.7**	411.2
Add back:		
Acquisition items (note 1)	**4.4**	20.2
Disposal of operations and impairment of associate (note 1)	**6.2**	(2.0)
Amortisation of acquired intangible assets (note 1)	**63.2**	56.9
Adjusted profit before interest and taxation (Adjusted EBIT)	**594.5**	486.3
Depreciation, impairment and amortisation (excluding acquired intangible assets)	**67.0**	66.5
Adjusted EBITDA	**661.5**	552.8

Adjusted operating profit

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Operating profit	**525.8**	409.5
Add back:		
Acquisition items (note 1)	**4.4**	20.2
Amortisation of acquired intangible assets (note 1)	**63.2**	56.9
Adjusted operating profit	**593.4**	486.6

Adjusted operating cash flow

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Net cash from operating activities (note 26)	**480.6**	492.4
Add:		
Net acquisition costs paid	**6.2**	4.9
Prepayment for acquisition made post year-end, included in receivables	**8.5**	–
Taxes paid	**112.5**	103.3
Proceeds from sale of property, plant and equipment and capitalised development costs	**1.2**	0.9
Share awards vested not settled by own shares (note 24)	**5.5**	3.5
Deferred consideration paid in excess of payable estimated on acquisition (note 25)	**6.7**	0.1
Less:		
Purchase of property, plant and equipment (excluding Right of use assets)	**(54.9)**	(43.8)
Purchase of computer software and other intangibles	**(1.3)**	(1.8)
Development costs capitalised	**(14.8)**	(13.8)
Adjusted operating cash flow	**550.2**	545.7
Adjusted cash conversion % (adjusted operating cash flow/adjusted operating profit)	**93%**	112%

3 Alternative performance measures continued

Adjusted Return on Total Invested Capital

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit after tax	**372.3**	296.4
Adjustments[1]	**58.4**	59.4
Adjusted profit after tax[1]	**430.7**	355.8
Total equity	**2,168.0**	1,899.4
Less net retirement benefit assets	**(1.9)**	(2.0)
Deferred tax liabilities on retirement benefits	**0.4**	0.6
Cumulative fair value adjustments on equity investments through other comprehensive income	**3.4**	(3.3)
Cumulative amortisation and impairment of acquired intangible assets	**568.2**	505.9
Cumulative amortisation and impairment of acquired intangible assets – held for sale	**3.0**	–
Historical adjustments to goodwill[2]	**89.5**	89.5
Total Invested Capital	**2,830.6**	2,490.1
Average Total Invested Capital[3]	**2,660.4**	2,374.1
Adjusted Return on Total Invested Capital (Adjusted ROTIC)[4]	**16.2%**	15.0%

Adjusted Return on Capital Employed

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Profit before tax	**490.7**	384.3
Adjustments[1]	**73.8**	75.1
Net finance costs	**30.0**	26.9
Lease interest	**(4.3)**	(4.6)
Adjusted operating profit[1] after share of results of associates and lease interest	**590.2**	481.7
Computer software costs within other intangible assets	**2.1**	3.2
Capitalised development costs within other intangible assets	**54.8**	51.4
Other intangibles within other intangible assets	**3.5**	3.0
Property, plant and equipment	**310.3**	283.2
Inventories	**322.2**	300.3
Trade and other receivables	**601.0**	485.9
Assets classified as held for sale[5]	**13.2**	–
Current trade and other payables	**(396.9)**	(343.3)
Current lease liabilities	**(25.2)**	(23.1)
Current provisions	**(30.0)**	(44.5)
Net tax receivable	**14.0**	4.2
Non-current trade and other payables	**(24.6)**	(24.5)
Non-current provisions	**(13.3)**	(11.2)
Non-current lease liabilities	**(82.6)**	(86.5)
Liabilities classified as held for sale	**(4.1)**	–
Add back contingent purchase consideration	**17.2**	27.0
Capital Employed	**761.6**	625.1
Average Capital Employed[3]	**693.4**	632.4
Adjusted Return on Capital Employed (Adjusted ROCE)[4]	**85.1%**	76.2%

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 Adjusted ROTIC and Adjusted 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 2024 Total Invested Capital and Capital Employed balances were £2,258.0m and £639.6m respectively.
4 The Adjusted ROTIC and Adjusted 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.
5 Assets classified as held for sale include capitalised software, property plant and equipment, inventory, trade and other receivables and tax receivable.

4 Finance income

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Interest receivable	**5.8**	4.9
Net interest credit on pension plan assets	**0.2**	1.5
	6.0	6.4

5 Finance expense

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Interest payable on borrowings	**28.1**	27.9
Interest payable on lease obligations	**4.3**	4.6
Amortisation of finance costs	**1.1**	0.5
Other interest payable	**2.4**	0.2
Fair value movement on derivative financial instruments	**0.1**	0.1
	36.0	33.3

6 Profit before taxation

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Revenue	**2,582.3**	2,248.1
Direct materials/direct labour	**(1,115.3)**	(944.9)
Production overhead	**(180.1)**	(169.6)
Selling costs	**(208.9)**	(203.3)
Distribution costs	**(36.8)**	(35.0)
Administrative expenses	**(515.4)**	(485.8)
Operating profit	**525.8**	409.5
Share of profit/(loss) of associate	**1.1**	(1.3)
(Loss)/profit on disposal of operations	**(6.2)**	3.0
Profit before interest and taxation	**520.7**	411.2
Net finance expense	**(30.0)**	(26.9)
Profit before taxation	**490.7**	384.3

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 2026 £m	Year ended 31 March 2025 £m
Profit before taxation is stated after charging/(crediting):			
Depreciation		**55.0**	50.9
Amortisation		**76.0**	69.3
Impairment (reversal)/loss of other intangible assets		**(0.8)**	3.1
Impairment of property, plant and equipment		**–**	0.1
Net impairment loss/(reversal) on trade receivables (note 16)		**2.3**	(0.5)
Research costs*		**107.8**	94.6
Foreign exchange loss		**1.8**	1.1
Loss/(profit) on disposal of operations (note 30)		**6.2**	(3.0)
Loss/(profit) on sale of property, plant and equipment and computer software		**0.7**	(0.2)
Cost of inventories recognised as an expense		**1,295.4**	1,100.6
Staff costs (note 7)		**657.6**	609.1
Auditors' remuneration	Audit services to the Company	**0.9**	0.7
	Audit of the Company's subsidiaries	**2.4**	2.4
	Total audit fees	**3.3**	3.1
	Audit related fees – interim review	**0.1**	0.1
	Other services**	**–**	–
	Total non-audit fees	**0.1**	0.1
	Total fees	**3.4**	3.2

* A further £14.8m (2025: £13.8m) of development costs has been capitalised in the year. See note 12.
** Refer to the Audit Committee Report on pages 117 to 123 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 2026 Number	Year ended 31 March 2025 Number
United States of America	**3,062**	3,025
Mainland Europe	**1,951**	1,786
United Kingdom	**2,878**	2,734
Asia Pacific	**1,280**	1,225
Other countries	**290**	268
	9,461	9,038

The monthly average number of persons employed by the Group (including Directors) by employee location was:

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
United States of America	**3,077**	2,985
Mainland Europe	**1,969**	1,803
United Kingdom	**2,800**	2,652
Asia Pacific	**1,336**	1,320
Other countries	**279**	278
	9,461	9,038

Group employee costs comprise:

	Year ended 31 March 2026 £m	Year ended 31 March 2025* £m
Wages and salaries	**532.8**	497.8
Social security costs	**71.9**	63.9
Pension costs (note 29)	**22.8**	21.1
Share-based payment charge (note 24)	**30.1**	26.3
	657.6	609.1

* Wages and salaries costs were understated by £9m for the year ended 31 March 2025 and have been restated.

8 Directors' remuneration
The remuneration of the Directors is set out on pages 124 to 145 within the audited sections of the Annual Remuneration Report, which forms part of these financial statements.

Directors' remuneration comprises:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Wages, salaries and fees	**7.7**	8.0
Pension costs	**–**	–
Share-based payment charge	**4.4**	4.6
	12.1	12.6

9 Taxation

Recognised in the Consolidated Income Statement

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Current tax		
UK corporation tax at 25% (2025: 25%)	**31.6**	25.9
Overseas taxation	**80.6**	81.2
Adjustments in respect of prior years	**(7.1)**	(3.7)
Total current tax charge	**105.1**	103.4
Deferred tax		
Origination and reversal of timing differences	**8.5**	(18.3)
Adjustments in respect of prior years	**4.8**	2.8
Total deferred tax charge/(credit)	**13.3**	(15.5)
Total tax charge recognised in the Consolidated Income Statement	**118.4**	87.9
Reconciliation of the effective tax rate:		
Profit before tax	**490.7**	384.3
Tax at the UK corporation tax rate of 25% (2025: 25%)	**122.7**	96.1
Overseas tax rate differences	**(4.1)**	(6.3)
Tax incentives, exemptions and credits (including patent box, R&D and High-Tech status)	**(11.0)**	(9.4)
Permanent differences	**13.1**	8.4
Adjustments in respect of prior years	**(2.3)**	(0.9)
Total tax charge recognised in the Consolidated Income Statement	**118.4**	87.9
Effective tax rate	**24.1%**	22.9%

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Adjusted* profit before tax	**564.5**	459.4
Total tax charge on adjusted* profit	**133.8**	103.6
Effective tax rate	**23.7%**	22.6%

* 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 the Pillar Two 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 2026 of the constituent entities in the Group.

There are a limited number of jurisdictions where transitional safe harbour relief may not apply and the Pillar Two ETR may be below 15%. However, the Pillar Two income taxes exposure for the Group 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 2026 £m	Year ended 31 March 2025 £m
Current tax		
Retirement benefits	**–**	–
Deferred tax (note 22)		
Retirement benefits	**–**	(7.4)
Effective portion of changes in fair value of cash flow hedges	**0.2**	0.1
	0.2	(7.3)

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 2026 £m	Year ended 31 March 2025 £m
Current tax		
Excess tax deductions related to share-based payments on vested awards	**(2.8)**	(0.9)
Deferred tax (note 22)		
Change in estimated excess tax deductions related to share-based payments	**(3.3)**	(0.8)
	(6.1)	(1.7)

10 Dividends

	Per ordinary share			
	Year ended 31 March 2026 pence	Year ended 31 March 2025 pence	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Amounts recognised as distributions to shareholders in the year				
Final dividend for the year ended 31 March 2025 (31 March 2024)	**14.12**	13.20	**53.3**	49.8
Interim dividend for the year ended 31 March 2026 (31 March 2025)	**9.63**	9.00	**36.4**	34.0
	23.75	22.20	**89.7**	83.8
Dividends declared in respect of the year				
Interim dividend for the year ended 31 March 2026 (31 March 2025)	**9.63**	9.00	**36.4**	34.0
Proposed final dividend for the year ended 31 March 2026 (31 March 2025)	**15.11**	14.12	**57.0**	53.3
	24.74	23.12	**93.4**	87.3

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 23 July 2026 and has not been included as a liability in these financial statements.

11 Goodwill

	31 March 2026 £m	31 March 2025 £m
Cost		
At beginning of year	**1,263.3**	1,211.0
Additions (note 25)	**239.5**	72.7
Acquisition adjustments to prior years (note 25)	**–**	5.6
Disposals (note 30)	**(2.4)**	(2.0)
Reclassified as held for sale (note 32)	**(1.1)**	–
Exchange adjustments	**9.7**	(24.0)
At end of year	**1,509.0**	1,263.3
Provision for impairment		
At beginning and end of year	**–**	–
Carrying amounts	**1,509.0**	1,263.3

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 2026 £m	31 March 2025 £m
Safety		
Fire	**353.8**	190.5
Doors, Security and Elevators	**109.8**	108.3
Safety Interlocks and Corrosion Monitoring	**125.6**	124.5
Bursting Discs	**8.8**	9.0
	598.0	432.3
Environmental & Analysis		
Water	**214.4**	146.1
Analysis	**76.2**	78.8
Environmental Monitoring	**32.5**	32.8
Gas Detection	**25.2**	25.2
	348.3	282.9
Healthcare		
Life Sciences	**38.5**	38.6
Healthcare Assessment	**233.8**	233.4
Therapeutic Solutions	**290.4**	276.1
	562.7	548.1
Total Group	**1,509.0**	1,263.3

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 at the period end:

- CGU specific operating assumptions that are reflected in the budget period for the financial year to March 2027;
- 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 2027 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 2027 budget to derive the cash flows arising in the years to March 2028 and March 2029 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 2030 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 2026, 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 11.05% (2025: 11.73%). 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 9.19% to 15.38% (2025: 10.16% to 15.55%) 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 2026	31 March 2025	**31 March 2026**	31 March 2025	**31 March 2026**	31 March 2025
Fire	**15.38%**	15.55%	**9.59%**	10.77%	**2.09%**	2.09%
Water	**11.40%**	12.26%	**10.53%**	10.32%	**1.85%**	1.94%
Healthcare Assessment	**14.40%**	14.09%	**11.23%**	8.43%	**2.10%**	2.18%
Therapeutic Solutions	**14.14%**	13.68%	**11.23%**	8.43%	**1.98%**	2.06%

