Halma plc
HALF YEAR RESULTS 2024/25
Record first half results and continued dividend growth

Halma, the global group of life-saving technology companies focused on growing a safer, cleaner, healthier future for everyone, every day, today announces results for the 6 months to 30 September 2024.

Highlights

"It has been a successful first half for Halma. These results further extend our track record of delivering strong and compounding revenue and profit growth, substantial cash generation enabling continued investment, and returns well above our cost of capital, while growing a safer, cleaner, healthier future for everyone, every day.

The strength of our first half performance means that we are well placed to deliver our existing guidance for the 2025 financial year. Therefore, while we continue to experience varied conditions in our individual companies' end markets, for the year as a whole we expect to deliver good organic constant currency[5] revenue growth, and an Adjusted[1] EBIT margin of around 21%, in the middle of our target range. This is supported by our Group order intake, which remains ahead of both revenue in the year to date and the comparable period last year.

I would like to thank everyone at Halma for their contributions in the first half. Our success reflects their continued commitment to delivering our purpose, the benefits we derive from our Sustainable Growth Model, and the long-term drivers that underpin growth in our diverse portfolio. We are well positioned to make further progress in the remainder of the year and in the longer term."

Marc Ronchetti, Group Chief Executive.

	Change	2024/25	2023/24
Revenue	**+13%**	**£1,074.3m**	**£950.5m**
Adjusted[1] Earnings before Interest and Taxation (EBIT)	**+17%**	**£222.5m**	**£189.9m**
Adjusted[1] Profit before Taxation	**+18%**	**£209.2m**	**£177.5m**
Adjusted[1] Earnings per Share[2]	**+17%**	**43.01p**	**36.90p**
Statutory Profit before Interest and Taxation	**+15%**	**£187.3m**	**£162.6m**
Statutory Profit before Taxation	**+16%**	**£174.0m**	**£150.2m**
Statutory Earnings per Share	**+15%**	**36.08p**	**31.39p**
Interim Dividend per Share[3]	**+7%**	**9.00p**	**8.41p**
Adjusted[1] EBIT margin	**+70bps**	**20.7%**	**20.0%**
Return on Total Invested Capital[4]	**+110bps**	**14.3%**	**13.2%**

- Record first half revenue, above £1bn for the first time:
  - Strong revenue growth +13.0%;
  - Driven by organic constant currency[5] (OCCY) revenue +11.5%.

- Record first half Adjusted[1] EBIT, above £200m for the first time:
  - Substantial growth in Adjusted[1] EBIT +17.2%; OCCY[5] +14.8%;
  - Healthy contribution from acquisitions of 4.3% (net of disposals)[6].

- Statutory Profit before Taxation +15.8%.
- Strong Adjusted[1] EBIT margin at 20.7% (2023/24: 20.0%).
- Continued high returns: ROTIC[4] increased 110bps to 14.3% (2023/24: 13.2%).
- Strong cash performance: cash conversion[8] of 108% (2023/24: 96%), substantially above 90% target.
- Further strategic investment to support future growth:
  - R&D investment increased to £54.1m (2023/24: £50.3m[9]), representing 5.0% of revenue;
  - Four acquisitions completed in the first half; seven in the financial year to date for £158m maximum total consideration; healthy pipeline of potential acquisitions.
- Continued balance sheet strength: net debt/EBITDA reduced to 1.27 times (end March 2024: 1.35 times), well within operating range of up to 2 times.
- Interim dividend +7%: reflects the Board's continued confidence in the Group's growth prospects.

Notes:

1 *Adjusted to remove the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or (loss) on disposal of operations, and impairment of associates, totalling £35.2m (2023/24: £27.3m). See note 2 to the Condensed Interim Financial Statements for details.*

2 *Adjusted to remove the amortisation and impairment of acquired intangible assets, acquisition items, significant restructuring costs, profit on disposal of operations, impairment of associates, and the associated taxation thereon. See note 2 to the Condensed Interim Financial Statements for details.*

3 *Interim dividend declared per share.*

4 *Return on Total Invested Capital (ROTIC) is defined as post-tax Adjusted[1] Profit as a percentage of average Total Invested Capital. See note 9 to the Condensed Interim Financial Statements for details.*

5 *Organic constant currency (OCCY) measures exclude the effect of movements in foreign exchange rates on the translation of revenue and Adjusted[1] Profit into Sterling, as well as acquisitions in the year following completion and disposals. See note 9 to the Condensed Interim Financial Statements for details.*

6 *Net of disposals. The contribution to revenue or profit (as appropriate) from acquisitions made in the 18 months to 30 September 2024, less the effect on these measures from disposals made in the same period.*

7 *Adjusted[1] Earnings before Interest and Taxation, Adjusted[1] Profit before Taxation, Adjusted[2] Earnings per Share, organic growth rates, ROTIC and net debt are alternative performance measures used by management. See notes 2, 6 and 9 to the Condensed Interim Financial Statements for details.*

8 *Cash conversion is defined as Adjusted[1] operating cash flow as a percentage of Adjusted[1] operating profit. See note 9 to the Condensed Interim Financial Statements for details.*

9 *H1 2023/24 R&D corrected and restated.*

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A copy of this announcement, together with other information about Halma, may be viewed on its website: www.halma.com. The webcast of the results presentation will be available on the Halma website later today: www.halma.com

NOTE TO EDITORS

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

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

   Halma employs over 8,000 people in more than 20 countries, with major operations in the UK, Mainland Europe, the USA and Asia Pacific. Halma is listed on the London Stock Exchange (LON: HLMA) and is a constituent of the FTSE 100 index.

   Halma has been named one of Britain's Most Admired Companies for the past six years.

2. You can view or download copies of this announcement and our latest Annual Report from the website at www.halma.com.

3. This announcement contains certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the announcement. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.

Review of Operations

Well positioned to make further progress

Halma performed strongly in the first half of the year. We delivered record revenue and profit, with first half revenue and Adjusted[1] Earnings before Interest and Taxation (EBIT) over £1bn and £200m respectively for the first time. Margins and returns both saw healthy increases, and our cash generation was strong, supporting further investment in the significant opportunities we see for future growth.

The strength of this performance means that we are well positioned to make further progress in this year and beyond. It shows that, enabled by our Sustainable Growth Model, we can deliver strong growth, high returns and very healthy levels of cash generation, even when trading conditions remain challenging in a number of our individual companies' end markets.

Our Sustainable Growth Model allows our companies to retain the agility and deep understanding of their customers' needs and market dynamics that is inherent to successful smaller companies. At the same time, it gives them the benefits of being part of a substantial and successful FTSE 100 global group. Our companies are able to respond rapidly to changing conditions in their end markets, and have autonomy to pursue entrepreneurial opportunities in new market areas, supported by expert teams at the Group level and collaboration with other Halma companies. Together, these are considerable assets in delivering superior and sustainable performance.

