

17 January 2024

STRONG START TO FY24

Diploma PLC (“**Diploma**” or the “**Company**”), the international value-add distribution group, today issues a trading update for the three months ended 31 December 2023, ahead of the Company’s Annual General Meeting today at 9:00am.

- **Strong Q1 performance in-line with our expectations:** maintaining the momentum from the prior year.
- **Organic revenue growth of 6%:** broad-based, volume-led growth across the Group. Strong growth continues in Controls and Life Sciences; Seals performed robustly, delivering moderate organic growth in the period.
- **Reported revenue growth of 10%:** with an 8% contribution from acquisitions partly offset by a 4% impact from foreign exchange.
- **Three bolt-on acquisitions in Q1:** for total consideration of £9.5m at average multiples of around 4x EBIT, driving strong return on capital. We remain disciplined in our approach and the pipeline remains healthy.
- **Strong operating margin:** in line with our expectations.

Full year outlook positive and unchanged

Diploma has an excellent track record of sustainable quality compounding: consistently delivering strong growth, margins and returns on capital. Whilst we remain mindful of the uncertain economic outlook, the Group’s resilient business model, coupled with the strong start to the year, mean that we remain confident in our unchanged full year guidance:

- Organic revenue growth of ca. 5%.
- Acquisitions announced to date to add ca. 6% to reported revenue growth.
- Strong operating margin in line with prior year at 19.7%.
- Free cash flow conversion of ca. 90%.

Johnny Thomson, Chief Executive Officer, and Chris Davies, Chief Financial Officer, will host a conference call for analysts and investors this morning at 8:00am (UK time).

Conference call dial in details:

- *Dial in: +44 (0) 33 0551 0200 (UK toll-free: 0808 109 0700)*
- *Password: Diploma Q1*

Our next scheduled update is our half year results on 13 May 2024.

For further information please contact:

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NOTE TO EDITORS:

Diploma PLC is a decentralised, value-add distribution Group. Our businesses deliver practical and innovative solutions that keep key industries moving – from energy and infrastructure to healthcare.

We are a distribution group with a difference. Our businesses have the technical expertise, specialist knowledge, and long-term relationships required to deliver value-add products and services that make our customers' lives easier. These value-add solutions drive customer loyalty, market share growth and strong margins.

Our decentralised model means our specialist businesses are agile and empowered to deliver the right solutions for their customers, in their own way. As part of Diploma, our businesses can also leverage the additional resources, opportunities and expertise of a large, international and diversified Group to benefit their customers, colleagues, suppliers and communities.

We employ c.3,500 colleagues across our three Sectors of Controls, Seals and Life Sciences. Our principal operating businesses are located in the UK, Northern Europe, North America and Australia.

Over the last fifteen years, the Group has grown adjusted earnings per share (EPS) at an average of ca. 15% p.a. through a combination of organic growth and acquisitions. Diploma is a member of the FTSE 100.

Further information on Diploma PLC can be found at www.diplomaplc.com

Diploma hosted an Investor Seminar in June 2023. A recording is available on our website:
<https://www.diplomaplc.com/investors/results-reports-presentations/investor-seminar-2023/>

The person responsible for releasing this Announcement is John Morrison, Group Company Secretary.
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