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							
	Customer and supplier relationship[1] £m	Technical know-how[2] £m	Trademarks, brands and patents[3] £m	Total £m	Internally generated capitalised development costs[4] £m	Computer software £m	Other intangibles[5] £m	Total £m
Cost								
At 1 April 2024	532.3	311.2	125.1	968.6	152.1	23.0	7.1	1,150.8
Assets of businesses acquired	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**
Assets of businesses acquired (note 25)	**113.7**	**84.2**	**30.3**	**228.2**	**–**	**0.4**	**0.4**	**229.0**
Transfer between categories	**–**	**–**	**–**	**–**	**(0.1)**	**0.1**	**–**	**–**
Additions at cost	**–**	**–**	**–**	**–**	**14.8**	**1.0**	**0.3**	**16.1**
Assets of business sold	**–**	**–**	**–**	**–**	**(1.2)**	**(0.1)**	**–**	**(1.3)**
Disposals and retirements	**–**	**–**	**–**	**–**	**(8.9)**	**(2.3)**	**(0.9)**	**(12.1)**
Reclassified as held for sale (note 32)	**(4.2)**	**(3.6)**	**(0.9)**	**(8.7)**	**(1.0)**	**(3.0)**	**–**	**(12.7)**
Exchange adjustments	**5.4**	**1.8**	**1.9**	**9.1**	**0.3**	**–**	**0.5**	**9.9**
At 31 March 2026	**676.7**	**416.1**	**160.1**	**1,252.9**	**162.8**	**19.6**	**7.7**	**1,443.0**
Accumulated amortisation & impairment								
At 1 April 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**
Charge for the year	**29.3**	**25.5**	**8.4**	**63.2**	**10.9**	**1.3**	**0.6**	**76.0**
Impairment	**–**	**–**	**–**	**–**	**(0.8)**	**–**	**–**	**(0.8)**
Assets of business sold	**–**	**–**	**–**	**–**	**(0.4)**	**(0.1)**	**–**	**(0.5)**
Disposals and retirements	**–**	**–**	**–**	**–**	**(8.7)**	**(2.2)**	**(0.7)**	**(11.6)**
Reclassified as held for sale (note 32)	**(1.1)**	**(1.5)**	**(0.4)**	**(3.0)**	**(1.0)**	**(1.9)**	**–**	**(5.9)**
Exchange adjustments	**1.7**	**(0.3)**	**0.7**	**2.1**	**0.5**	**0.1**	**(0.1)**	**2.6**
At 31 March 2026	**337.4**	**151.7**	**79.1**	**568.2**	**108.0**	**17.5**	**4.2**	**697.9**
Carrying amounts								
At 31 March 2026	**339.3**	**264.4**	**81.0**	**684.7**	**54.8**	**2.1**	**3.5**	**745.1**
At 31 March 2025	254.3	205.7	58.4	518.4	51.4	3.2	3.0	576.0

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: Safetec: £17.6m; E2S: £54.0m; Brownline: £25.4m; MK Test: £16.0m (2025: £17.6m); FirePro: £35.6m (2025: £37.0m); and Rovers: £17.8m (2025: £18m). The remaining amortisation periods for these assets are 12, 14, 13, 10, 12 and 18 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 significant balances relate to: E2S: £40.5m; Brownline: £28.8m; IZI: £26.9m (2025: £29.9m); FirePro: £23.9m (2025: £24.5m); NovaBone: £13.9m (2025: £15.8m) and Rovers: £19.6m (2025: £19.9m). The remaining amortisation periods for these assets are 15, 14, 11, 15, 9 and 18 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 were no individually significant balances at 31 March 2026 or 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 significant 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: Freehold land and buildings £m	Owned assets: Leasehold buildings and improvements £m	Owned assets: Plant, equipment and vehicles £m	Total £m
Cost					
At 1 April 2024	166.2	80.5	32.3	234.1	513.1
Transfer between category	–	(0.7)	3.0	(2.3)	–
Assets of businesses acquired	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**
Transfer between category	**(1.3)**	**1.0**	**0.4**	**(0.1)**	**–**
Assets of businesses acquired (note 25)	**11.5**	**–**	**1.0**	**6.7**	**19.2**
Assets of business sold	**(3.3)**	**–**	**(1.4)**	**(7.3)**	**(12.0)**
Additions at cost	**13.0**	**14.8**	**5.7**	**34.4**	**67.9**
Disposals and retirements	**(6.3)**	**–**	**(0.4)**	**(13.5)**	**(20.2)**
Reclassified as held for sale (note 32)	**(1.3)**	**(3.7)**	**(0.6)**	**(6.3)**	**(11.9)**
Exchange adjustments	**(1.1)**	**2.2**	**(0.1)**	**1.6**	**2.6**
At 31 March 2026	**219.5**	**101.1**	**45.7**	**267.9**	**634.2**
Accumulated depreciation & impairment					
At 1 April 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**
Transfer between category	**(1.3)**	**0.7**	**–**	**0.6**	**–**
Charge for the year	**26.4**	**1.5**	**4.0**	**23.1**	**55.0**
Impairment	**–**	**–**	**–**	**–**	**–**
Assets of business sold	**(2.9)**	**–**	**(0.9)**	**(4.8)**	**(8.6)**
Disposals and retirements	**(6.3)**	**–**	**(0.1)**	**(12.4)**	**(18.8)**
Reclassified as held for sale (note 32)	**(0.8)**	**(2.6)**	**(0.2)**	**(5.2)**	**(8.8)**
Exchange adjustments	**(1.2)**	**0.3**	**0.8**	**(0.2)**	**(0.3)**
At 31 March 2026	**117.8**	**21.2**	**26.1**	**158.8**	**323.9**
Carrying amounts					
At 31 March 2026	**101.7**	**79.9**	**19.6**	**109.1**	**310.3**
At 31 March 2025	104.4	65.5	18.6	94.7	283.2

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 associates and other investments

	31 March 2026 £m	31 March 2025 £m
Interest in associate	**11.1**	0.5
Financial assets at fair value through other comprehensive income		
– Equity instruments	**10.3**	12.0
	21.4	12.5

Interest in associates

	31 March 2026 £m	31 March 2025 £m
At beginning of the year	**0.5**	1.8
Impairment of investment	**–**	(1.0)
Group's share of profit/(loss) of associate	**1.1**	(0.3)
Additions	**10.0**	–
Deemed disposal of associate	**(0.5)**	–
	11.1	0.5

During the year, the Group invested £10.0m in FluidSmile™, a Chinese manufacturer and distributor to partner with the Group's Nuvonic business. The investment represents a 35% shareholding and is accounted for as an associate under IAS 28 'Investments in Associates and Joint Ventures'.

During the year, the Group's ownership in OneThird B.V. was diluted from 22.9% to 19.2% following a funding round in which the Group did not participate. As a result, the Group no longer has significant influence, and the investment has been reclassified from an associate accounted for under IAS 28 'Investments in Associates and Joint Ventures' to an equity instrument accounted for under IFRS 9 'Financial Instruments'. The retained interest was measured at a fair value of £1.5m on 17 June 2025, with the resulting gain on reclassification of £1.0m being recognised in the profit or loss. The investment is now recognised at fair value through other comprehensive income, with subsequent changes recognised accordingly, consistent with other investments of the Group.

	31 March 2026 £m	31 March 2025 £m
Aggregated amounts relating to associate		
Non-current assets	**10.1**	2.0
Current assets	**7.9**	0.7
Current liabilities	**(2.7)**	(0.2)
Net assets	**15.3**	2.5
Group's share of net assets of associate	**5.4**	0.6
Revenue	**9.3**	0.6
Profit/(loss)	**3.0**	(1.5)
Group's share of profit/(loss) of associate	**1.1**	(0.3)

Financial assets at fair value through other comprehensive income (FVOCI)

Movements in equity investments at FVOCI comprise the following:

	31 March 2026 £m	31 March 2025 £m
Unlisted securities		
At beginning of the year	**12.0**	18.0
Additions in the year	**5.0**	–
Changes in fair value recognised in other comprehensive income	**(6.7)**	(6.0)
At end of the year	**10.3**	12.0

During the year, the Group invested £3.1m in AVA Prevent, a Taiwanese manufacturer of aspirating smoke detectors. This is to be treated as an investment under IFRS 9 'Financial Instruments'. The Group have the option to purchase all the remaining shares after 31 March 2027. The remaining additions relate to the recognition of OneThird B.V. as an investment during the year, a non-cash transaction, and an interest in Orb XYZ.

During the year, Oxa Autonomy Ltd completed a new funding round. This indicated a reduction in fair value of the investment of £6.7m which the Group has recorded in Other Comprehensive Income.

The remaining unlisted securities comprise of investments in OneThird B.V, Orb XYZ. and VAPAR Innovation PTY Ltd. Further information on methods and assumptions used in determining fair value is provided in note 27.

15 Inventories

	31 March 2026 £m	31 March 2025 £m
Raw materials and consumables	**181.5**	188.4
Work in progress	**36.1**	31.9
Finished goods and goods for resale	**104.6**	80.0
	322.2	300.3

The above is stated net of provision for slow-moving and obsolete stock, movements of which are shown below:

	31 March 2026 £m	31 March 2025 £m
At beginning of the year	**60.9**	55.6
Write downs of inventories recognised as an expense	**2.9**	5.3
Recognition of provisions for businesses acquired	**2.3**	1.6
Derecognition of provisions for businesses disposed	**(1.2)**	(0.1)
Utilisation and amounts reversed against inventories previously impaired	**(2.4)**	(0.7)
Reclassified as held for sale	**(1.5)**	–
Exchange adjustments	**(0.1)**	(0.8)
At end of the year	**60.9**	60.9

In the year ended 31 March 2026, 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 2026 £m	31 March 2025 £m
Trade receivables	**434.9**	376.1
Allowance for doubtful debts	**(8.9)**	(6.3)
	426.0	369.8
Other receivables	**42.0**	29.2
Prepayments	**37.0**	32.7
Contract assets (note 18)	**96.0**	54.2
	601.0	485.9

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 2026 £m	31 March 2025 £m
At beginning of the year	**6.3**	7.1
Net impairment loss/(reversal)	**2.3**	(0.5)
Amounts recovered against trade receivables previously written down/amounts utilised	**(0.8)**	(0.9)
Recognition of provisions for businesses acquired	**1.0**	0.7
Exchange adjustments	**0.1**	(0.1)
At end of the year	**8.9**	6.3

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 (2025: £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 2026 £m	31 March 2025 £m	**31 March 2026 £m**	31 March 2025 £m
Not yet due	**332.9**	293.1	**332.2**	292.8
Up to one month overdue	**61.4**	52.5	**61.1**	52.4
Between one and two months overdue	**15.0**	10.9	**14.8**	10.8
Between two and three months overdue	**6.4**	5.3	**5.6**	5.2
Over three months overdue	**19.2**	14.3	**12.3**	8.6
	434.9	376.1	**426.0**	369.8

17 Trade and other payables: falling due within one year

	31 March 2026 £m	31 March 2025 £m
Trade payables	**149.4**	131.5
Other taxation and social security	**13.2**	12.2
Other payables	**11.5**	6.7
Accruals	**170.3**	140.0
Contract liabilities (note 18)	**50.2**	50.9
Deferred government grant income	**2.3**	2.0
	396.9	343.3

Other payables comprise various balances across the Group including share-based payments related amounts of £3.4m (2025: £3.1m), deferred R&D expenditure tax credits and other non-trade payables. These comprise £10.4m (2025: £5.8m) of financial liabilities and £1.1m (2025: £0.9m) of non-financial liabilities. Deferred government grant income relates to a subsidy received for purchase of a building in the prior year.

18 Contract balances

	31 March 2026 £m	31 March 2025 £m
Contract costs	**1.9**	1.4
Contract assets	**96.0**	54.2
Contract liabilities current (note 17)	**(50.2)**	(50.9)
Contract liabilities non-current (note 20)	**(16.9)**	(18.1)
Total contract liabilities	**(67.1)**	(69.0)

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 2026 £m	31 March 2025 £m	**31 March 2026 £m**	31 March 2025 £m
Amounts included in contract balances at the beginning of the year	**54.2**	49.2	**(69.0)**	(53.5)
Transfers to receivables during the year	**(54.8)**	(46.7)		
Performance obligations arising in the current reporting year				
Increases as a result of billing ahead of performance			**(106.2)**	(96.1)
Decreases as a result of revenue recognised in the year			**107.4**	80.5
Increases as a result of performance in advance of billing	**87.6**	52.7		
Amounts arising through business combinations	**9.5**	–	**–**	(0.5)
Exchange movements	**(0.5)**	(1.0)	**0.7**	0.6
Amounts included in contract balances at the end of the year	**96.0**	54.2	**(67.1)**	(69.0)

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 2026 £m	31 March 2025 £m
Overdrafts	**1.4**	0.5
Unsecured loan notes falling due within one year	**47.5**	35.1
Total borrowings falling due within one year	**48.9**	35.6
Unsecured loan notes falling due after more than one year	**627.8**	659.9
Unsecured bank loans falling due after more than one year	**128.9**	43.9
Total borrowings falling due after more than one year	**756.7**	703.8
Total borrowings	**805.6**	739.4

Unsecured loan notes of £35m drawn on 6 January 2016 at a fixed interest rate of 3.05% matured and were repaid in January 2026.

In the current year, the loan notes falling due within one year relate to the United States Private Placement completed in May 2022. The loan notes falling due after more than one year relate to the United States Private Placement completed in May 2022 and the Private Placement completed in April 2024.

Information concerning the security, currency, interest rates and maturity of the Group's borrowings is given in note 27.

20 Trade and other payables: falling due after one year

	31 March 2026 £m	31 March 2025 £m
Other payables	**1.6**	1.4
Other taxation and social security	**0.1**	–
Accruals	**5.2**	4.2
Contract liabilities (note 18)	**16.9**	18.1
Deferred government grant income	**0.8**	0.8
	24.6	24.5

21 Provisions

Provisions are presented as:

	31 March 2026 £m	31 March 2025 £m
Current	**30.0**	44.5
Non-current	**13.3**	11.2
	43.3	55.7

	Contingent purchase consideration £m	Dilapidations £m	Product warranty £m	Legal, contractual and other £m	Total £m
At 31 March 2025	**27.0**	**4.2**	**10.4**	**14.1**	**55.7**
Additional provision in the year	**0.1**	**0.6**	**2.7**	**6.2**	**9.6**
Arising on acquisition (note 25)	**5.4**	**–**	**1.0**	**2.0**	**8.4**
Liabilities of business sold	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Utilised during the year	**(12.0)**	**–**	**(1.4)**	**(6.2)**	**(19.6)**
Released during the year	**(3.6)**	**(0.2)**	**(1.6)**	**(5.3)**	**(10.7)**
Reclassified as Held For Sale (note 32)	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Exchange adjustments	**0.3**	**–**	**(0.1)**	**(0.1)**	**0.1**
At 31 March 2026	**17.2**	**4.6**	**10.9**	**10.6**	**43.3**

21 Provisions continued

Contingent purchase consideration
The provision for contingent consideration comprises a combination of earnouts that are contingent on future performance and "holdbacks" which are amounts retained by the Group under the contractual terms of the purchase agreements and released to the seller once the warranty period is passed and assuming no relevant claims are made.

The provision at the beginning of the year comprised £27.0m, of which £23.3m was payable within one year, included amounts based on actual results for the final earnout period for Visiometrics, Infinite Leap, Sewertronics, Alpha Instrumatics, Remlive, Rovers and GFE. It also included estimates for the final earnout period for Safe-com and ZED.

The £5.2m additional provision in the year related to the acquisitions of Nu Perspectives and Safetec.