Our Model also supports our performance through the discipline it brings, in terms of our portfolio, capital allocation and the management of our culture and talent. In this half year, we continued to invest, both organically and through acquisition, in existing and new markets which are aligned with our purpose. These markets are supported by long term growth drivers, and offer significant potential for strong and sustainable growth and high returns. As a result, we further enhanced the strength and diversity of our portfolio of companies, and increased both our opportunities for growth and our resilience to fluctuations in individual markets.

We also continued to invest in our people and in maintaining our collaborative and entrepreneurial culture. We seek not only to have exceptional and high-performing individual leaders, but also to build diverse, collaborative and supportive teams, who can share experiences and learnings, and act rapidly as markets and customer needs evolve. Further leveraging these benefits was a key objective of our recent Accelerate Halma event, which brought together senior leaders from across the Group.

The disciplined application of our Sustainable Growth Model underpinned our strong performance in this half year. Its core elements of our purpose, strategy, business and financial model, and culture, have enabled us to deliver strong and compounding growth and high returns over many years, in a wide variety of market conditions. For example, over the last 10 years, we have delivered compound annual growth of 12% for both revenue and Adjusted[1] EBIT, and an average Return on Total Invested Capital (for the 10 years to end March 2024) of 15.2%. Its proven success, and our ability to continually challenge and evolve it as the world changes while remaining true to its core elements, means that we are well positioned to make further progress over the longer term.

Record first half results

In June 2023, we set out four priorities under our Sustainable Growth Model. These remain unchanged:

1. ensuring our continued organic growth by our focus on delivering value-added products and solutions to our customers;
2. retaining our disciplined approach to inorganic growth in markets which are aligned with our purpose and which offer long-term growth and high returns;
3. optimising the returns on the substantial investments we are making;
4. ensuring we maintain the agility of our business model through our decentralised organisational structure and our entrepreneurial and collaborative culture.

We made good progress on these priorities in the first half. We delivered strong organic revenue growth, enabled by our companies' agility in responding to trading conditions which remain varied across our end markets. We completed four acquisitions for a maximum total consideration of approximately £84m, with three further acquisitions completed since the period end, bringing the total in the year to date to approximately £158m. We are also pleased to report that our returns on capital, which are already well above our cost of capital, further increased.

Revenue increased by 13.0%, to £1,074.3m (2023/24: £950.5m), and by 11.5% on an organic constant currency[1] basis. This included price increases averaging between 1% and 2%. Varied end market conditions were reflected in the revenue performance by sector, with double digit growth in the Safety and Environmental & Analysis sectors, but only a marginal increase in the Healthcare Sector. By region, there was strong growth in the USA and Asia Pacific, with more modest increases in the other regions. The contribution to revenue growth from recent acquisitions (net of disposals)[1] was 3.1%. The appreciation of Sterling resulted in a negative effect on revenue growth of 1.6%.

Adjusted[1] Earnings before Interest and Tax (Adjusted[1] EBIT) increased by 17.2% to £222.5m (2023/24: £189.9m) and Adjusted[1] EBIT on an organic constant currency[1] basis grew by 14.8%. This growth included a strong Adjusted[1] EBIT margin performance, with an increase to 20.7%, from 20.0% in the first half of last year. The strong growth in Adjusted[1] EBIT and Adjusted[1] EBIT margin compared to a softer performance in the first half of last year, and was driven by strength in the Safety and Environmental & Analysis sectors, partly offset by the effect of weak trading conditions in the Healthcare Sector. Acquisitions contributed 4.1% to reported growth (4.3% net of disposals)[1] and there was a negative effect from currency of 1.9%.

Adjusted[1] Profit before Taxation was up 17.9% to £209.2m (2023/24: £177.5m), and Return on Sales[1] was 19.5% (2023/24: 18.7%), with the improvement principally reflecting the movement in the Adjusted[1] EBIT margin. Statutory Profit before Taxation increased by 15.8% to £174.0m (2023/24: £150.2m), similar to the change in Adjusted[1] Profit before Taxation.

It is a strength of Halma's business model that we are able to simultaneously deliver a strong operating performance and maintain the strength of our balance sheet, while making substantial strategic investments to support our future growth, both organically in our existing companies and through acquisitions.

Organic investment in the first half reflected the significant opportunities our companies see for future growth. For example, our companies invested £54.1m (2023/24: £50.3m[1]) in research and development to ensure their products and services meet their customers' needs. This represented 5.0% of Group revenue (2023/24: 5.3% of Group revenue[1]), reflecting a continued good level of investment.

We also further expanded our opportunities for growth in markets highly aligned to our purpose through investment in acquisitions, with four acquisitions in the first half for an aggregate maximum total consideration of approximately £84m on a cash- and debt-free basis. We have made three further acquisitions since the period end, for an aggregate maximum total consideration of approximately £74m, bringing the total in the year to date to approximately £158m. Details of these acquisitions are given later in this review.

Cash conversion (adjusted operating cash flow as a percentage of adjusted operating profit – see note 9) was strong at 108% (2023/24: 96%). This was substantially above normal levels which are indicated by our cash conversion Key Performance Indicator (KPI) of 90%, and principally reflected continued good working capital control following a period of working capital investment in prior years. We maintained a strong balance sheet and ended the period with net debt (on an IFRS 16 basis which includes lease commitments) of £646.7m, equivalent to 1.27 times annualised Adjusted EBITDA (31 March 2024: net debt of £653.2m; 1.35 times Adjusted EBITDA). The strength of our cash generation and our balance sheet underpin our ongoing investment in future organic growth, provide substantial capacity for acquisitions, and support our progressive dividend policy.

Return on Total Invested Capital[1] improved to 14.3% (2023/24: 13.2%), well above our KPI of 12% and our weighted average cost of capital. The change from 13.2% in the comparative period mainly reflects the higher level of constant currency profit growth in this half year.

The Board has declared an increase of 7% in the interim dividend to 9.00p per share (2023/24: 8.41p per share). The interim dividend will be paid on 31 January 2025 to shareholders on the register on 20 December 2024.

Broad-based organic constant currency[1] revenue growth by region

External revenue by destination

	Half year 2024/25		Half year 2023/24				
	£m	**% of total**	£m	% of total	**Change £m**	**% growth**	**% organic growth at constant currency[1]**
United States of America	**492.0**	**46**	402.0	42	**90.0**	**22.4**	**21.6**
Mainland Europe	**207.9**	**19**	203.2	22	**4.7**	**2.3**	**(1.5)**
United Kingdom	**152.0**	**14**	143.6	15	**8.4**	**5.8**	**4.2**
Asia Pacific	**148.3**	**14**	133.1	14	**15.2**	**11.4**	**10.6**
Other regions	**74.1**	**7**	68.6	7	**5.5**	**8.0**	**6.7**
	1,074.3	**100**	950.5	100	**123.8**	**13.0**	**11.5**

Revenue in the period grew in all regions on a reported basis, with strong growth in the USA and Asia Pacific on both a reported and organic constant currency[1] basis, while, other regions grew more modestly, reflecting the mix of growth in each sector. Reported growth rates in each region were impacted to differing extents by acquisitions (net of disposals), and effects from foreign currency translation.