The £12.0m utilised during the year related to the payments for Sewertronics, Infinite Leap, Alpha Instrumatics, GFE, Remlive, Rovers and the holdback for ZED.

The £3.6m released during the year related to the revisions to the estimates relating to Infinite Leap and Sewertronics.

The closing total provision of £17.2m, of which £12.4m is payable within one year, includes amounts based on the latest estimate for the final earnout period for Visiometrics and for the holdbacks of Safetec and Nu Perspectives.

The balance due after more than one year of £4.9m comprises the estimated future earnouts for Safe-com and the holdbacks for Sewertronics and Safetec.

The total contingent purchase consideration payable in future for the existing acquisitions is a minimum of £7.5m with a maximum possible payable of £36.7m.

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 that is based on future performance 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 2026 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 58 to 96, has not resulted in the recognition of any additional provisions or disclosure of any contingent liabilities.

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 2025	**(0.6)**	**(124.3)**	**(9.8)**	**22.4**	**10.4**	**15.6**	**17.3**	**(69.0)**
Credit/(charge) to Consolidated Income Statement	**0.2**	**13.0**	**(2.3)**	**3.0**	**0.8**	**(9.1)**	**(18.9)**	**(13.3)**
Credit/(charge) to Consolidated Statement of Comprehensive Income and Expense	**–**	**–**	**0.2**	**–**	**–**	**–**	**–**	**0.2**
Credit to equity	**–**	**–**	**–**	**–**	**3.3**	**–**	**–**	**3.3**
Arising on acquisition (note 25)	**–**	**(57.2)**	**0.2**	**(0.2)**	**–**	**–**	**–**	**(57.2)**
Disposal of business (note 30)	**–**	**–**	**(0.1)**	**–**	**–**	**–**	**–**	**(0.1)**
Reclassified as held for sale (note 32)	**–**	**1.5**	**–**	**–**	**–**	**(2.2)**	**–**	**(0.7)**
Exchange adjustments	**–**	**(1.5)**	**(0.2)**	**–**	**–**	**(0.5)**	**(0.7)**	**(2.9)**
At 31 March 2026	**(0.4)**	**(168.5)**	**(12.0)**	**25.2**	**14.5**	**3.8**	**(2.3)**	**(139.7)**

	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	–	(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)

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 2026 £m	31 March 2025 £m
Deferred tax liability	**(144.0)**	(73.4)
Deferred tax asset	**4.3**	4.4
Net deferred tax liability	**(139.7)**	(69.0)

Deferred tax balances expected to unwind in less than one year are insignificant.

22 Deferred tax continued

Movement in net deferred tax liability:

	31 March 2026 £m	31 March 2025 £m
At beginning of year	**(69.0)**	(74.6)
Credit/(charge) to Consolidated Income Statement:		
UK	**0.1**	(2.0)
Overseas	**(13.4)**	17.5
Charge to Consolidated Statement of Comprehensive Income	**0.2**	7.3
Credit to equity	**3.3**	0.8
Arising on acquisition (note 25)	**(57.2)**	(18.8)
Deferred tax of business sold	**(0.1)**	0.1
Reclassified as held for sale (note 32)	**(0.7)**	–
Exchange adjustments	**(2.9)**	0.7
At end of year	**(139.7)**	(69.0)

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, £155.0m (2025: £132.6m) 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 £9.4m (2025: £8.5m) 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 2026, deferred tax assets of £2.3m and £5.8m (2025: £2.3m and £3.7m) in respect of unused capital tax losses and other tax losses have not been recognised.

23 Share capital

	Issued and fully paid	
	31 March 2026 £m	31 March 2025 £m
Ordinary shares of 10p each	**38.0**	38.0

The number of ordinary shares in issue at 31 March 2026 was 379,645,332 (2025: 379,645,332), including shares held by the Employee Benefit Trust of 1,967,057 (2025: 1,943,659); this represents 0.5% of called up share capital (2025: 0.5%). The number of own shares purchased during the year by the EBT was 675,000 (2025: 232,000) with a nominal value of £0.1m (2025: £0.0m).

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 2026			Year ended 31 March 2025		
	Equity-settled £m	Cash-settled £m	Total £m	Equity-settled £m	Cash-settled £m	Total £m
Share incentive plan	**1.5**	**–**	**1.5**	1.0	–	1.0
Executive share plan	**26.3**	**2.3**	**28.6**	24.7	0.6	25.3
	27.8	**2.3**	**30.1**	25.7	0.6	26.3

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.

24 Share-based payments continued

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 Adjusted Earnings Per Share and Adjusted Return on Total Invested Capital (Adjusted 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:

	2026 Number of shares awarded	2025 Number of shares awarded
Outstanding at beginning of year	**3,207,053**	3,109,381
Granted during the year	**1,070,148**	1,183,577
Vested during the year (pro-rated for 'good leavers')	**(1,110,576)**	(883,967)
Lapsed during the year	**(340,028)**	(201,938)
Outstanding at end of year	**2,826,597**	3,207,053
Exercisable at end of year	**–**	–

Included in Retained earnings are accumulated credits of £41.8m (2025: £43.1m) representing the provision for the value of unvested awards under the Group's equity settled share plans. The performance shares outstanding at 31 March 2026 had a weighted average remaining contractual life of 14 months (2025: 14 months). The weighted average share price at the date of exercise of vested shares during the year was 3291p (2025: 2687p).

The fair value of the awards was calculated using an appropriate simulation method, with the inputs below:

	2026	2025	2024
Expected life (years)	**2 or 3**	2 or 3	2 or 3
Share price on date of grant (p)	**3130**	2356	2240
Option price (p)	**Nil**	Nil	Nil
Fair value per option (%)	**100%**	100%	100%
Fair value per option (p)	**3130**	2356	2240

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 £5.5m was withheld and paid to the taxation authority in relation to the deferred shares that vested during the year (2025: £3.5m). For the UK population, for the year ended 31 March 2026, 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.

For each of the businesses acquired during the year, the following has been disclosed: the name of the business, the sector it will join, its location, date of acquisition and the annualised acquired revenue. The remaining disclosures required by IFRS 3 are provided separately for those individual acquisitions that are considered material and in aggregate for individually immaterial acquisitions. An acquisition would generally be considered individually material if the impact on the Group or the sector's revenue or profit measures (on an annualised basis) or the relevant amounts on the balance sheet for acquired intangibles or goodwill is greater than 5%. Management also applies judgement in considering whether there are any material qualitative differences from other acquisitions made.

Business	Sector	Country	Acquisition Date	Percentage of Share Capital Acquired	Annualised Acquired Revenue £m
Nu Perspectives Limited (Nu Perspectives)	Healthcare	United Kingdom	3 April 2025	100%	1.1
MC Steering B.V. (Brownline)	Environmental & Analysis	Netherlands	25 August 2025	100%	30.5
E2S Group Limited (E2S)	Safety	United Kingdom	5 December 2025	100%	44.0
Safetec S.r.l (Safetec)	Safety	Italy	9 January 2026	100%	23.0
Altomed Group Holdings Limited (Altomed)	Healthcare	United Kingdom	27 February 2026	100%	13.7
Total					**112.3**

Founded in 2008 and based in Stockbridge, UK, Nu Perspectives are specialists in the design and development of medical products, pneumatic systems, liquid nitrogen systems and cryosurgical devices. Nu Perspectives was bought as a bolt-on for the Group's Keeler businesses and so joined the Healthcare sector. In August 2025, Nu Perspectives was hived up into Keeler Limited.

Founded in 1994 and based in Meerkerk, Netherlands, Brownline has developed proprietary gyro-based steering technology that enables interference-free, ultra-accurate drilling in complex underground environments. Brownline's core offering, the DrillGuide GyroSteering Tool ("GST") is deployed across utility, energy, and telecommunications sectors, supporting trenchless infrastructure installation with minimal surface disruption. Brownline will continue to run under its own management team and joins the Group's Environmental & Analysis sector.

Founded in 1992 and based in London, UK, E2S develops products that keep people safe in hazardous industrial and manufacturing environments. Its range of high-performance signalling solutions are critical components of process safety systems which play a vital role in alerting workers to potential dangers such as gas leaks, fires, or equipment failures. By enabling rapid action and reducing the risk to workers and critical assets, E2S's technology is indispensable in stringent and highly regulated markets such as oil and gas, renewable energy and power, with its products designed to operate in harsh and challenging conditions. E2S will continue to run under its own management team and joins the Group's Safety sector.

Founded in 2003 and based in Milan, Italy, Safetec is a global provider of fire and gas safety systems for industrial markets. Safetec specialises in designing and delivering customised safety systems for large-scale industrial projects across sectors such as oil and gas, power generation, petrochemicals and pharmaceuticals. Safetec continues to run under its own management team and has become part of the Group's Safety sector.

Founded in 1976 and based in Tyne and Wear, UK, Altomed is a UK-based manufacturer and distributor of specialised ophthalmic instruments and consumables. Altomed was bought as a bolt-on for the Group's MST business and so joined the Healthcare Sector.

25 Acquisitions continued

The acquisition of Brownline and E2S are considered to be individually material during the current year due to their impact on revenue, intangible assets and goodwill and have therefore been separately disclosed in the table below:

	Total 2026 £m	Brownline £m	E2S £m	Other £m
Non-current assets				
Other intangible assets	229.0	65.9	110.0	53.1
Property, plant and equipment	19.2	12.7	5.2	1.3
Current assets				
Inventories	17.1	3.4	10.0	3.7
Trade and other receivables	39.2	9.0	9.0	21.2
Cash and bank balances	30.2	5.6	6.8	17.8
Total assets	334.7	96.6	141.0	97.1
Current liabilities				
Trade and other payables	(20.1)	(5.6)	(4.4)	(10.1)
Borrowings	(19.0)	(18.9)	–	(0.1)
Lease liabilities	(2.1)	(0.9)	(0.5)	(0.7)
Provisions	(2.4)	(1.3)	(0.2)	(0.9)
Tax liabilities	(4.8)	(1.6)	(1.8)	(1.4)
Non-current liabilities				
Lease liabilities	(9.4)	(5.2)	(3.6)	(0.6)
Provisions	(0.6)	–	(0.5)	(0.1)
Deferred tax liabilities	(57.2)	(16.5)	(27.9)	(12.8)
Total liabilities	(115.6)	(50.0)	(38.9)	(26.7)
Net assets of businesses acquired	219.1	46.6	102.1	70.4
Initial cash consideration paid	453.6	114.0	234.3	105.3
Other amounts to be (received)/paid	(0.4)	(0.6)	(1.1)	1.3
Contingent purchase consideration including retentions estimated to be paid	5.4	–	–	5.4
Total consideration	458.6	113.4	233.2	112.0
Total goodwill	239.5	66.8	131.1	41.6

Brownline was acquired for a total estimated consideration of €130.4m (£113.4m). The initial consideration comprised the cash- and debt-free purchase price of €145.7m (£126.7m), plus cash acquired of €6.4m (£5.6m) less debt acquired of €21.7m (£18.9m). In addition, there are amounts to be received from the sellers of €0.7m (£0.6m). The debt acquired of €21.7m (£18.9m) was settled immediately post-acquisition. There is no contingent consideration payable.

E2S was acquired for a total estimated consideration of £233.2m. The initial consideration comprised the cash- and debt-free purchase price of £226.4m plus cash acquired of £6.8m. In addition, there are amounts to be received from the sellers of £1.1m. There is no contingent consideration payable.

The Safetec acquisition includes amounts to be paid to the sellers of €6.0m (£5.2m) relating to agreed retentions. These amounts are to be settled in two instalments after years one and two.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £114.2m; trade names of £29.5m; and technology related intangibles of £84.4m.

The residual goodwill of £239.5m represents:

a) the technical expertise of the acquired workforce;
b) future cashflows of undeveloped intangible assets; and
c) the new customers of the acquired business.

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).

As at the date of approval of the financial statements, the accounting for all acquisitions since 31 March 2025, is provisional; relating to 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

Analysis of cash outflow in the Consolidated Cash Flow Statement

	Year ended 2026 £m	Year ended 2025 £m
Initial cash consideration paid	**453.6**	115.5
Cash acquired on acquisitions	**(30.2)**	(10.5)
Initial cash consideration adjustment paid on current year acquisitions	**–**	1.0
Contingent consideration paid	**12.0**	10.3
Net cash outflow relating to acquisitions	**435.4**	116.3
Included in cash flows from operating activities	**6.7**	0.1
Included in cash flows from investing activities	**428.7**	116.2

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

In addition, immediately after acquisition the Group repaid £19.0m of debt acquired comprising £18.9m for Brownline and £0.1m for Safetec.

The revenue and profit after tax of acquisitions included in the Group's results since the date of acquisition and the estimated revenue and profit after tax if they had been acquired at the start of the financial year, are as follows:

		Total £m	Brownline £m	E2S £m	Other £m
Revenue	Post acquisition	**41.9**	**21.3**	**14.3**	**6.3**
	Full year estimate	**124.6**	**34.9**	**45.6**	**44.1**
Profit after tax	Post acquisition	**10.5**	**4.8**	**4.5**	**1.2**
	Full year estimate	**31.4**	**8.3**	**13.8**	**9.3**

Acquisition costs totalling £5.5m were recorded in the Consolidated Income Statement.

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

Adjustments in respect of prior year acquisitions

	Total £m
Current assets	
Trade and other receivables	**0.3**
Total assets	**0.3**
Non-current liabilities	
Deferred tax liability	**(0.1)**
Total liabilities	**(0.1)**
Net assets of business acquired	**0.2**
Other paid	**(0.2)**
Total consideration	**(0.2)**
Total goodwill	**0.0**

In finalising the acquisition accounting for the prior year acquisition of Lamidey Noury Médical S.A., a reduction of £0.3m was made to trade and other receivables, an adjustment of £0.1m was made to deferred tax liability and an increase of £0.2m to other amounts owed to vendors. Overall this resulted in £0.0m change to goodwill.

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 2026 £m	Year ended 31 March 2025 £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	**525.8**	409.5
Non-cash loss on hedging instruments	**(0.1)**	(0.6)
Depreciation and impairment of property, plant and equipment	**55.0**	51.0
Amortisation and impairment of computer software	**1.3**	1.3
Amortisation of capitalised development costs and other intangibles	**11.5**	11.1
Impairment (reversal)/charge of capitalised development costs	**(0.8)**	3.1
Amortisation of acquired intangible assets	**63.2**	56.9
Share-based payment expense in excess of amounts paid	**17.2**	21.9
Defined benefit pension plans administration cost less contributions from sponsoring companies	**0.4**	0.4
Loss/(profit) on sale of property, plant and equipment, capitalised development costs and computer software	**0.7**	(0.2)
Operating cash flows before movement in working capital	**674.2**	554.4
(Increase)/decrease in inventories	**(12.5)**	12.3
Increase in receivables	**(90.5)**	(20.9)
Increase in payables and provisions	**31.4**	44.7
(Decrease)/increase to estimate and exchange difference on contingent consideration payable less amounts paid in excess of payable estimated on acquisition	**(9.5)**	5.2
Cash generated from operations	**593.1**	595.7
Taxation paid	**(112.5)**	(103.3)
Net cash inflow from operating activities	**480.6**	492.4

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Analysis of cash and cash equivalents		
Cash and bank balances	**143.4**	313.2
Cash reclassified as held for sale (note 32)	**1.4**	–
Overdrafts (included in current borrowings)	**(1.4)**	(0.5)
Cash and cash equivalents	**143.4**	312.7

26 Notes to the Consolidated Cash Flow Statement continued

	31 March 2025 £m	Cash flow £m	Net cash/(debt) acquired £m	Net (cash)/debt disposed £m	Additions and reclassifications £m	Exchange adjustments £m	31 March 2026 £m
Analysis of net debt							
Cash and bank balances	313.2	**(201.2)**	**30.2**	**(0.1)**	**(1.4)**	**2.7**	**143.4**
Cash reclassified as held for sale	–	**–**	**–**	**–**	**1.4**	**–**	**1.4**
Overdrafts	(0.5)	**(0.9)**	**–**	**–**	**–**	**–**	**(1.4)**
Cash and cash equivalents	312.7	**(202.1)**	**30.2**	**(0.1)**	**–**	**2.7**	**143.4**
Loan notes falling due within one year	(35.1)	**35.1**	**–**	**–**	**(47.5)**	**–**	**(47.5)**
Loan notes falling due after more than one year	(659.9)	**–**	**–**	**–**	**47.5**	**(15.4)**	**(627.8)**
Bank loans falling due within one year	–	**19.0**	**(19.0)**	**–**	**–**	**–**	**–**
Bank loans falling due after more than one year	(43.9)	**(81.2)**	**–**	**–**	**–**	**(3.8)**	**(128.9)**
Lease Liabilities	(109.6)	**29.3**	**(11.6)**	**0.4**	**(16.3)**	**–**	**(107.8)**
Lease Liabilities reclassified as held for sale	–	**–**	**–**	**–**	**(0.5)**	**–**	**(0.5)**
Total net debt	(535.8)	**(199.9)**	**(0.4)**	**0.3**	**(16.8)**	**(16.5)**	**(769.1)**

The net decrease in cash and cash equivalents of £172.0m comprised net cash outflow of £202.1m and net cash acquired and disposed of £30.1m.

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	Overdraft £m	Leases £m	Total liabilities from financing activities £m	Trade and other payables falling due within one year £m
At 1 April 2024	711.9	0.3	83.7	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**	–	0.2	54.1	54.3	72.0
At 31 March 2025	**738.9**	**0.5**	**109.6**	**849.0**	**343.3**
Cash flows from financing activities	**27.1**	**–**	**(29.3)**	**(2.2)**	**(28.3)**
Acquisition/disposal of subsidiaries	**19.0**	**–**	**11.2**	**30.2**	**18.9**
Exchange adjustments	**19.2**	**–**	**–**	**19.2**	**(1.3)**
Other changes**	**–**	**0.9**	**16.3**	**17.2**	**64.3**
At 31 March 2026	**804.2**	**1.4**	**107.8**	**913.4**	**396.9**

* 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 including amounts transferred to Held For Sale.

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 jurisdictions' 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 209 as well as non-GBP intercompany loans are used as net investment hedges for foreign currency net assets with a carrying value of €543.9m (2025: €450.0m), US$210.0m (2025: US$210.0m), CHF90.2m (2025: CHF90.0m) and NZ$13.4m (2025: NZ$13.3m). The hedging ratio was 1:1. The change in the carrying value of the borrowings that was recognised in other comprehensive income was a loss of £19.1m (2025: gain of £11.3m).

27 Financial instruments continued

Market risk 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 2026 by £3.2m (2025: £2.8m) and £1.0m (2025: £0.7m) respectively.

The carrying amounts of the Group's US Dollar and Euro denominated assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	31 March 2026 £m	31 March 2025 £m	**31 March 2026 £m**	31 March 2025 £m
US Dollar – Total	**1,314.6**	1,325.1	**439.9**	441.7
US Dollar – Monetary assets/liabilities	**348.7**	299.7	**402.3**	407.1
Euro – Total	**941.3**	683.6	**658.8**	518.2
Euro – Monetary assets/liabilities	**127.1**	103.3	**655.7**	515.5

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 2026 £m	31 March 2025 £m	**31 March 2026 £m**	31 March 2025 £m
Profit	**28.8**	25.4	**9.4**	6.1
Other equity	**79.5**	80.3	**25.7**	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 and Euro because more of the Group's profit is earned in these currencies. 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 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 £4.7m at 31 March 2026 (2025: £177.0m). These comprised Sterling denominated bank deposits of £nil (2025: £152.1m), Euro bank deposits of £nil (2025: £21.9m), US Dollar bank deposits of £0.2m (2025: £3.0m) and Renminbi bank deposits of £4.5m (2025: £nil) which earn interest at local market rates. Cash balances of £138.7m (2025: £136.2m) earn interest at local market rates, this balance excludes £1.4m (2025: £nil) of cash classified as held for sale (note 32).

The financial liabilities which are subject to interest rate fluctuations comprise bank loans and overdrafts which totalled £130.3m at 31 March 2026 (2025: £44.4m). 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 3.45%.

The Group's weighted average interest cost on net debt for the year was 4.27% (2025: 4.27%). Excluding IFRS 16 lease liabilities, the weighted average interest cost on net debt for the year was 4.32% (2025: 4.16%).

27 Financial instruments continued

Market risk continued

Analysis of interest-bearing financial liabilities

The following table provides an analysis of interest-bearing financial liabilities by currency.

	31 March 2026 £m	31 March 2025 £m
Sterling denominated bank loans	**–**	–
US Dollar denominated bank loans	**–**	–
Euro denominated bank loans	**81.6**	–
Swiss Franc denominated bank loans	**47.3**	43.9
Total bank loans	**128.9**	43.9
Overdrafts (principally Sterling and US Dollar denominated)	**1.4**	0.5
Sterling denominated loan notes	**85.0**	120.0
US Dollar denominated loan notes	**159.4**	162.9
Euro denominated loan notes	**393.1**	377.0
Swiss Franc denominated loan notes	**37.8**	35.1
Total overdrafts and loan notes	**676.7**	695.5
Total interest-bearing financial liabilities	**805.6**	739.4

Interest rate risk sensitivity analysis

For the year ended 31 March 2026, 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 (2025: £0.7m).

Hedging

The Group's policy is to hedge significant sales and purchases denominated in foreign currency using forward currency contracts.

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 2026	31 March 2025	31 March 2026 m	31 March 2025 m	31 March 2026 £m	31 March 2025 £m	31 March 2026 £m	31 March 2025 £m
Foreign currency forward contracts not in a designated cash flow hedge								
US Dollars vs GBP	**–**	–	**–**	–	**–**	–	**–**	–
Euros vs GBP	**–**	1.20	**–**	0.3	**–**	0.3	**–**	–
Other currencies	**–**	–	**–**	–	**42.8**	18.5	**0.1**	(0.1)
					42.8	18.8	**0.1**	(0.1)
Foreign currency forward contracts in a designated cash flow hedge								
US Dollars vs GBP	**1.34**	1.27	**15.2**	14.8	**11.6**	11.5	**(0.2)**	0.2
Euros vs GBP	**1.14**	1.17	**27.2**	25.3	**23.7**	21.2	**0.1**	0.2
Other currencies	**–**	–	**–**	–	**26.5**	15.9	**(0.3)**	0.2
					61.8	48.6	**(0.4)**	0.6
Total foreign currency forward contracts								
US Dollars vs GBP	**1.34**	1.27	**15.2**	14.8	**11.6**	11.5	**(0.2)**	0.2
Euros vs GBP	**1.14**	1.17	**27.2**	25.6	**23.7**	21.4	**0.1**	0.2
Other currencies	**–**	–	**–**	–	**69.3**	34.5	**(0.2)**	0.1
Total					**104.6**	67.4	**(0.3)**	0.5

	31 March 2026 £m	31 March 2025 £m
Amounts recognised in the Consolidated Income Statement	**0.1**	(0.1)
Amounts recognised in the Consolidated Statement of Comprehensive Income and Expenditure	**(0.4)**	0.6
	(0.3)	0.5

27 Financial instruments continued

Market risk continued

Hedging *continued*

The fair values of the forward contracts are disclosed as a £0.9m (2025: £1.1m) asset and £1.2m (2025: £0.8m) liability in the Consolidated Balance Sheet. Of the £42.7m (2025: £18.5m) of open contracts for other currencies not in a designated cash flow hedge, which are held to manage the expected repayment of intercompany loan balances, £20.9m (2025: £4.8m) relates to Swiss Franc, £10.4m (2025: £6.2m) relates to a Czech Koruna and £9.3m (2025: £2.9m) relates to an Australian Dollar contracts.

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 2026 £m	31 March 2025 £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	**(0.5)**	1.1
Amounts recognised in the Consolidated Statement of Comprehensive Income and Expenditure	**(0.4)**	0.6
Net movement in the Hedging reserve in the year in relation to the effective portion of changes in fair value of cash flow hedges	**(0.9)**	1.7

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 £738.4m (2025: £782.2m) represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held, this balance excludes £5.6m (2025: £nil) of assets classified as held for sale (note 32). The ageing of trade receivables is disclosed in note 16, with 2.9% of debtors over three months overdue (2025: 2.3%).

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

Liquidity risk 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 and its £330m United States Private Placement completed in May 2022.

The Revolving Credit Facility was refinanced in May 2022 and, following the exercise of the second one-year extension during the prior year, matures in May 2029.

In May 2022, a United States Private Placement of £330m was completed. 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 and an average maturity of seven years from the date of the drawdown, 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% matured and were repaid in January 2026.

In April 2024, a United States 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 from the date of the drawdown.

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 2026.

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 (2025: £23.1m). Total net overdrafts relating to cash pooling as at 31 March 2026 were £nil (2025: £nil). Total overdrafts for the Group as at 31 March 2026 were £1.4m (2025: £0.5m).

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 2026						
Accruals	**3.2**	**–**	**2.0**	**5.2**	**–**	**5.2**
Other payables	**1.3**	**0.3**	**–**	**1.6**	**–**	**1.6**
Contingent purchase consideration	**4.9**	**–**	**–**	**4.9**	**–**	**4.9**
Bank loans	**–**	**128.9**	**–**	**128.9**	**–**	**128.9**
Loan notes	**68.2**	**271.5**	**381.3**	**721.0**	**(93.2)**	**627.8**
Lease liabilities	**31.2**	**64.1**	**21.7**	**117.0**	**(34.4)**	**82.6**
	108.8	**464.8**	**405.0**	**978.6**	**(127.6)**	**851.0**

	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

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 May 2022 and April 2024 is estimated to be £666.4m. 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 2026, the terms for deferred contingent consideration whose calculation is dependent on possible future cash flows are as follows:

- Safe-com – Based on EBIT for the 12 months ended 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 US$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
Safe-com	**1.9**	2.0

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 2025	**96.7**	**7.7**	**104.4**
Assets of businesses acquired	**11.3**	**0.2**	**11.5**
Additions and remeasurements	**9.7**	**3.3**	**13.0**
Transfer between category	**–**	**–**	**–**
Disposals and retirements (including disposal of business)	**(0.4)**	**–**	**(0.4)**
Depreciation charge for the year	**(22.7)**	**(3.7)**	**(26.4)**
Reclassified as held for sale (note 32)	**(0.5)**	**–**	**(0.5)**
Exchange adjustments	**(0.3)**	**0.4**	**0.1**
At 31 March 2026	**93.8**	**7.9**	**101.7**
At 31 March 2026			
Cost	**204.5**	**15.0**	**219.5**
Accumulated depreciation and accumulated impairment	**(110.7)**	**(7.1)**	**(117.8)**
Net carrying amount	**93.8**	**7.9**	**101.7**

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 2026 £m	Year ended 31 March 2025 £m
At 1 April 2025	**109.6**	83.7
Additions and remeasurements	**12.5**	49.5
Disposals	**(0.3)**	(0.8)
Accretion of interest	**4.3**	4.6
Payments	**(29.3)**	(28.8)
Liabilities of business acquired (note 25)	**11.5**	3.2
Reclassified as held for sale (note 32)	**(0.5)**	–
Exchange adjustments	**–**	(1.8)
At 31 March 2026	**107.8**	109.6
Current	**25.2**	23.1
Non-current	**82.6**	86.5
At 31 March 2026	**107.8**	109.6

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 2026 £m	Year ended 31 March 2025 £m
Depreciation expense of right-of-use assets	**26.4**	24.9
Interest expense on lease liabilities	**4.3**	4.6
Expense relating to short-term leases and leases of low-value assets	**0.3**	0.3
Total amount recognised in Consolidated Income Statement	**31.0**	29.8

The Group had total cash outflows for leases in the year of £29.3m (2025: £28.8m).

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 2026, potential future cash outflows of £7.2m (undiscounted) (2025: £13.4m) 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 £0.5m (2025: £0.0m). No other lease modifications occurred during the year.

The future cash outflows relating to leases that have not yet commenced are £0.1m (2025: £3.1m).

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 £22.8m (2025: £21.1m) recognised in employee costs (note 7), comprise £22.4m (2025: £20.3m) related to defined contribution plans and £0.4m (2025: £0.8m) related to defined benefit plans, including administration expenses of £nil (2025: £nil).

Defined contribution plans

The amount charged to the Consolidated Income Statement in respect of defined contribution plans was £22.0m (2025: £20.3m) 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.

In the prior year, on 6 September 2024, the Group's two UK 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. 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.

The most recent triennial 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 triennial 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 triennial 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 triennial 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

During the year ended 31 March 2025, following the decision to enter into a buy-in transaction, but before the triennial 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 previously suspended until April 2025, to resume. As the Apollo Pension and Life Assurance Plan was in surplus, no contributions were required and expenses continue to be covered by the plan.