The USA remains our largest sales destination and contributed 46% of total revenue. Revenue increased by 22.4% or 21.6% on an organic constant currency[1] basis. Reported revenue included a contribution of 2.8% from recent acquisitions (net of disposals), including the TeDan group of companies, as well as a negative effect from currency translation, of 2.0%. On an organic constant currency[1] basis, the strongest growth was in the Environmental & Analysis Sector, driven by a very strong performance in the Optical Analysis subsector. The Safety Sector delivered a strong organic constant currency[1] performance and Healthcare revenue grew modestly on an organic constant currency[1] basis.

Mainland Europe revenue increased modestly by 2.3% but declined by 1.5% on an organic constant currency[1] basis. Both the Safety and Environmental & Analysis sectors grew revenue on a reported and organic constant currency[1] basis, but our Healthcare Sector revenue declined on both bases. There was an acquisition contribution (net of disposals) of 5.2%, with the largest contributors being last year's acquisitions of Lazer Safe in the Safety Sector and Rovers Medical Devices in the Healthcare Sector, and a negative effect from currency translation of 1.3%. On an organic constant currency[1] basis, there was modest growth in Safety, the largest sector, and a good performance in the Environmental & Analysis Sector, driven by strong growth in the Water Analysis and Treatment subsector. The Healthcare Sector saw a substantial decline, reflecting performance in Ophthalmology within the Therapeutic Solutions subsector.

Revenue in the UK grew 5.8%, or 4.2% on an organic constant currency[1] basis. There was a benefit of 1.7% from acquisitions (net of disposals) in the period. Growth on an organic constant currency[1] basis was driven by the Safety Sector, as a result of a broadly spread positive performance, and the Environmental & Analysis sector, driven by strong growth in Gas Detection within the

Environmental Monitoring subsector and good growth in the Water Analysis and Treatment subsector. This was partly offset by a decline on an organic constant currency[1] basis in the Healthcare Sector, as described below.

Asia Pacific's revenue grew by 11.4%, or 10.6% on an organic constant currency[1] basis. Reported growth included a 2.8% benefit from acquisitions (net of disposals) and a negative effect from currency translation of 2.0%. The region's organic constant currency[1] performance principally reflected strong growth in China, compared to weaker trends in the prior year. By sector, there was strong organic constant currency[1] growth in Safety, which included a very strong performance in China driven by strength in Worker Safety and Fire Safety and good growth in Australasia. Other sectors grew modestly, reflecting, in Environmental & Analysis, some improvement in the Chinese spectroscopy market, and, in Healthcare, a good performance in the Therapeutic Solutions subsector in China.

Revenue in other regions, which represent 7% of Group revenue, grew by 8.0%, and by 6.7% on an organic constant currency[1] basis. Reported growth included a 3.5% benefit from acquisitions (net of disposals) and a negative effect from currency translation of 2.2%.

Sector revenue and Adjusted[1] Profit

External revenue by sector

	Half year 2024/25	Half year 2023/24			
	£m	£m	**Change £m**	**% growth**	**% organic growth at constant currency[1]**
Safety	**444.7**	400.7	**44.0**	**11.0**	**9.6**
Environmental & Analysis	**360.9**	284.1	**76.8**	**27.0**	**27.2**
Healthcare	**269.0**	266.3	**2.7**	**1.0**	**(2.5)**
Inter-segmental revenue	**(0.3)**	(0.6)	**0.3**		
	1,074.3	950.5	**123.8**	**13.0**	**11.5**

Adjusted[1] Profit by sector

	Half year 2024/25	Half year 2023/24			
	£m	£m	**Change £m**	**% growth**	**% organic growth at constant currency[1]**
Safety	**107.6**	89.5	**18.1**	**20.2**	**18.4**
Environmental & Analysis	**82.1**	59.3	**22.8**	**38.4**	**36.0**
Healthcare	**55.9**	62.4	**(6.5)**	**(10.4)**	**(12.8)**
Sector profit[2]	**245.6**	211.2	**34.4**	**16.3**	**14.1**
Central administration costs	**(23.1)**	(21.3)	**(1.8)**		
Net finance expense	**(13.3)**	(12.4)	**(0.9)**		
Adjusted[1] Profit before Taxation	**209.2**	177.5	**31.7**	**17.9**	**18.7**

Safety Sector

Revenue increased by 11.0% to £444.7m (2023/24: £400.7m) and organic constant currency[1] revenue increased by 9.6%. There was a positive contribution from acquisitions (net of disposals) of 2.7% and there was a negative effect from currency translation of 1.3%. Growth was broadly spread, with the sector delivering revenue growth across all regions and subsectors.

There was strong growth in the Fire Safety subsector, reflecting positive trends in the majority of companies. The Worker Safety subsector also grew strongly, driven by strong execution and customer demand for industrial access control solutions, particularly in the USA, and also benefiting from last year's acquisition of LazerSafe. Growth in Public Safety reflected good demand for sensor technologies. Infrastructure & Asset Safety performance was mixed, with organic performance reflecting some customer delays to larger capital projects; reported performance included a good contribution from the acquisition of MK Test in May this year.

By region, there was strong revenue growth in the USA, across all subsectors. Asia Pacific also grew strongly across all subsectors except Public Safety, and included a good performance in Australasia, driven by Fire Safety, and in China, with strength in Worker Safety and Fire Safety. Good revenue growth in the UK and Mainland Europe was primarily driven by the Fire Safety subsector, and, in Mainland Europe, included a benefit from recent acquisitions including Lazer Safe, MK Test and Global Fire Equipment (GFE). There was good revenue growth in other regions, which represent 9% of sector revenues, principally reflecting a positive performance in Fire Safety in the Near & Middle East.

Profit[2] was 20.2% higher at £107.6m (2023/24: £89.5m) and included 18.4% organic constant currency[1] growth, a benefit of 3.5% from recent acquisitions (net of disposals), and a negative effect from currency translation of 1.7%. The sector profit margin[1] increased to 24.2% (2023/24: 22.3%), reflecting stronger sales growth in the period, favourable product mix, and good operational cost control. R&D expenditure increased to £25.3m (2023/24: £21.8m), representing 5.7% of revenue (2023/24: 5.4%).

Environmental & Analysis Sector
Revenue increased by 27.0% to £360.9m (2023/24: £284.1m), comprising 27.2% organic constant currency[1] growth, a 1.8% contribution from acquisitions (net of disposals), and a negative effect of 2.0% from currency translation.

There was very strong growth in the Optical Analysis subsector compared to the first half of last year, driven by growth in Photonics and firmer trends in Spectroscopy. The growth in Photonics reflected demand for technologies that support the transformation of digital and data capabilities and continued successful execution for a long-standing major technology customer. Revenue and profit in Photonics in the first half of this year were, as expected, similar to the second half of last year, and are expected to remain at a similar level in the second half of this year. Spectroscopy, which had seen a substantial reduction in revenue in the first half of last year as a result of weakness in a number of end markets, saw some recovery in selected markets, including biopharma and solutions for OEM customers.