The defined benefit obligation disclosed below is calculated separately for each plan on an annual basis by independent actuaries using the projected unit credit method.

At 31 March 2026 the Halma Group Pension Plan had a £0.3m 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 £3.0m surplus with cash in excess of the allowance in respect of GMP equalisation.

The Group and trustees of the Plans have been 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. In April 2026, the Pensions Schemes Act 2026 was enacted, introducing retrospective changes to the statutory requirements relating to the validity of historic amendments to contracted out defined benefit pension schemes (providing a potential remedy to the issues raised in the Virgin Media case). Based on the provisions of the Act, the trustees do not expect the Group to incur any additional pension liabilities as a result of the case. Accordingly, no adjustment has been made to the defined benefit pension obligation recognised in these financial statements.

The scheme trustees, in conjunction with the scheme actuary and legal advisers, are currently undertaking the work required to obtain the necessary confirmations that the conditions set out in the legislation are satisfied. This work remains ongoing at the balance sheet date. The directors will continue to monitor developments, but do not consider it probable that the outcome will result in a material impact on the Group's pension position.

	31 March 2026	31 March 2025	31 March 2024
Key assumptions used (UK plans):			
Discount rate	**6.05%**	5.70%	4.75%
Pension increases LPI 2.5%	**2.10%**	2.05%	2.05%
Pension increases LPI 3.0%	**2.45%**	2.30%	2.35%
Inflation – RPI	**3.30%**	3.05%	3.15%
Inflation – CPI	**2.70%**	2.30%	2.40%

Mortality assumptions

The base mortality tables utilised are consistent with those used in the last completed triennial valuations. For both plans the latest published CMI mortality projection tables (CMI2024) have been used with a long-term improvement rate of 1.25% p.a. and an H parameter of 1. The assumed life expectations on retirement at age 65 are:

	31 March 2026 Years	31 March 2025 Years	31 March 2024 Years
Retiring today:			
Males	**21.9**	21.5	22.1
Females	**23.8**	23.7	24.5
Retiring in 25 years:			
Males	**23.2**	22.8	23.6
Females	**25.3**	25.1	26.0

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 5.8%/increase by 5.3%
Rate of inflation	Increase/decrease by 0.5%	Increase by 2.9%/decrease by 2.7%
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 2026			31 March 2025		
	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	**–**	**0.4**	**0.4**	–	0.8	0.8
Net interest credit on pension plan assets/liabilities	**(0.2)**	**–**	**(0.2)**	(1.5)	–	(1.5)
	(0.2)	**0.4**	**0.2**	(1.5)	0.8	(0.7)

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 £6.6m (2025: loss of £52.4m).

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 (2025: £99.1m).

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 2026			31 March 2025		
	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	**(197.0)**	**(10.8)**	**(207.8)**	(199.9)	(14.6)	(214.5)
Fair value of plan assets	**199.7**	**10.0**	**209.7**	203.1	13.4	216.5
Net retirement benefit asset/(obligation)	**2.7**	**(0.8)**	**1.9**	3.2	(1.2)	2.0
Plans with net retirement benefit assets	**3.0**	**–**	**3.0**	4.0	–	4.0
Plans with net retirement benefit obligations	**(0.3)**	**(0.8)**	**(1.1)**	(0.8)	(1.2)	(2.0)

Movements in the present value of the UK and Swiss defined benefit obligations were as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
At beginning of year	**(214.5)**	(247.6)
Service cost	**(0.4)**	(0.8)
Interest cost	**(11.2)**	(11.1)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in financial assumptions	**4.4**	25.6
Actuarial (losses)/gains arising from changes in demographic assumptions	**(1.0)**	5.4
Actuarial gains arising from experience adjustments	**1.4**	4.0
Contributions from plan members	**(0.4)**	(0.4)
Benefits paid	**14.9**	10.4
Exchange adjustments	**(1.0)**	–
At end of year	**(207.8)**	(214.5)

Movements in the fair value of the UK and Swiss plan assets were as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
At beginning of year	**216.5**	278.5
Administration cost	**(0.6)**	(1.0)
Interest income	**11.4**	12.6
Actuarial losses excluding interest income	**(4.8)**	(65.0)
Contributions from the sponsoring companies	**0.7**	1.4
Contributions from plan members	**0.4**	0.4
Benefits paid	**(14.9)**	(10.4)
Exchange adjustments	**1.0**	–
At end of year	**209.7**	216.5

The net movement on actuarial gains and losses of the UK and Swiss plans was as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Defined benefit obligations	**4.8**	35.0
Fair value of plan assets	**(4.8)**	(65.0)
Net actuarial losses	**–**	(30.0)

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

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Cash and cash equivalent		
Unquoted	**4.5**	5.0
Assets held by insurance company		
Unquoted	**195.2**	198.1
	199.7	203.1

As at 31 March 2026 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.

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, equity instruments and bonds.

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 2027 is £nil to the UK plans and £0.6m 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 17 and 21 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 2026					
Halma	**9.4**	**10.8**	**32.4**	**58.6**	**111.2**
Apollo	**1.9**	**1.9**	**5.8**	**14.8**	**24.4**

30 Disposal of operations

On 25 July 2025, the Group disposed of Apollo America Inc. (AAI) to a third party for proceeds of US$13.6m (£10.1m). This transaction resulted in the recognition of a loss in the Consolidated Income Statement as follows:

	Year ended 31 March 2026 £m
Proceeds of disposal	**10.1**
Less: net assets on disposal	**(14.1)**
Less: allocation of goodwill disposed	**(2.4)**
Less: costs of disposal	**(2.5)**
Add: translation reserve recycled to profit and loss	**3.8**
Loss on disposal	**(5.1)**

Also included in the loss on disposal of operations in the Consolidated Income Statement of £6.2m is the disposal costs relating to disposals completed post-year-end of £2.1m (note 32), net of the profit on the stepped disposal of OneThird of £1.0m (note 14).

Cash received on disposal of operations in the Consolidated Cash Flow Statement of £6.9m comprised proceeds of disposal for AAI of US$13.6m (£10.1m), less deal costs settled of US$2.6m (£1.9m), less amounts to be received of US$1.4m (£1.0m), net of cash disposed of US$0.2m (£0.1m), less £0.2m in relation to the disposal costs for the post-year-end disposals that were settled in the year ended 31 March 2026.

The amount to be received for the disposal of AAI is held in escrow and is expected to be received within 12 months.

31 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

During the year, the sale of Labsphere was assessed as highly probable and the disposal group was therefore classified as held for sale on 20 March 2026. Upon classification as held for sale, the assets and liabilities of the disposal group were measured at the lower of carrying amount and fair value less costs to sell. As fair value less costs to sell exceeded the carrying amount of the disposal group, no impairment was recognised on classification. From the date of classification, depreciation and amortisation ceased. As Labsphere does not represent a discontinued operation, its results for the year remain included within continuing operations.

On 2 April 2026, the Group completed the sale of Labsphere to Industrious Equity Partners for US$42m (£31m). Due to local regulatory requirement the sale of the Chinese entity closed on 16 April 2026. The profit on disposal is expected to be c.£16m. Disposal costs of £1.9m were recognised in the Consolidated Income Statement for the year ending 31 March 2026.

The table below sets out the major classes of assets and liabilities classified as held for sale at 31 March 2026:

	31 March 2026 £m
Assets classified as held for sale	
Goodwill	**1.1**
Other intangible assets	**6.8**
Property, plant and equipment	**3.1**
Deferred tax asset	**0.7**
Inventory	**4.7**
Trade and other receivables	**4.1**
Tax receivable	**0.1**
Cash and cash equivalents	**1.4**
	22.0
Liabilities classified as held for sale	
Trade and other payables	**(3.5)**
Lease Liabilities	**(0.5)**
Provision	**(0.1)**
	(4.1)

On 1 April 2026, the Group acquired the entire share capital of DCR Inspection Systems Ltd (DCR), based in Pontyclun, Wales, UK for a cash consideration of £8m on a cash- and debt-free basis as a bolt-on for its Minicam business. DCR is a leading UK drainage equipment rental provider and an existing Minicam partner. DCR will be part of the Environmental & Analysis Sector. A detailed purchase price allocation exercise is currently being performed to calculate the goodwill arising on this acquisition.

On 10 April 2026, the Group acquired the entire share capital of Surgistar Inc (Surgistar), based in California, USA for a cash consideration of US$90m (£67m) on a cash- and debt-free basis as a bolt-on for its MST business. Surgistar is a manufacturer of high quality surgical instruments and devices used in everyday ophthalmic procedures. Surgistar will be part of the Healthcare Sector. A detailed purchase price allocation exercise is currently being performed to calculate the goodwill arising on this acquisition.

On 29 April 2026, the Group completed the sale of Cardios to Cardioline for R$82m (£12m). The loss on disposal is expected to be c.£4m, predominantly driven by the significant devaluation in Brazilian Real since Halma acquired Cardios in 2017. Disposal costs of £0.2m were recognised in the Consolidated Income Statement for the year ending 31 March 2026.

33 Related party transactions

Trading transactions

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Associated companies		
Transactions with associated companies		
Sales to associated companies	**13.5**	–
Purchases from associated companies	**0.4**	–
Balances with associated companies		
Amounts due from associated companies	**0.8**	–
Other related parties		
Balances with other related parties		
Amounts due to other related parties	**–**	–
Assets held by insurance company	**–**	–

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 124 to 145.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Wages and salaries	**15.4**	13.7
Pension costs	**–**	–
Share-based payment charge	**8.4**	7.7
	23.8	21.4

34 Commitments

Capital commitments

Capital expenditure relating to the purchase of equipment authorised and contracted at 31 March 2026 but not recognised in these accounts amounts to £0.9m (2025: £3.4m).

Company Balance Sheet

	Notes	31 March 2026 £m	31 March 2025 £m
Fixed assets			
Intangible assets	C3	**0.1**	0.1
Tangible assets	C4	**7.5**	8.1
Investments	C5	**979.4**	696.4
Deferred tax	C10	**5.6**	2.6
		992.6	707.2
Current assets			
Debtors	C6	**1,453.7**	1,302.9
Short-term deposits		**–**	159.2
Cash at bank and in hand		**23.4**	29.0
		1,477.1	1,491.1
Creditors: amounts falling due within one year			
Borrowings	C7	**48.7**	41.7
Tax payable		**10.1**	8.6
Creditors	C8	**214.3**	178.6
		273.1	228.9
Net current assets		**1,204.0**	1,262.2
Total assets less current liabilities		**2,196.6**	1,969.4
Creditors: amounts falling due after more than one year			
Borrowings	C7	**756.7**	704.2
Creditors	C9	**8.2**	7.8
Retirement benefit obligation	C13	**0.3**	0.8
		765.2	712.8
Net assets		**1,431.4**	1,256.6
Capital and reserves			
Share capital	C11	**38.0**	38.0
Share premium account		**23.6**	23.6
Own shares		**(55.9)**	(46.9)
Capital redemption reserve		**0.2**	0.2
Hedging reserve		**–**	–
Profit and loss account		**1,425.5**	1,241.7
Total equity		**1,431.4**	1,256.6

The Company reported a profit for the financial year ended 31 March 2026 of £272.0m (2025: £334.1m).

The financial statements of Halma plc, company number 00040932, were approved by the Board of Directors on 11 June 2026.

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 2025	**38.0**	**23.6**	**(46.9)**	**0.2**	**–**	**1,241.7**	**1,256.6**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**272.0**	**272.0**
Actuarial gains on defined benefit pension plan	**–**	**–**	**–**	**–**	**–**	**0.6**	**0.6**
Tax relating to components of other comprehensive income and expense	**–**	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Total other comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**272.4**	**272.4**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(89.7)**	**(89.7)**
Share-based payment charge	**–**	**–**	**–**	**–**	**–**	**16.6**	**16.6**
Capital contribution to subsidiaries for share-based payment awards (note C5)	**–**	**–**	**–**	**–**	**–**	**9.9**	**9.9**
Deferred tax on share-based payment transactions	**–**	**–**	**–**	**–**	**–**	**1.8**	**1.8**
Excess tax deductions related to share-based payments on vested awards	**–**	**–**	**–**	**–**	**–**	**2.8**	**2.8**
Purchase of own shares	**–**	**–**	**(31.5)**	**–**	**–**	**(2.0)**	**(33.5)**
Performance share plan awards vested	**–**	**–**	**22.5**	**–**	**–**	**(28.0)**	**(5.5)**
At 31 March 2026	**38.0**	**23.6**	**(55.9)**	**0.2**	**–**	**1,425.5**	**1,431.4**

	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

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.

The Company has taken advantage of the following disclosure exemptions under Financial reporting standard 101 – reduced disclosure exemptions (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 2026

At the date of authorisation of these financial statements, the following Standards and Interpretations that are potentially relevant, and which have not been applied in these financial statements, were in issue but not yet effective:

- Amendment to IFRS 7 and IFRS 9 – Classification and measurement of financial instruments
- IFRS 18 'Presentation and disclosures in financial statements'
- IFRS 19 'Subsidiaries without Public Accountability'

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 Company.

The Group is currently finalising it's impact assessment of the adoption on the Group's Consolidated Financial Statements. The IASB issued IFRS 18 in April 2024 and it will replace IAS 1 Presentation of Financial Statements. IFRS 18 will be effective for reporting periods starting on or after 1 January 2027, for Halma this will be the period ending 31 March 2028. Retrospective application is required so the comparative period ending 31 March 2027 will also be restated.

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 215.

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

Summary of material accounting policy information 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 projected unit credit 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 £272.0m (2025: £334.1m).

Auditors' remuneration for audit services to the Company was £0.9m (2025: £0.7m). Total employee costs (including Directors) were:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Wages and salaries	**48.3**	41.5
Social security costs	**7.6**	6.2
Pension costs	**1.3**	0.9
	57.2	48.6

Included within wages and salaries are share-based payment charges under IFRS 2 of £15.4m (2025: £11.9m).