In other subsectors, there was good growth in Environmental Monitoring, driven by gas detection solutions in the UK, USA and Chinese markets. There was a mixed performance in the Water Analysis & Treatment subsector, which saw a small decline in revenue. This included a good performance in leak detection systems and a benefit from Nuvonic's bolt-on acquisition of ZED in the second half of last year but was offset by lower revenues in pipeline inspection and rehabilitation solutions as a result of delayed capital projects, and the effect of the disposal of Hydreka SAS in May 2024.

Revenue by region reflected these trends. The sector's largest region, the USA, accounted for 63% of sector revenue in the period, and grew very strongly, driven by Optical Analysis. Mainland Europe and the UK both grew well, driven by leak detection solutions within Water Analysis & Treatment, and, in the UK, a good performance in Gas Detection within Environmental Monitoring. Good growth in Asia Pacific mainly reflected an improved performance in Spectroscopy.

Profit[2] increased by 38.4% to £82.1m (2023/24: £59.3m) and by 36.0% on an organic constant currency[1] basis. There was a 4.5% contribution from acquisitions (net of disposals) and a negative effect of 2.1% from currency translation. The sector profit margin[1] was 22.7%, compared to 20.9% in the prior period, reflecting the benefit of growth in all subsectors except Water Analysis & Treatment. R&D expenditure increased to £14.2m (2023/24: £13.0m). This represented 3.9% of sales (2023/24: 4.6%), with the change reflecting the strong revenue growth in Photonics which has relatively lower R&D requirements, with R&D investment in other sector companies remaining at a healthy level.

Healthcare Sector

Revenue increased by 1.0% to £269.0m (2023/24: £266.3m). Organic constant currency[1] revenue was 2.5% lower than in the first half of last year. Acquisitions, of the TeDan Group and Rovers Medical Devices B.V., made a positive contribution of 5.2% to revenue, and there was a 1.7% negative impact from currency translation.

The sector's organic constant currency[1] performance reflected a continued subdued background in the healthcare market, although there are early signs of modest improvement. There was, however, a wide range of performance by company, dependent on the dynamics in their individual niche markets, and this is reflected in the subsector performances below.

Revenue in the Therapeutic Solutions subsector was lower, principally as a result of a decline in ophthalmology therapeutics, which reflected the comparison with a very strong performance over the past two years, and delays to OEM customer product launches and destocking. However, this was partly offset by good growth in devices supporting minimally invasive testing and surgery.

Healthcare Assessment & Analytics performance was in line with the first half of last year on an organic constant currency[1] basis, reflecting mixed performances in each of sensors and analytics and ophthalmology diagnostics, and some more challenging trends in patient assessment.

There was modest growth on an organic constant currency[1] basis in the smaller Life Sciences subsector, which had seen a substantial decline in revenues last year, reflecting a gradual return of demand in its end markets, including in China.

In terms of performance by geographic region, there was modest growth on an organic constant currency[1] basis in the USA, the sector's largest region, and in Asia Pacific, reflecting the mix of subsector performance described above. Organic constant currency[1] revenue declined in Mainland Europe, principally as a result of weakness in ophthalmology therapeutics, and in the UK, which reflected budgetary caution by healthcare providers.

Profit[2] decreased by 10.4% to £55.9m (2023/24: £62.4m), and by 12.8% on an organic constant currency[1] basis. There was a 3.8% contribution from acquisitions (net of disposals) and a negative effect of 1.4% from currency translation. The sector profit margin[1] was 20.8%, against a strong comparator of 23.4% in the first half of last year. Although gross margin was stronger, this was more than offset by the effect of the revenue decline in higher margin ophthalmology therapeutics. R&D spend was £14.5m, representing 5.4% of revenue (2023/24: £15.4m; 5.8% of revenue[1]), reflecting continued good levels of investment.

Seven acquisitions completed this financial year to date

We have completed seven acquisitions in the year to date, for a maximum total consideration of approximately £158m on a cash- and debt-free basis. This comprises four in the first half for a maximum total consideration of approximately £84m and three since the period end. Two were standalone companies within their sectors, increasing our opportunities to supplement our organic growth, while five were bolt-on acquisitions made by our companies to deliver their growth strategies.

We have a healthy pipeline of potential acquisitions across all three sectors and continue to see good opportunities to acquire small- to medium-sized businesses in niche markets which are strongly aligned to our purpose of growing a safer, cleaner, healthier future for everyone, every day.

The acquisitions made in the first half of this year were all in the Safety sector. In April, we acquired MK Test Systems Limited, a UK-based company which designs and manufactures safety-critical electrical testing technology, for £43m, to be a standalone company within the Safety sector. In June, we purchased G.F.E. - Global Fire Equipment, S.A., a Portuguese designer and manufacturer of fire detection and alarm systems, as a bolt-on for the fire safety company, Ampac, for €42m (approximately £35m). In July, we made two smaller bolt-on acquisitions, of Advantronic, a Spanish manufacturer of control panels and distributor of fire alarm systems, which has strong expertise in wireless technology, as a bolt-on for the fire safety company, Orama, for €2m (approximately £2m), and RemLive, a UK-based provider of electrical safety products, as a bolt-on for the worker safety company Fortress Safety, for £4m.

Since the half year end, we acquired Lamidey Noury Medical, a French manufacturer of minimally-invasive surgery products, for €50m (approximately £42m) as a stand-alone company in the Healthcare Sector. We also made two bolt-on acquisitions for our companies: Hathorn Corporation, a Canadian designer and manufacturer of plumbing and drainage inspection cameras as a bolt-on for our Environmental & Analysis company, Minicam, for C$44m (approximately £24m); and Safe-Com, a US-based manufacturer of emergency responder communication enhancement systems, for our Safety Sector company Avire, for a maximum total consideration of US$10m (approximately £8m).

We continue to actively manage our portfolio of global businesses to ensure that it delivers strong growth and returns and is aligned with our purpose of growing a safer, cleaner, healthier future for everyone, every day. As reported in our Full Year 2024 results, we made one small disposal in the period, of Hydreka SAS, for approximately £7m, net of disposal costs (see note 11 for further details).

Further progress on sustainability
Sustainability continues to be at the heart of our Sustainable Growth Model and our purpose. During our annual strategic review process, we continued to encourage our companies to identify sustainability trends which will drive growth in their markets, through products and applications that help our customers address their sustainability challenges, as well as to assess potential sustainability risks, and to ensure their strategies support our people and protect the environment.

Each of our companies is executing on their own Sustainability Action Plans to support people and protect the environment, while being supported with shared resources and discussion and learning opportunities on sustainability topics where relevant, including at our annual Accelerate leadership conference.

We also continue to work with a small number of companies with larger Scope 3 footprints to create their own Scope 3 decarbonisation plans as part of our multi-year approach to Scope 3, supporting our work towards setting appropriate short-term Scope 3 targets to complement our longer-term Scope 3 Net Zero by 2050 ambition (Net Zero by 2040 for Scope 1 & 2). We are also continuing to prepare for upcoming reporting requirements.

Cash flow and funding
Cash conversion (adjusted operating cash flow as a percentage of adjusted operating profit – see note 9) in the first half of the year was 108% (2023/24: 96%), well above our annualised cash conversion KPI of 90%. This principally reflects good working capital control which resulted in a working capital inflow in the period. This follows a period of working capital investment in prior years.

Dividend payments increased to £49.9m (2023/24: £46.5m), reflecting our progressive dividend policy. Tax payments were also higher at £65.0m, compared to £45.6m in the first half of 2023/24, reflecting the Group's increased profitability and an earlier payment of US taxation on account than in prior years.

Expenditure on acquisitions, which includes debt acquired and settled on acquisition, acquisition costs and contingent consideration for acquisitions made in prior years, totalled £46.4m (2023/24: £65.5m).

Capital expenditure was £19.6m, compared to £19.2m in the first half of 2023/24. We continue to expect capital expenditure for the full year to be around £38m.

Net debt at the end of the period was £646.7m (31 March 2024: £653.2m). Gearing (the ratio of net debt to annualised EBITDA) at half year end was 1.27 times (31 March 2024: 1.35 times), within our typical operating range of up to two times.

As previously reported, in May 2024 we exercised an option on our syndicated revolving credit facility to extend its maturity by one year to May 2029. In addition, in April 2024, we completed a new Private Placement issuance of £336m, consisting of US Dollar and Euro tranches. The US Dollar tranche matures in April 2035 with an amortisation profile giving it a nine and a half year average life. The Euro tranche matures in April 2034, with an amortisation profile giving it a seven and three quarter year average life.

Currency effects on reported revenue and profit

We report our results in Sterling with 51% of Group revenue denominated in US Dollars and 12% in Euros during the period. Average exchange rates are used to translate results in the Income Statement. Sterling strengthened against the US Dollar and the Euro during the first half of 2024/25. This resulted in a 1.6% negative currency translation effect on Group revenue and a 1.9% negative currency translation effect on Group EBIT in the first half of 2024/25 relative to 2023/24. If exchange rates remain at current levels, we expect a continued negative currency translation effect in the second half of 2024/25. For the year as a whole, based on current exchange rates, approximately half of the negative translation effect on Group revenue and profit would occur in the first half of the year.

Pensions update

On an IAS 19 basis, the Group's defined benefit pension plans at the half year end had a net surplus of £3.6m (31 March 2024: net surplus of £30.9m). The movement primarily reflects the purchase of "buy-in" policies for the Group's two main defined benefit plans, which materially match the liabilities of these plans. A benefit of these policies is that they pass certain risks in relation to these plans' liabilities (such as investment return, longevity and inflation) to the insurer. Details are given in note 14 of the Condensed Interim Financial Statements.

The plans' triennial actuarial valuation reviews, rather than the accounting basis, determine any cash payments required by the Group. As previously reported, it has been agreed with the Trustees of the Halma Group Pension Plan that contributions to this plan will be suspended until April 2025. All contributions due to the Apollo Pension and Life Assurance Plan agreed at the last triennial valuation have been paid. Accordingly, we therefore expect the cash contributions in the 2024/25 financial year to the Group's defined benefit plans, which include some smaller overseas plans, to be £0.8m.

Group effective tax rate higher as expected

The Group has major operating subsidiaries in a number of countries and the Group's effective tax rate is a blend of these national tax rates applied to locally generated profits.

The Group's effective tax rate on Adjusted[1] Profit was 22.4% (six months to 30 September 2023: 21.5%; year to 31 March 2024: 21.5%). The rate is higher than the prior full year rate mainly due to a change in the forecast mix of UK and US profits and a modest effect in a limited number of jurisdictions from the BEPS Pillar Two reforms which apply to all multinational groups for accounting periods beginning on or after 31 December 2023.

The Group continues to hold a £14.7m corporation tax asset for amounts previously collected by HMRC in respect of the European Commission's (EC) judgement that the UK controlled Finance Company Partial Exemption (FCPE) constituted State Aid. During the period, the European Court of Justice annulled the EC's original decision on appeal by ITV. The Group expects this decision to apply to its appeal and so continues to recognise this asset. At this time it is uncertain when the amounts will be recovered.

Principal risks and uncertainties

A number of potential risks and uncertainties exist, which could have a material impact on the Group's performance over the second half of the financial year and thereby cause actual results to differ materially from expected and historical results.

The Group has processes in place for identifying, evaluating and managing risk. As part of these processes, we are closely monitoring and assessing the potential effects on revenue, costs and working capital from macroeconomic and geopolitical volatility. We expect that our companies' agility, and the support they receive from across the Group to share best practice in addressing these challenges, will continue to mitigate any potential material effects.

Our principal risks, together with a description of our approach to mitigating them, are set out on pages 104 to 117 of the Annual Report and Accounts 2024, which is available on the Group's website at www.halma.com. See note 17 to the Condensed Interim Financial Statements for further details.

Going concern

After conducting a review of the Group's business activities, financial position and main trends and factors likely to affect its future development, performance and position, and considering potential scenarios and principal risks, the Directors 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. For this reason they deem it appropriate to continue to adopt the going concern basis of accounting for at least the next 12-month period. Further information is available in the statement headed "Going concern" within note 1 to the Condensed Interim Financial Statements.

Summary and Outlook

It has been a successful first half for Halma. These results further extend our track record of delivering strong and compounding revenue and profit growth, substantial cash generation enabling continued investment, and returns well above our cost of capital, while growing a safer, cleaner, healthier future for everyone, every day.

The strength of our first half performance means that we are well placed to deliver our existing guidance for the 2025 financial year. Therefore, while we continue to experience varied conditions in our individual companies' end markets, for the year as a whole we expect to deliver good organic constant currency[6] revenue growth, and an Adjusted[1] EBIT margin of around 21%, in the middle of our target range. This is supported by our Group order intake, which remains ahead of both revenue in the year to date and the comparable period last year.

Our success reflects continued commitment to delivering our purpose, the benefits we derive from our Sustainable Growth Model, and the long-term drivers that underpin growth in our diverse portfolio. We are well positioned to make further progress in the remainder of the year and in the longer term.

Marc Ronchetti	**Steve Gunning**
Group Chief Executive	Chief Financial Officer

[1] See Highlights, above.

[2] See note 2 to the Condensed Interim Financial Statements. Profit is Adjusted[1] operating profit before central administration costs after share of associate which equals Adjusted[1] EBIT.