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Monthly average number of employees (UK)	**150**	122
Monthly average number of employees (Mainland Europe)	**4**	4
Monthly average number of employees (Other)	**–**	1
Monthly average number of employees	**154**	127

Details of Directors' remuneration are set out on pages 124 to 145 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 2025	**2.2**	**0.1**	**2.3**
Additions	**–**	**–**	**–**
At 31 March 2026	**2.2**	**0.1**	**2.3**
Accumulated amortisation			
At 1 April 2025	**2.2**	**–**	**2.2**
Charge for year	**–**	**–**	**–**
At 31 March 2026	**2.2**	**–**	**2.2**
Carrying amounts			
At 31 March 2026	**–**	**0.1**	**0.1**
At 31 March 2025	–	0.1	0.1

Notes to the Company Accounts continued

C4 Fixed assets – tangible assets

	Freehold properties £m	Plant, equipment and vehicles £m	Right of use assets £m	Total £m
Cost				
At 1 April 2025	**8.1**	**2.2**	**1.5**	**11.8**
Additions at cost	**–**	**0.2**	**–**	**0.2**
Remeasurements	**–**	**–**	**(0.1)**	**(0.1)**
At 31 March 2026	**8.1**	**2.4**	**1.4**	**11.9**
Accumulated depreciation				
At 1 April 2025	**1.5**	**1.6**	**0.6**	**3.7**
Charge for year	**0.1**	**0.2**	**0.4**	**0.7**
At 31 March 2026	**1.6**	**1.8**	**1.0**	**4.4**
Carrying amounts				
At 31 March 2026	**6.5**	**0.6**	**0.4**	**7.5**
At 31 March 2025	6.6	0.6	0.9	8.1

C5 Investments

	31 March 2026 £m	31 March 2025 £m
At cost less amounts written off at beginning of year	**696.4**	636.0
Increase in investments	**273.6**	59.6
Contributions to subsidiary undertakings relating to share-based payments	**9.9**	9.4
Return of capital	**(2.0)**	–
Impairment charge	**(2.0)**	(6.8)
Foreign exchange movement	**3.5**	(1.8)
At cost less amounts written off at end of year	**979.4**	696.4

The increase in investments of £273.6m in the year comprises additions from the acquisitions of E2S Group Ltd of £233.2m and Altomed Group Holdings Limited of £36.2m and additional investment into existing subsidiary Nuvonic Ltd of £4.2m.

During the year, the Company continued a legal entity rationalisation project which resulted in a return of capital of £2.0m (2025: £nil) and the recognition of an impairment charge of £2.0m (2025: £6.8m).

Capital contributions to subsidiary undertakings of £9.9m were recorded (2025: £9.4m). 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 sale of the relevant subsidiary.

In the prior year, the increase in investments of £59.6m comprised additions from the acquisitions of MK Test of £54.0m and Remlive of £3.6m and additional investment into existing subsidiary Halma Euro Trading Limited of £2.0m.

C5 Investments continued

Subsidiaries

Details of the Company's subsidiaries at 31 March 2026 are below.

Name	Registered Address	Country	Class	Group %
Accutome, Inc.	3222, Phoenixville Pike, Malvern, 19355, United States	United States of America	Ordinary	100
Adler Diamant BV	Simon Homburgstraat 21, 5431 NN Cuijk, Netherlands	Netherlands	Ordinary	100
Advanced Electronics Limited	The Bridges, Balliol Business Park, Newcastle Upon Tyne, Tyne And Wear, NE12 8EW, England	United Kingdom	Ordinary	100*
Alicat Scientific BV	Geograaf 24, 6921EW Duiven, Netherlands	Netherlands	Ordinary	100
Alicat Scientific India Private Limited	Unit Nos. 101, 103 and 105, A Wing, Hamilton, Hiranandani Business Park, Ghodbunder Road, Chitalsar Manpada, Thane, Maharashtra, 400607, India	India	Ordinary	100
Alicat Scientific, Inc.	7641 N Business Park Drive, Tucson, AZ 85743, United States	United States of America	Common Stock	100
Alpha Instrumatics Holding Company Limited	Alpha House, 96 City Road, Bradford, West Yorkshire, BD8 8ES, United Kingdom	United Kingdom	Ordinary	100*
Alpha Moisture Systems Limited	Network House Lister Hill, Horsforth, Leeds, LS18 5AZ, England	United Kingdom	Ordinary	100
Altomed Group Holdings Limited	Church View Chambers, 38 Market Square, Toddington, Bedfordshire, LU5 6BS, United Kingdom	United Kingdom	Ordinary	100
Altomed Limited	Church View Chambers, 38 Market Square, Toddington, Bedfordshire, LU5 6BS, United Kingdom	United Kingdom	Ordinary	100
Ampac Europe Limited	C/O Cranford Controls Limited Unit 2 Waterbrook Estate, Waterbrook Road, Alton, Hampshire, GU34 2UD, England	United Kingdom	Ordinary	100*
Ampac NZ Limited	125 The Terrace, Wellington Central, Wellington, 6011, New Zealand	New Zealand	Ordinary	100
Ampac Pty Limited	7, Ledgar Road, Balcatta, Western Australia, 6021, Australia	Australia	Ordinary	100
AMSGRO Limited	Alpha House, 96 City Road, Bradford, West Yorkshire, BD8 8ES	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	China	Ordinary	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	Germany	Ordinary	100
Applications Electroniques et Techniques SAS	4, Impasse Joliot Curie, Jurançon, 64110, France	France	Ordinary	100
Applied Resins, S.L.	C Del Ripolles, Num. 5, El Prat de Llobregat, Barcelona, Spain	Spain	Ordinary	100
AprioMed AB	Virdings Allé 28, Uppsala, SE-754 50, Sweden	Sweden	Ordinary	100
Argus Security S.r.l.	Via Del Canneto, Muggia, 14 Cap, 34015, Italy	Italy	Ordinary	100
ASL Holdings Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, Gwent, NP44 3AW	United Kingdom	Ordinary	100*
Avire Australia Pty Limited	110-116, Bourke Road, Alexandria, NSW 2015, Australia	Australia	Ordinary	100
Avire Limited	Unit 2 The Switchback, Gardner Road, Maidenhead, SL6 7RJ, United Kingdom	United Kingdom	Ordinary	100
Avire s.r.o.	Okružní 2615, České Budějovice, 370 01, Czech Republic	Czechia	Ordinary	100
Avire Trading Limited	Unit 2 The Switchback, Gardner Road, Maidenhead, SL6 7RJ, United Kingdom	United Kingdom	Ordinary	100*

C5 Investments continued

Subsidiaries

Name	Registered Address	Country	Class	Group %
Avo Photonics (Canada) Inc.	117, Leslie Street, Toronto, Ontario, M4M 3C6, Canada	Canada	Class A & B	100
Avo Photonics, Inc.	510, Virginia Drive, Fort Washington, Pennsylvania, PA 19034, United States of America	United States of America	Class A & B Preferred Stock and Common Stock	100
Axcess Surgical Innovations B.V.	19, Kanstraat, Haaren, 5076NP, Netherlands	Netherlands	Ordinary	100
Axcess Surgical Innovations LLC	141 California Avenue, Suite 101, Half Moon Bay, California, California, CA 94019, United States of America	United States of America	Membership interest	100
B.E.A. Inc.	100 Enterprise Drive, RIDC Park West, Pittsburgh, PA 15275, United States	United States of America	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	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	China	Ordinary	100
BEA Electronics Singapore Pte. Ltd.	16 Raffles Quay, #38-03, Hong Leong Building, Singapore, 048581, Singapore	Singapore	Ordinary	100
BEA Japan KK	8F, Yokohama Nishiguchi K Building, 8-19, Kitasaiwai 2-chome, Nishi-ku, Yokohama	Japan	Ordinary	100
Beijing Ker'Kang Instrument Limited Company	Floor 3, No. 156, Jinghai 4th Road, BDA, Beijing, 101111, China	China	Ordinary	100
Berson Milieutechniek BV	PO Box 90, 5670 AB Nuenen, Netherlands	Netherlands	Ordinary	100
Bio-Chem Fluidics, Inc.	85 Fulton Street, Boonton, New Jersey 07005, United States	United States of America	Ordinary	100
Brownline Australia Pty Limited	Unit 1, 186 Main Street, Osborne Park, WA6017, Australia	Australia	Ordinary	100
Brownline B.V.	180, Duurzaamheidsring, Meerkerk, 4231EX, Netherlands	Netherlands	Ordinary	100
Brownline Canada Inc.	44 Gateway Drive NE, c/o Kraft & Co. Law, Unit 113, Airdrie, Alberta, T4B 0J6, Canada	Canada	Common, Class A Preferred and Class B Preferred Unlimited	100
Brownline Equipment B.V.	180, Duurzaamheidsring, Meerkerk, 4231EX, Netherlands	Netherlands	Ordinary	100
Brownline Holding B.V.	180, Duurzaamheidsring, Meerkerk, 4231EX, Netherlands	Netherlands	Ordinary and Cumulative Preference	100
Brownline UK Ltd	Unit 4 Leyland Court, Lowestoft, Suffolk, NR32 2EP, England	United Kingdom	Ordinary	100
Brownline USA, Inc.	34275, Sunset Lane, Brookshire, TX 77423, United States of America	United States of America	Common Stock	100
Bureau d'Electronique appliquée S.A.	Allée des Noisetiers 5, Liege Science Park, B-4031 LIEGE-Angleur, Belgium	Belgium	Ordinary	100
Business Marketers Group, Inc.	N56 W24720 N. Corporate Circle, Sussex, 53089, United States of America	United States of America	Common Stock	100
Cardio Dinâmica Ltda***	509, Avienda Paulista, 3 andar, conjuntos 308, 309 e 310, Sau Paulo, Brazil	Brazil	Quotas	100
Cardio Sistemas Comercial e Industrial Ltda***	509, Avienda Paulista, 1 e 2 andares, conjuntos 201, 212, 213 e 214, Bela Vista, Sao Paulo, Estado de Sao Paulo, CEP 01311-910, Brazil	Brazil	Quotas	100
Castell Safety International Limited	The Castell Building, 217 Kingsbury Road, London, NW9 9PQ	United Kingdom	Ordinary	100*