Independent review report to Halma plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Halma plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Results of Halma plc for the 6 month period ended 30 September 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 September 2024;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and Expenditure for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Results of Halma plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Results, including the interim financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London
21 November 2024

Consolidated Income Statement

	Notes	**Unaudited six months to 30 September 2024 Adjusted* £m**	**Adjustments* (note 2) £m**	**Total £m**	Unaudited six months to 30 September 2023 Adjusted* £m	Adjustments* (note 2) £m	Total £m	Audited year to 31 March 2024 Total £m
Continuing operations								
Revenue	2	**1,074.3**	–	**1,074.3**	950.5	–	950.5	2,034.1
Operating profit		**222.6**	**(37.2)**	**185.4**	190.0	(27.8)	162.2	367.7
Share of results of associate		**(0.1)**	**(1.0)**	**(1.1)**	(0.1)	–	(0.1)	(0.3)
Profit on disposal of operations	11	–	**3.0**	**3.0**	–	0.5	0.5	0.5
Profit before interest and taxation		**222.5**	**(35.2)**	**187.3**	189.9	(27.3)	162.6	367.9
Finance income	3	**2.4**	**–**	**2.4**	1.8	–	1.8	3.1
Finance expense	4	**(15.7)**	**–**	**(15.7)**	(14.2)	–	(14.2)	(30.7)
Profit before taxation		**209.2**	**(35.2)**	**174.0**	177.5	(27.3)	150.2	340.3
Taxation	5	**(46.9)**	**9.1**	**(37.8)**	(38.2)	6.5	(31.7)	(71.5)
Profit for the period		**162.3**	**(26.1)**	**136.2**	139.3	(20.8)	118.5	268.8
Attributable to:								
Owners of the parent				**136.2**			118.5	268.8
Earnings per share from continuing operations	6							
Basic		**43.01p**		**36.08p**	36.90p		31.39p	71.23p
Diluted				**35.98p**			31.31p	70.96p
Dividends in respect of the period	7							
Dividends paid and proposed (£m)				**34.0**			31.7	81.5
Per share				**9.00p**			8.41p	21.61p

* Adjustments include the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit on disposal of operations; impairment of associates; and the associated taxation thereon. Note 9 provides more information on alternative performance measures.

Consolidated Statement of Comprehensive Income and Expenditure

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Profit for the period	**136.2**	118.5	268.8
Items that will not be reclassified subsequently to the Income Statement:			
Actuarial losses on defined benefit pension plans	**(27.9)**	(8.2)	(12.0)
Tax relating to components of other comprehensive income that will not be reclassified	**7.0**	2.0	3.0
Unrealised changes in the fair value of equity instruments at fair value through other comprehensive income	**–**	–	(1.2)
Items that may be reclassified subsequently to the Income Statement:			
Effective portion of changes in fair value of cash flow hedges	**1.7**	(0.7)	(2.1)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	**0.2**	0.2	0.2
Exchange (losses)/gains on translation of foreign operations and net investment hedge	**(67.2)**	2.4	(36.0)
Exchange gain on translation of foreign operations recycled to income statement on disposal (note 11)	**(1.1)**	–	–
Other comprehensive expense for the period	**(87.3)**	(4.3)	(48.1)
Total comprehensive income for the period	**48.9**	114.2	220.7
Attributable to:			
Owners of the parent	**48.9**	114.2	220.7

The exchange losses of £67.2m (six months to 30 September 2023: £2.4m gain; year to 31 March 2024: £36.0m losses) include gains of £18.8m (six months to 30 September 2023: £1.6m gains; year to 31 March 2024: £13.2m gains), which relate to net investment hedges.

Consolidated Balance Sheet

	Notes	**Unaudited 30 September 2024 £m**	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Non-current assets				
Goodwill		**1,208.1**	1,157.9	1,211.0
Other intangible assets		**558.2**	481.7	569.0
Property, plant and equipment		**252.9**	230.2	236.8
Interests in associates and other investments		**18.8**	20.9	19.8
Retirement benefit asset	14	**4.8**	33.6	32.0
Tax receivable	13	**14.7**	14.7	14.7
Deferred tax asset		**3.9**	2.9	4.9
		2,061.4	1,941.9	2,088.2
Current assets				
Inventories		**298.8**	319.6	304.8
Trade and other receivables		**445.4**	407.2	460.9
Tax receivable		**10.8**	2.9	2.6
Cash and bank balances		**180.2**	136.4	142.7
Derivative financial instruments	12	**2.0**	0.7	0.7
		937.2	866.8	911.7
Total assets		**2,998.6**	2,808.7	2,999.9
Current liabilities				
Trade and other payables		**284.9**	263.8	296.5
Borrowings		**0.5**	0.6	0.3
Lease liabilities		**21.0**	19.5	19.5
Provisions		**34.8**	22.0	35.0
Tax liabilities		**2.7**	16.8	18.2
Derivative financial instruments	12	**1.0**	0.8	2.6
		344.9	323.5	372.1
Net current assets		**592.3**	543.3	539.6
Non-current liabilities				
Borrowings		**730.7**	667.6	711.9
Lease liabilities		**74.7**	67.6	64.2
Retirement benefit obligations	14	**1.2**	0.5	1.1
Trade and other payables		**25.0**	22.3	23.9
Provisions		**9.9**	12.0	10.7
Deferred tax liabilities		**71.6**	64.5	79.5
		913.1	834.5	891.3
Total liabilities		**1,258.0**	1,158.0	1,263.4
Net assets		**1,740.6**	1,650.7	1,736.5
Equity				
Share capital		**38.0**	38.0	38.0
Share premium account		**23.6**	23.6	23.6
Own shares		**(46.6)**	(58.3)	(58.0)
Capital redemption reserve		**0.2**	0.2	0.2
Hedging reserve		**0.6**	0.1	(1.3)
Translation reserve		**58.0**	164.7	126.3
Other reserves		**3.2**	4.4	3.2
Retained earnings		**1,663.6**	1,477.7	1,604.5
Equity attributable to owners of the Company		**1,740.6**	1,650.4	1,736.5
Non-controlling interests		**–**	0.3	-
Total equity		**1,740.6**	1,650.7	1,736.5

Consolidated Statement of Changes in Equity

For the six months to 30 September 2024

	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 interests £m	Total £m
At 1 April 2024 (audited)	**38.0**	**23.6**	**(58.0)**	**0.2**	**(1.3)**	**126.3**	**3.2**	**1,604.5**	**–**	**1,736.5**
Profit for the period	–	–	–	–	–	–	–	136.2	–	136.2
Other comprehensive income and expense	–	–	–	–	1.9	(68.3)	–	(20.9)	–	(87.3)
Total comprehensive income and expense	–	–	–	–	1.9	(68.3)	–	115.3	–	48.9
Dividends paid	–	–	–	–	–	–	–	(49.9)	–	(49.9)
Share–based payments charge	–	–	–	–	–	–	–	11.9	–	11.9
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	1.8	–	1.8
Excess tax deductions related to share-based payments on exercised options	–	–	–	–	–	–	–	0.7	–	0.7
Performance share plan awards vested	–	–	11.4	–	–	–	–	(20.7)	–	(9.3)
At 30 September 2024 (unaudited)	**38.0**	**23.6**	**(46.6)**	**0.2**	**0.6**	**58.0**	**3.2**	**1,663.6**	**–**	**1,740.6**

Own shares are ordinary shares in Halma plc purchased by the Company and held to fulfil the Company's obligations under the Company's share plans. As at 30 September 2024, the number of shares held by the Employee Benefit Trust was 1,962,205 (30 September 2023: 2,471,283 and 31 March 2024: 2,457,205).

The Capital redemption reserve was created on the 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 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 £1.7m (30 September 2023: £32.3m and 31 March 2024: £20.7m). The Other reserves represent the cumulative fair value adjustments on equity instruments held at fair value through other comprehensive income.

Consolidated Statement of Changes in Equity continued

For the six months to 30 September 2023

	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 interests £m	Total £m
At 1 April 2023 (audited)	38.0	23.6	(46.1)	0.2	0.6	162.3	4.4	1,415.8	0.1	1,598.9
Profit for the period	–	–	–	–	–	–	–	118.5	–	118.5
Other comprehensive income and expense	–	–	–	–	(0.5)	2.4	–	(6.2)	–	(4.3)
Total comprehensive income and expense	–	–	–	–	(0.5)	2.4	–	112.3	–	114.2
Dividends paid	–	–	–	–	–	–	–	(46.5)	–	(46.5)
Share–based payments charge	–	–	–	–	–	–	–	9.2	–	9.2
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	(0.3)	–	(0.3)
Excess tax deductions related to share-based payments on exercised options	–	–	–	–	–	–	–	–	–	–
Purchase of own shares	–	–	(19.7)	–	–	–	–	–	–	(19.7)
Performance share plan awards vested	–	–	7.5	–	–	–	–	(12.6)	–	(5.1)
Non-controlling interest arising on acquisition	–	–	–	–	–	–	–	–	0.3	0.3
Non-controlling interest disposed	–	–	–	–	–	–	–	(0.2)	(0.1)	(0.3)
At 30 September 2023 (unaudited)	38.0	23.6	(58.3)	0.2	0.1	164.7	4.4	1,477.7	0.3	1,650.7

For the year to 31 March 2024

	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 interests £m	Total £m
At 1 April 2023 (audited)	38.0	23.6	(46.1)	0.2	0.6	162.3	4.4	1,415.8	0.1	1,598.9
Profit for the year	–	–	–	–	–	–	–	268.8	–	268.8
Other comprehensive income and expense	–	–	–	–	(1.9)	(36.0)	(1.2)	(9.0)	–	(48.1)
Total comprehensive income and expense	–	–	–	–	(1.9)	(36.0)	(1.2)	259.8	–	220.7
Dividends paid	–	–	–	–	–	–	–	(78.2)	–	(78.2)
Share-based payments charge	–	–	–	–	–	–	–	21.4	–	21.4
Deferred tax on share-based payment transactions	–	–	–	–	–	–	–	0.6	–	0.6
Excess tax deductions related to share-based payments on vested awards	–	–	–	–	–	–	–	(0.1)	–	(0.1)
Purchase of own shares	–	–	(19.7)	–	–	–	–	(1.4)	–	(21.1)
Performance share plan awards vested	–	–	7.8	–	–	–	–	(13.2)	–	(5.4)
Non-controlling interest disposed	–	–	–	–	–	–	–	(0.2)	(0.1)	(0.3)
At 31 March 2024 (audited)	38.0	23.6	(58.0)	0.2	(1.3)	126.3	3.2	1,604.5	–	1,736.5

Consolidated Cash Flow Statement

	Notes	**Unaudited six months to 30 September 2024 £m**	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Net cash inflow from operating activities	8	**189.4**	154.0	385.0
Cash flows from investing activities				
Purchase of property, plant and equipment		**(18.8)**	(19.3)	(32.8)
Purchase of computer software		**(0.5)**	(0.3)	(2.0)
Purchase of other intangibles		**(0.3)**	(0.3)	(0.4)
Proceeds from sale of property, plant and equipment and capitalised development costs		**0.2**	0.7	1.6
Development costs capitalised		**(8.5)**	(7.4)	(16.4)
Interest received		**1.4**	0.7	1.2
Acquisition of businesses, net of cash acquired	10	**(48.2)**	(58.4)	(238.8)
Disposal of business, net of cash disposed	11	**5.6**	1.4	1.6
Purchase of equity investments		**–**	–	(0.3)
Net cash used in investing activities		**(69.1)**	(82.9)	(286.3)
Cash flows from financing activities				
Dividends paid	7	**(49.9)**	(46.5)	(78.2)
Purchase of own shares		–	(19.7)	(21.1)
Interest paid		**(12.0)**	(13.7)	(29.6)
Loan arrangement fees		**(1.4)**	(0.3)	(0.3)
Proceeds from bank borrowings*		**38.9**	141.1	513.2
Repayments of bank borrowings*		**(337.0)**	(149.5)	(465.7)
Repayment of acquired debt on acquisition		**(43.2)**	(2.6)	(17.1)
Drawdown of loan notes		**335.8**	–	–
Repayment of lease liabilities, net of interest		**(10.7)**	(9.6)	(20.9)
Net cash used in financing activities		**(79.5)**	(100.8)	(119.7)
Increase/(decrease) in cash and cash equivalents		**40.8**	(29.7)	(21.0)
Cash and cash equivalents brought forward		**142.4**	168.5	168.5
Exchange adjustments		**(3.5)**	(3.0)	(5.1)
Cash and cash equivalents carried forward		**179.7**	135.8	142.4

* Six months ended 30 September 2023 re-presented to show the daily cash movements in bank borrowings on a net basis. In the period ended 30 September 2023 these were presented as gross proceeds of £463.1m and repayments of £471.5m, which has been updated to proceeds of £141.1m and repayments of £149.5m. There is no impact on the overall net proceeds and repayments of bank borrowings in the period nor on net cash used in financing activities.

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash and cash equivalents	**40.8**	(29.7)	(21.0)
Net cash outflow/(inflow) from bank borrowings and loan notes	**5.5**	11.0	(30.4)
Net debt acquired	**(43.2)**	(2.6)	(17.1)
Lease liabilities additions and accretion of interest	**(28.2)**	(9.6)	(18.3)
Lease liabilities acquired	**(0.7)**	(1.1)	(3.2)
Lease liabilities disposed	**0.8**	–	–
Lease liabilities and interest repaid	**12.7**	11.2	24.1
Exchange adjustments	**18.8**	(1.3)	9.4
Decrease/(Increase) in net debt	**6.5**	(22.1)	(56.5)
Net debt brought forward	**(653.2)**	(596.7)	(596.7)
Net debt carried forward	**(646.7)**	(618.8)	(653.2)

Notes to the Condensed Interim Financial Statements

1 Basis of preparation

General information

The Half Year Report, which includes the Interim Management Report and Condensed Interim Financial Statements for the six months to 30 September 2024, was approved by the Directors on 21 November 2024.