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Celanova Limited	8, Faleas Street, Agios Athanasios, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
Centrak, Inc.	826, Newtown-Yardley Road, Newtown, 18940, United States	United States of America	Common Stock	100
Cosasco Middle East – FZE – Dubai	Dubai Silicon Oasis Office, Dubai, United Arab Emirates	United Arab Emirates	Common Stock	100
Cosasco Middle East (FZE), Sharjah	PO Box 8186, SAIF Zone, Sharjah, United Arab Emirates	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	Portugal	Common Stock	100
Crowcon Detection Instruments Limited	172 Brook Drive, Milton Park, Milton, Abingdon, Oxfordshire, OX14 4SD	United Kingdom	Ordinary	100*
Crowcon Gas Safety Trading LLC	B-04, Plot-04-013-LIU Phase 5, DSO-LIU, Dubai, United Arab Emirates	United Arab Emirates	Ordinary	100
Dancutter A/S	Livøvej 1A, 8800 Viborg, Denmark	Denmark	Ordinary	100
Deep Trekker Inc.	155, Washburn Drive, Unit 2, Kitchener, Ontario, N2R 1S1, Canada	Canada	Common Stock	100
Deep Trekker Inc.	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States of America	United States of America	Common Stock	100
Deep Trekker SpA	Ruta 5 Sur Km. 1025 Bodega 5 –, Megacentro 1, Puerto Montt, Región de Los Lagos, Chile	Chile	Common Stock	100
Detection Instruments India Private Limited	Plot Notel-36, Electronics Zone, TTC Industrial Area, MIDC, Mahape, Navi Mumbai 4000701, India	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, 06810, United States	United States of America	Class A & B	100
E&C Medical Intelligence, Inc.	100, Regency Forest Dr Ste 200, Cary, NC 27518, United States	United States of America	Common Stock	100
E2S Group Ltd	Savoy House, Savoy Circus, 78 Old Oak Common Lane, London, W3 7DA, United Kingdom	United Kingdom	Ordinary	100*
E2S Holdings, Inc.	17633, Telge Road, Building 1, Cypress, Texas, TX 77429, United States of America	United States of America	Common Stock	100
E2S Warning Signals LLC	17633, Telge Road, Building 1, Cypress, Texas, TX 77429, United States of America	United States of America	Membership interest	100
E2S Warnsignaltechnik UG	45-51, Charlottenstrasse, Reutlingen, 72764, Germany	Germany	Ordinary	100
Eiffel APAC PTE. LTD	9 Raffles Place, #15-06 Republic Plaza, 048619, Singapore	Singapore	Ordinary	100
Eiffel Holdings Limited	(1)	United Kingdom	Ordinary	100
Eiffel Investments UK Limited†	(1)	United Kingdom	Ordinary	100
Elfab Limited	Alder Road, West Chirton Industrial Estate, North Shields Tyne & Wear, NE29 8SD	United Kingdom	Ordinary	100*
European Circuit Solutions Limited	Impress House, Mansell Road, Acton, London, W3 7QH	United Kingdom	Ordinary	100
European Safety Systems Limited	Impress House, Mansell Road, Acton, London, W3 7QH	United Kingdom	Ordinary	100
Exochrome (NI) Limited	Forsyth House, Cromac Square, Belfast, BT2 8LA, Northern Ireland	United Kingdom	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Fabrication de Produits de Sécurité SaRL	21 Rue du Cuir, ZI Sidi Rezig, Mégrine, 2033, Tunisia	Tunisia	Ordinary	100
FFE B.V	J. Keplerweg 14, 2408AC Alphen aan den Rijn, Netherlands	Netherlands	Ordinary	100
FFE Limited	9 Hunting Gate, Hitchin, Hertfordshire, 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)	South Korea	Common Stock	60
FirePro Systems Ltd	8, Faleas Street, Agios Athanasios, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
Firetrace Aerospace, LLC	8435, N. 90th St., Scottsdale, 85258, United States	United States of America	Membership interest	100
Firetrace USA, LLC	8435, N. 90th St., Scottsdale, 85258, United States	United States of America	Membership interest	100
Fluid Conservation Systems, Inc.	1960, Old Gatesburg Road, Ste #150, State College, PA 16803, United States of America	United States of America	Ordinary	100
Fluidsmile (Shanghai) Fluid Technology Co., Ltd	Building 41, U Valley, No. 99, ,Huajia Road, Sonjiang District, Shanghai, China	China	Ordinary	100
FluxData Incorporated	176, Anderson Avenue, Rochester, 14607, United States	United States of America	Common Stock	100
Fortress Interlocks Limited	2 Inverclyde Drive, Wolverhampton, West Midlands, WV4 6FB	United Kingdom	Ordinary and Preferred Ordinary	100*
Fortress Interlocks Pty Ltd	Level 20, 181 William Street, Melbourne, VIC 3000, Australia	Australia	Ordinary	100
Fortress Safety, Inc.	C/O Northwest Registered Agent Service, Inc., 8 The Green, Ste. B, Dover, DE 19901, United States of America	United States of America	Common Stock	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	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	Portugal	Quotas	100
Halma (China) Group	1st Floor, Building 18, 155 Yuanke Road, Minhang District, Shanghai, China	China	Ordinary	100
Halma Australasia Holdings Limited†	(1)	United Kingdom	Ordinary	100
Halma Australasia Pty Limited	7, Ledgar Road, Balcatta, Western Australia, 6021, Australia	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	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	Netherlands	Ordinary	100
Halma Financing Limited†	(1)	United Kingdom	Ordinary	100
Halma Holding GmbH	PO Box 35, Bruckstrasse 31, D-72417 Jungingen, Germany	Germany	Ordinary	100
Halma Holdings Inc.	3500, Quadrangle Blvd, Orlando, FL 32817, United States of America	United States of America	Ordinary	100
Halma India Private Limited	'Prestige Shantiniketan', Gate 2, Tower C, 7th Floor, Whitefield Main Road, Mahadevapura, Bengaluru, Bangalore, Karnataka, 560048, India	India	Ordinary	100*
Halma International Limited†	(1)	United Kingdom	Ordinary	100*
Halma Investment Holdings Limited†	(1)	United Kingdom	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Halma Overseas Funding Limited†	(1)	United Kingdom	Ordinary	100
Halma Resistors Unlimited	(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	Brazil	Ordinary	100
Halma UK DS Limited	(1)	United Kingdom	Ordinary	100*
Halma US Inc	3500, Quadrangle Blvd, Orlando, FL 32817, United States of America	United States of America	Common Stock	100
Halma Ventures Limited†	(1)	United Kingdom	Ordinary	100*
Hathorn Corporation	181, Bay Street, Brookfield Place, Suite 4400, Toronto, Ontario, M5J 2T3, Canada	Canada	Common Stock	100
HWM-Water Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, Gwent, NP44 3AW	United Kingdom	Ordinary	100*
Hyfire Iberia S.L.	Número 9, B1, Calle del Yunque, Tres Canto, Madrid, Spain	Spain	Common Stock	100
Hyfire Italy SRL	8, Via Achille Grandi, Cernusco, Sul Naviglio, (MI), CAP 20063, Italy	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, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
Ilumark GmbH	11 c, Hohenlindner Str., Feldkirchen, Bavaria, 85622, Germany	Germany	Ordinary	100
Infinite Leap, Inc.	826, Newtown-Yarley Road, Newtown, PA 18940, United States of America	United States of America	Common Stock	100
InPipe GmbH	Jagerwinkel 1a, 6991 Riezlern, Austria	Austria	Ordinary	90
International Light Technologies, Inc.***	10 Technology Drive, Peabody, MA 01960, United States	United States of America	Class A & B	100
Invenio Systems Limited	Ty Coch House, Llantarnam Park Way, Cwmbran, NP44 3AW, Wales	United Kingdom	Ordinary	100*
IZI Medical Products, LLC	54, Easter Court, Suite J, Owings Mills, MD 21117, United States	United States of America	Membership interest	100
Jam Bidco Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD, United Kingdom	United Kingdom	Ordinary	100
Jam Topco Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD, United Kingdom	United Kingdom	Ordinary	100*
Keeler Europe Distribution S.L.	453 D50, Calle Colom, Terrassa, Barcelona, Spain	Spain	Ordinary	100
Keeler Limited	Clewer Hill Road, Windsor, Berkshire, SL4 4AA	United Kingdom	Ordinary	100*
Kirk Key Interlock Company, LLC	9048, Meridian Circle NW, North Canton, 44720, United States	United States of America	Membership interest	100
Labsphere, Inc.***	231, Shaker Street, North Sutton, 03260, United States	United States of America	Common Stock	100
Lamidey Noury Medical SAS	ZA les Godets, 3 Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370, France	France	Ordinary	100
Langer Instruments Corporation	7461, N. Business Park Drive, Tucson, 85743, United States	United States of America	Ordinary	100
Lazer Safe Investments Pty Limited	27, Action Road, Malaga, WA 6090, Australia	Australia	Ordinary	100
Lazer Safe Japan KK	Tokyo Club Building 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo	Japan	Ordinary	100
Lazer Safe Pty Ltd	27, Action Road, Malaga, WA 6090, Australia	Australia	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Limotec Besloten Vennootschap (BV)	Bosstraat 21, 8570 Anzegem (Vichte), Belgium	Belgium	Ordinary	100
M.K. Test Systems Americas Inc.	22102, N Pepper Road, Ste 116, Lake Barrington, IL 60010, United States of America	United States of America	Common Stock	100
M.K. Test Systems Ltd.	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD, United Kingdom	United Kingdom	Ordinary and Deferred	100*
Maxtec, LLC	2305, South 1070 West, Salt Lake City, 84119, United States	United States of America	Membership interest	100
MC Steering B.V.	180, Duurzaamheidsring, Meerkerk, 4231EX, Netherlands	Netherlands	Ordinary and Cumulative Preference	100
Meadowbridge Holdings Limited†	(1)	United Kingdom	Ordinary	100*
Medical Micro Mecanique SASU	ZA les Godets, 3 Rue des Petits Ruisseaux, Verrières-le-Buisson, 91370, France	France	Ordinary	100
Medicel AG	Dornierstrasse 11, CH – 9423 Altenrhein, Switzerland	Switzerland	Common and Preference	100
Meditech Egészségügyi Szolgáltató, Műszerfejlesztő és Kereskedelmi Kft.	1184, Budapest, Mikszáth Kálmán utca 24, 1184, Hungary	Hungary	Ordinary	100
Microsurgical Technology Germany GmbH	73, Neuenhaus Platz, Erkath, 40699, Germany	Germany	Ordinary	100
Microsurgical Technology, Inc.	8415, 154th Avenue NE, Redmond, 98052, United States	United States of America	Common Stock	100
Mini-Cam Enterprises Limited	Unit 33 Ravenscraig Road, Little Hulton, Manchester, M38 9PU, England	United Kingdom	Ordinary	100*
Minicam Inc.	251, Little Falls Drive, Wilmington, New Castle County, 19808, United States of America	United States of America	Common Stock	100
Minicam Ltd	Unit 33 Ravenscraig Road, Little Hulton, Manchester, M38 9PU, England	United Kingdom	Ordinary	100*
MK Test Group Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD, United Kingdom	United Kingdom	Ordinary	100
MK Test Holdings Limited	Ate House Westpark 26, Chelston, Wellington, Somerset, TA21 9AD, United Kingdom	United Kingdom	Ordinary	100
Navtech Radar Limited	Home Farm, Ardington, Wantage, Oxfordshire, OX12 8PD, United Kingdom	United Kingdom	Ordinary	100*
NBP Properties LLC	13510, NW US Highway 441, Alachua, Florida, 32301, United States of America	United States of America	Membership interest	100
Nibble – Engenharia, Unipessoal LDA	265, 1.º D, Rua Júlio Dinis, Trofa, 4785 330, Portugal	Portugal	Ordinary	100
Nimbus Digital Solutions Ltd	Unit 3 Linkmel Close, Queens Drive Industrial Estate, Nottingham, Midlands, NG2 1NA, United Kingdom	United Kingdom	Ordinary	100*
Nisolio Investments Limited	8, Faleas Street, Agios Athanasios, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
NovaBone Products, LLC	13510, NW US Highway 441, Alachua, 32615, United States	United States of America	Membership interest	100
Nuvonic GmbH	1d, Hungenbach, Kuerten, 51515, Germany	Germany	Ordinary	100
Nuvonic Limited	780-781 Buckingham Avenue, Slough, Berkshire, SL1 4LA	United Kingdom	Ordinary	100*
Nuvonic, Inc.	4215, Stuart Andrew Boulevard, Charlotte, 28217, United States	United States of America	Ordinary	100
Ocean Optics (Shanghai) Co., Ltd	Block A, 3rd Floor, Building 16, No. 155 Yuanke Road, Minhang District, Shanghai, China	China	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Ocean Optics Asia LLC	3500, Quadrangle Blvd, Orlando, FL 32817, China	United States of America	Membership interest	100
Ocean Optics BV	Geograaf 24, 6921EW Duiven, Netherlands	Netherlands	Ordinary	100
Ocean Optics, Inc.	3500, Quadrangle Blvd, Orlando, FL 32817, United States of America	United States of America	Common Stock	100
Oklahoma Safety Equipment Co, Inc.	1701, West Tacoma, P.O. Box 1327, Broken Arrow, 74013, United States	United States of America	Ordinary	100
P.J.K.A. Investments Limited	8, Faleas Street, Agios Athanasios, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
Palintest Limited	Palintest House, Kingsway, Team Valley Trading Estate, Gateshead Tyne And Wear, NE11 0NS	United Kingdom	Ordinary and Deferred	100*
PeriGen (Canada) Ltd	2100-1000, rue De La Gauchetiere O, Montreal, Quebec, H3B4W5, Canada	Canada	Common Stock	100
PeriGen Solutions Ltd	2, Azrieli Rishonim, Nim Boulevard, POB 110, Rishon LeZion, 7510002, Israel	Israel	Ordinary	100
PeriGen, Inc.	100, Regency Forest Dr Ste 200, Cary, NC 27518, United States	United States of America	Common and Preferred Stock	100
Perma Pure, LLC (name changed to Salaera, LLC 1 April 2026)	1001, New Hampshire Ave., Lakewood, 08701, United States	United States of America	Membership interest	100
R.M. Invest B.V.	10, Lekstraat, Oss, 5347KV, Netherlands	Netherlands	Ordinary and Cumulative Preference	100
Ramtech Electronics Limited	Ramtech House Castlebridge Office Village, Castle Marina Road, Nottingham, NG7 1TN, England	United Kingdom	Ordinary	100
Ramtech North America, Inc.	5126, Royal Atlanta Drive, Tucker, GA 30084, United States	United States of America	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	Malaysia	Ordinary	100
Remlive Limited**	6 Festival Building, Ashley Lane, Saltaire, West Yorkshire, BD17 7DQ	United Kingdom	Ordinary	100*
Riester USA, LLC	10404, Chapel Hill Rd Ste 112, Morrisville, NC 27560, United States	United States of America	Membership interest	100
Robutec AG	Dornierstrasse 11, CH – 9423 Altenrhein, Switzerland	Switzerland	Ordinary	100
Rohrback Cosasco Systems LLC	Gulf Consulting House, Saudi Arabia	Saudi Arabia	Common Stock	100
Rohrback Cosasco Systems Pte Ltd	36, Robinson Road, #20-01 City House, Singapore, 068877, Singapore	Singapore	Ordinary	100
Rohrback Cosasco Systems Pty Ltd	c/o Tanya Armstrong, 8 Anstey Road, Bassendean, WA 6021, Australia	Australia	Ordinary	100
Rohrback Cosasco Systems UK Limited	(1)	United Kingdom	Ordinary	100*
Rohrback Cosasco Systems, Inc	11841, Smith Avenue, Santa Fe Springs, 90670, United States	United States of America	Common Stock	100
Rovers Medical Devices B.V.	10, Lekstraat, Oss, 5347KV, Netherlands	Netherlands	Ordinary	100
Rovers Vastgoed B.V.	10, Lekstraat, Oss, 5347KV, Netherlands	Netherlands	Ordinary	100
Rudolf Riester GmbH	Bruckstrasse 31, D-72417 Jungingen, Germany	Germany	Ordinary	100
S.E.R.V. Trayvou Interverrouillage SA	1 Ter, Rue du Marais Bat B, 93106 Montreuil, Cedex, France	France	Ordinary	100*
Safe-Com Wireless LLC	21, Longview Drive, Holmdel, New Jersey, United States of America	United States of America	Membership interest	100
Safeco Engineering S.P.A	1, Via Sassoferrato, Milan, 20135, Italy	Italy	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
Safetec Srl	1, Via San Carlo, Caponago, (MB), 20867, Italy	Italy	Quotas	100
Sensit Technologies EMEA S.r.l.	13, Via Alessandro Volta, Bolzano, (BZ), CAP 39100, Italy	Italy	Ordinary	100
Sensit Technologies, LLC	851, Transport Dr., Valparaiso, 46383, United States	United States of America	Membership interest	100
Sensitron SRL	Cornaredo (MI) Viele Della Repubblica 48, Cap, 20007, Italy	Italy	Ordinary	100
Sensorex Corporation	11751, Markon Drive, Garden Grove, 92841, United States	United States of America	Common Stock	100
Sensorex s.r.o.	Okružní 2615, České Budějovice 3, 370 01 České Budějovice, Czechia	Czechia	Ordinary	100
Sentric China Ltd	Floor 2, Building 63, No. 421 Hongcao Road, Xuhui District, Shanghai, China	China	Ordinary	100
Setco S.A.U.	5, Carrer del Ripolles, 08820 El Prat de Llobregat, Barcelona, Spain	Spain	Ordinary	100
Sewertronics sp. z o.o.	3L 37-114 Białobrzegi, Poland	Poland	Common Stock	100
Shanghai Labsphere Optical Equipments Co., Ltd***	Block A,1F, FAMILY Science and Technology Innovation Park, No. 155 Yuanke Road, Minhang District, Shanghai, China	China	Ordinary	100
Shaw Moisture Meters (U.K.) Limited	Network House Lister Hill, Horsforth, Leeds, LS18 5AZ, England	United Kingdom	Ordinary	100
Shaw Moisture Meters (USA) LLC	882, South Matlack Street, Unit 107, West Chester, Pennsylvania, PA 19382, United States of America	United States of America	Common Stock	100
Skyterra Investments Limited	8, Faleas Street, Agios Athanasios, Limassol, 4101, Cyprus	Cyprus	Common Stock	100
Slimdril B.V.	290, Weena, Rotterdam, 3012 NJ, Netherlands	Netherlands	Ordinary	100
Slimdril Limited	6 & 7 Leyland Court, Lowestoft, Suffolk, NR32 2EP, England	United Kingdom	Ordinary	100
Sofis BV	J Keplerweg 14, 2408 AC Alphen aan den Rijn, Netherlands	Netherlands	Ordinary	100
Sofis GmbH	Hahnenkammstrasse 12, 63811 Stockstadt, Germany	Germany	Ordinary	100
Sofis Limited	Heybridge Business Centre, Unit F10, 110 The Causeway, Maldon, Essex, CM9 4ND, England	United Kingdom	Ordinary	100*
Sofis, Inc	500, Spring Hill Drive, Suite 240, Spring, Texas, TX 77386, United States of America	United States of America	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 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	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	Hong Kong	Ordinary	100
SunTech Medical, Inc.	5827 S., Miami Blvd, Suite 100, Morrisville, NC 27560, United States of America	United States of America	Common Stock	100
T.L. Jones Limited	287-293, BDO Christchurch Limited, Durham Street, Christchurch Central, Christchurch, 8013, New Zealand	New Zealand	Ordinary	100

C5 Investments continued
Subsidiaries

Name	Registered Address	Country	Class	Group %
TeDan Surgical Innovations B.V.	19, Kantsraat, Haaren, 5076NP, Netherlands	Netherlands	Ordinary	100
TeDan Surgical Innovations GmbH	Steinbuckle 12, Bopfinger, 73441, Germany	Germany	Ordinary	100
TeDan Surgical Innovations Inc	12320 Cardinal Meadow Dr, Suite #150, Sugar Land, TX 77478, United States of America	United States of America	Common Stock	100
The Signal Source LLC	Building 1, Telge Industrial Estate, Cypress, Houston, Texas 77429, TX 77008, United States of America	United States of America	Membership interest	100
Thermocable (Flexible Elements) Limited	Unit 3, Thornbury Industrial Park, Woodhall Road, Bradford, BD3 7AF, England	United Kingdom	Ordinary	100*
Thinketron Precision Equipment Company Limited	402 Jardine House, 1 Connaught Place, Central, Hong Kong	Hong Kong	Ordinary	100
Trackcheck B.V.	44, Bazeldijk, Meerkerk, 4231 ZD, Netherlands	Netherlands	Ordinary	100
Volk Optical Inc.	7893, Enterprise Drive, Mentor, 44060, United States	United States of America	Common Stock	100
WatchChild, LLC	100, Regency Forest Dr Ste 200, Cary, NC 27518, United States	United States of America	Common Stock	100
Weetech Asia Pte. Ltd.	The Mezzo, 205 Balestier Road, Singapore, 329682, Singapore	Singapore	Ordinary	100
Weetech China Ltd.	Room 265, Building 8, No. 509 Huajing Road, Xuhui District, Shanghai, China	China	Ordinary	100
Weetech GmbH	Hafenstraße 1, 97877 Wertheim, Germany	Germany	Ordinary	100
Weetech Inc.	1300, North Skokie HWY, Gurnee, 60031, United States	United States of America	Common Stock	100
Weetech S.R.L.	94, Viale Abruzzi, Milan, 20131, Italy	Italy	Common Stock	100
West Coast Surgical LLC	141, California Avenue, Suite 101, Half Moon Bay, California, CA 94019, United States of America	United States of America	Membership interest	100
ZED Zieglar Electronic Devices GmbH	In den Folgen 7, Ilmenau, 98693, Germany	Germany	Ordinary	100
Zonegreen Limited	Unit 8 Davy Industrial Estate, Prince Of Wales Road, Sheffield, S9 4EX, England	United Kingdom	Ordinary	100*

* Directly held by the Company.
** In members voluntary liquidation at year end.
*** Entity disposed of after year end.
(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.

Notes to the Company Accounts continued

C6 Debtors

	31 March 2026 £m	31 March 2025 £m
Amounts falling due within one year:		
Amounts due from Group companies	**1,432.3**	1,293.5
Other debtors	**14.5**	3.6
Prepayments	**6.9**	5.8
	1,453.7	1,302.9

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

C7 Borrowings

	31 March 2026 £m	31 March 2025 £m
Falling due within one year:		
Overdrafts	**0.8**	6.2
Unsecured loan notes	**47.5**	35.1
Lease liabilities	**0.4**	0.4
	48.7	41.7
Falling due after more than one year:		
Unsecured loan notes	**627.8**	659.8
Unsecured bank loans	**128.9**	43.9
Lease liabilities	**–**	0.5
	756.7	704.2
Total borrowings	**805.4**	745.9

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 in the previous year, matures in May 2029. At 31 March 2026, £421.1m (2025: £506.1m) remained committed and undrawn; and
- unsecured loan notes totalling £675.3m (2025: £694.9m), as follows:
  - completed in May 2022 and drawn in July 2022, a United States Private Placement of £330m. 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 and an average maturity of seven years from the date of the draw down, with the first tranche of £48m maturing in July 2026. Interest is payable half yearly;
  - completed and drawn in April 2024, a United States 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 from the date of the draw down.

Unsecured loan notes of £35m drawn on 6 January 2016 at a fixed interest rate of 3.05% matured and were repaid in January 2026.

The bank overdrafts, which are unsecured, at 31 March 2026 and 31 March 2025 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 (2025: £23.1m). Total net overdrafts relating to cash pooling as at 31 March 2026 were £nil (2025: £nil). Total overdrafts for the Group as at 31 March 2026 were £1.4m (2025: £0.5m).

C8 Creditors: amounts falling due within one year

	31 March 2026 £m	31 March 2025 £m
Trade creditors	**4.1**	2.8
Amounts owing to Group companies	**166.8**	136.9
Other creditors	**0.8**	0.8
Provision for contingent consideration	**–**	0.7
Accruals	**42.6**	37.4
	214.3	178.6

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 2026 £m	31 March 2025 £m
Amounts owing to Group companies	**6.3**	6.2
Other creditors	**1.9**	1.6
	8.2	7.8
These liabilities fall due as follows:		
Within one to two years	**7.8**	1.6
After more than five years	**0.4**	6.2

Amounts owed to Group undertakings are unsecured and are repayable on demand.

C10 Deferred tax asset

	Retirement benefit obligations £m	Short-term timing differences £m	Total £m
At 1 April 2025	**0.2**	**2.4**	**2.6**
Credit to Profit and Loss account	**–**	**1.4**	**1.4**
Charge to comprehensive income	**(0.2)**	**–**	**(0.2)**
Credit to equity	**–**	**1.8**	**1.8**
At 31 March 2026	**–**	**5.6**	**5.6**
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

Notes to the Company Accounts continued

C11 Share capital

	Issued and fully paid	
	31 March 2026 £m	31 March 2025 £m
Ordinary shares of 10p each	**38.0**	38.0

The number of ordinary shares in issue at 31 March 2026 was 379,645,332 (2025: 379,645,332), including shares held by the Employee Benefit Trust of 1,967,057 (2025: 1,943,659).

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 £41.8m (2025: £43.1m) 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).

In the prior year, 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 2026 was £nil (2025: £0.5m).

Net interest expense on pension plan liabilities/assets of £0.1m (2025: net interest income of £1.1m) 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:

	31 March 2026 £m	31 March 2025 £m
Defined benefit obligations	**1.9**	28.4
Fair value of plan assets	**(1.3)**	(51.7)
Net actuarial gains/(losses)	**0.6**	(23.3)

The actual return on plan assets was a gain of £7.4m (2025: loss of £42.1m).

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 2026 £m	31 March 2025 £m
Present value of defined benefit obligations	**(155.4)**	(157.3)
Fair value of plan assets	**155.1**	156.5
Liability recognised in the Company Balance Sheet	**(0.3)**	(0.8)

C13 Retirement benefits continued

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
At beginning of year	**(157.3)**	(185.4)
Interest cost	**(8.8)**	(8.5)
Remeasurement gains/(losses):		
Actuarial gains arising from changes in financial assumptions	**3.6**	19.2
Actuarial (losses)/gains arising from demographic assumptions	**(1.1)**	5.0
Actuarial (losses)/gains arising from experience adjustments	**(0.6)**	4.2
Benefits paid	**8.8**	8.2
At end of year	**(155.4)**	(157.3)

Movements in the fair value of the plan assets were as follows:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
At beginning of year	**156.5**	207.0
Interest income	**8.7**	9.6
Administration expenses	**–**	(0.7)
Actuarial losses, excluding interest income	**(1.3)**	(51.7)
Contributions from the sponsoring companies	**–**	0.5
Benefits paid	**(8.8)**	(8.2)
At end of year	**155.1**	156.5

In the prior year, 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 triennial 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 previously 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

On 1 April 2026, the Company acquired the entire share capital of DCR Inspection Systems Ltd ('DCR'), based in Pontyclun, Wales, UK for a cash consideration of £8m on a cash- and debt-free basis as a bolt-on for its Minicam business. DCR is a leading UK drainage equipment rental provider and an existing Minicam partner. DCR will be part of the Environmental & Analysis Sector. A detailed purchase price allocation exercise is currently being performed to calculate the goodwill arising on this acquisition.

Summary 2017 to 2026

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue (footnote 1)	961.7	1,076.2	1,210.9	1,338.4
Adjusted Profit before interest and taxation (footnote 2)	203.3	223.4	255.7	279.1
Adjusted Profit before and taxation (footnote 2)	194.0	213.7	245.7	267.0
Net tangible assets/capital employed	302.2	322.0	358.9	416.9
Borrowings (excluding overdrafts)	262.1	290.0	253.8	419.2
Acquisition spend (restated footnotes 5 and 8)	10.2	117.6	68.1	238.0
Annual R&D spend/Revenue (footnote 9)	5.3%	5.2%	5.2%	5.4%
Net debt/Adjusted EBITDA	0.86	0.87	0.63	1.13
Cash and cash equivalents (net of overdrafts)	65.6	69.7	72.1	105.4
Number of employees (footnote 1)	5,771	6,113	6,508	6,992
Basic earnings per share (footnote 1)	34.25p	40.69p	44.78p	48.66p
Adjusted earnings per share (footnote 2)	40.21p	45.26p	52.74p	57.39p
Year-on-year increase in adjusted earnings per share	17.4%	12.6%	16.5%	8.8%
Adjusted EBIT margin (footnotes 1 and 3)	21.1%	20.8%	21.1%	20.9%
Adjusted Return on Capital Employed (restated – footnote 4)	72.5%	71.6%	75.1%	71.4%
Adjusted Return on Total Invested Capital (restated – footnote 4)	15.3%	15.2%	16.1%	15.3%
Adjusted Cash Conversion (footnote 6)	86%	85%	88%	98%
Year-on-year increase in dividends per ordinary share (paid and proposed)	7%	7%	7%	5%
Ordinary share price at financial year end	1024p	1179p	1672p	1921p
Market capitalisation at financial year end	3,887.6	4,476.0	6,347.7	7,293.0

All years are presented under IFRS.

Footnotes:

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 Adjusted EBIT margin, defined as Statutory 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 Adjusted ROCE and Adjusted 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 Following a review by management certain costs in relation to acquisitions were not included in the 2024/25 acquisition spend, resulting in a restatement in 2024/25 only.

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 adjusted cash conversion target from >85% to >90%. We have not restated adjusted cash conversion prior to 2020, and therefore the 93% 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 (Adjusted PBIT), Profit before taxation and adjustments (Adjusted PBT), Basic and Adjusted EPS CAGR is calculated using 2015/16 amounts as the base year as follows: Revenue £807.8m, PBIT £173.1m, PBT £166.0m, Basic EPS 28.76p, Adjusted EPS 34.26p. The dividend CAGR is derived using the 2015/16 dividend of £43.4m and 2025/26 dividend of £89.7m.

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.

10 10 Year Average/CAGR*/Total** Excluding One Offs removes the impact of one-off revenue and profit from the 2025/26 numbers (On 15 May 2025, Nuvonic, an Environmental & Analysis Sector company, granted FluidSmile Fluid Tech Ltd (FluidSmile), a longstanding partner in China, an exclusive trademark licence and related manufacturing and distribution rights to sell certain products in China and other agreed southeastern Asian markets, for RMB95m. Nuvonic also acquired a 35% associate interest in FluidSmile for RMB95m on the same date. As a result of these transactions, one-off revenue of £9.9m and profit of £9.3m were recognised in 2026).

2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	(Note 7) 10 Year Average/ CAGR*/Total** £m	(Note 10) 10 Year Average/ CAGR*/Total** Excluding One Offs £m
1,318.2	1,525.3	1,852.8	2,034.1	2,248.1	**2,582.3**	**12.3%***	**12.3%***
288.3	324.6	378.2	424.0	486.2	**594.5**	**13.1%***	**13.0%***
278.3	316.2	361.3	396.4	459.4	**564.5**	**13.0%***	**12.8%***
389.5	454.2	595.2	639.6	624.9	**761.6**		
322.3	359.4	677.3	711.9	703.8	**804.2**		
48.8	164.4	391.5	263.4	167.9	**469.1**	**1,939.0****	
5.3%	5.4%	5.4%	5.1%	4.8%	**4.7%**	**5.2%**	**5.2%**
0.76	0.74	1.38	1.35	0.97	**1.16**	**1.00**	**0.99**
131.1	156.7	168.5	142.4	313.2	**143.4**		
7,120	7,522	8,141	8,615	9,038	**9,461**		
53.61p	64.54p	62.04p	71.23p	78.49p	**98.57p**	**13.1%***	**12.9%***
58.67p	65.48p	76.34p	82.40p	94.23p	**114.05p**	**12.8%***	**12.6%***
2.2%	11.6%	16.6%	7.9%	14.4%	**21.0%**		
21.9%	21.3%	20.4%	20.8%	21.6%	**23.0%**	**21.3%**	
70.9%	76.4%	71.5%	68.2%	76.2%	**85.1%**	**73.9%**	**73.8%**
14.4%	14.6%	14.8%	14.4%	15.0%	**16.2%**	**15.1%**	**15.1%**
104%	84%	78%	103%	112%	**93%**	**93.3%**	
7%	7%	7%	7%	7%	**7%**	**6.8%**	
2374p	2510p	2229p	2368p	2581p	**3802p**		
9,012.8	9,529.1	8,462.3	8,990.0	9,798.6	**14,434.1**		

Shareholder information

Financial calendar

Annual General Meeting	23 July 2026
2025/26 Final dividend payable	14 August 2026
2026/27 Half year end	30 September 2026
2026/27 Half year results	19 November 2026
2026/27 Interim dividend payable	February 2027
2026/27 Year end	31 March 2027
2026/27 Final results	June 2027

Dividend history

	2026	2025	2024	2023	2022
Interim	**9.63p**	9.00p	8.41p	7.86p	7.35p
Final	**15.11p***	14.12p	13.20p	12.34p	11.53p
Total	**24.74p**	23.12p	21.61p	20.20p	18.88p

* 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 24 July 2026.

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.

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