Basis of preparation

The Report has been prepared solely to provide additional information to shareholders as a body to assess the Board's strategies and the potential for those strategies to succeed. It should not be relied on by any other party or for any other purpose.

The Report contains certain forward-looking statements which have been made by the Directors in good faith using information available up until the date they approved the Report. Forward-looking statements should be regarded with caution as by their nature such statements involve risk and uncertainties relating to events and circumstances that may occur in the future. Actual results may differ from those expressed in such statements, depending on the outcome of these uncertain future events.

The Report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. The Report should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2024 which were prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. The same accounting policies and presentation that were applied in the preparation of the Group's statutory accounts for the year to 31 March 2024 have also been applied to the interim consolidated financial statements with the exception of the policy for taxes on income, which in the interim period is accrued using the estimated effective tax rates for the year on profits before taxation before adjustments, with the tax rates applied to the adjustments being established on an individual basis for each adjustment.

The figures shown for the year to 31 March 2024 are based on the Group's statutory accounts for that period and do not constitute the Group's statutory accounts for that period as defined in Section 434 of the Companies Act 2006. These statutory accounts, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, have been filed with the Registrar of Companies. The audit report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under Sections 498 (2) or (3) of the Companies Act 2006.

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 30 September 2024, its cash flows, liquidity position and borrowing facilities are set out in the Review of Operations. In addition, the Review of Operations section contains further information concerning the security, currency, interest rates and maturity of the Group's borrowings.

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 in note 17. 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.

Our financial position remains robust with committed facilities at the balance sheet date totalling approximately £1,242m which includes a £550m Revolving Credit Facility (RCF). The undrawn committed facilities as at 30 September 2024 amounted to £511m. In May 2024, the RCF was further extended and now matures in May 2029, the last of two one-year extension options having been exercised. During April 2024, the Group also entered into a new note Purchase Agreement which provided access to loan notes totalling £336m (£323m at 30 September 2024). The financial covenants across the facilities require leverage (net debt/adjusted EBITDA) of not more than three and a half times and adjusted interest cover of not less than four times.

Our base case scenario has been prepared using forecasts from each of our companies as well as expectations of cash outflows on acquisitions. In addition, a severe but plausible downside scenario has been modelled showing a decline in trading for the period ending 31 March 2025, 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 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.

New accounting standards and policies

The following standards, with an effective date of 1 January 2024, have been adopted without any significant impact on the amounts reported in these financial statements:

— Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

— Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

— Amendments to IAS 12 International Tax Reform Pillar Two Model Rule

— Amendments to IAS 7 and IFRS 7 – Supplier finance

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective. The Group is assessing any potential implication of adoption of these Standards and Interpretations in the future periods that are potentially relevant to the Group, but currently do not expect a material impact on the Group.

2 Segmental analysis and revenue from contracts with customers

Sector analysis

The Group has three main 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.

Segment revenue disaggregation (by location of external customer)

Unaudited six months to 30 September 2024
Revenue by sector and destination (all continuing operations)

	United States of America £m	Mainland Europe £m	United Kingdom £m	Asia Pacific £m	Africa, Near and Middle East £m	Other countries £m	Total £m
Safety	**119.3**	**128.1**	**84.3**	**74.1**	**22.1**	**16.8**	**444.7**
Environmental & Analysis	**227.9**	**33.7**	**45.9**	**38.3**	**7.9**	**7.2**	**360.9**
Healthcare	**144.8**	**46.1**	**22.1**	**35.9**	**6.8**	**13.3**	**269.0**
Inter-segmental sales	**–**	**–**	**(0.3)**	**–**	**–**	**–**	**(0.3)**
Revenue for the period	**492.0**	**207.9**	**152.0**	**148.3**	**36.8**	**37.3**	**1,074.3**

Unaudited six months to 30 September 2023
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	104.3	119.2	77.4	64.2	20.4	15.2	400.7
Environmental & Analysis	160.6	30.4	42.5	36.0	7.3	7.3	284.1
Healthcare	137.1	53.6	24.3	32.9	6.4	12.0	266.3
Inter-segmental sales	–	–	(0.6)	–	–	–	(0.6)
Revenue for the period	402.0	203.2	143.6	133.1	34.1	34.5	950.5

Audited year end 31 March 2024
Revenue by sector and destination (all continuing operations)

	United States of America £m	Mainland Europe £m	United Kingdom £m	Asia Pacific £m	Africa, Near and Middle East £m	Other countries £m	Total £m
Safety	219.4	240.2	156.8	129.8	46.4	31.2	823.8
Environmental & Analysis	387.8	73.1	89.7	76.0	17.5	14.3	658.4
Healthcare	288.1	106.2	48.5	68.9	14.6	26.6	552.9
Inter-segmental sales	–	–	(1.0)	–	–	–	(1.0)
Revenue for the period	895.3	419.5	294.0	274.7	78.5	72.1	2,034.1

Inter-segmental sales are charged at prevailing market prices and have not been disclosed separately by segment as they are not considered material. The Group does not analyse revenue by product group. Revenue derived from the rendering of services was £54.2m (six months to 30 September 2023: £50.5m; year to 31 March 2024: £113.3m). All revenue was otherwise derived from the sale of products.

The majority of the Group's revenue is recognised when control passes at a point in time.

Segment results

	Profit (all continuing operations)		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Segment profit before allocation of adjustments*			
Safety	**107.6**	89.5	191.6
Environmental & Analysis	**82.1**	59.3	147.9
Healthcare	**55.9**	62.4	125.6
	245.6	211.2	465.1
Segment profit after allocation of adjustments*			
Safety	**93.2**	78.6	170.2
Environmental & Analysis	**76.9**	52.7	138.0
Healthcare	**40.3**	52.6	100.8
Segment profit	**210.4**	183.9	409.0
Central administration costs	**(23.1)**	(21.3)	(41.1)
Group profit before interest and taxation	**187.3**	162.6	367.9
Net finance expense	**(13.3)**	(12.4)	(27.6)
Group profit before taxation	**174.0**	150.2	340.3
Taxation	**(37.8)**	(31.7)	(71.5)
Profit for the period	**136.2**	118.5	268.8

* Adjustments include the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit on disposal of operations and impairment of associates. Note 9 provides more information on alternative performance measures.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Acquisition transaction costs, adjustments to contingent consideration and inventory acquisition adjustments (collectively 'acquisition items') are recognised in the Consolidated Income Statement. Segment profit before these acquisition items and 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:

	Unaudited six months to 30 September 2024						
		Acquisition items					
	Amortisation of acquired intangibles £m	Transaction costs £m	Adjustments to contingent consideration £m	Release of acquisition adjustments to inventory £m	Total amortisation charge and acquisition items £m	Disposal of operations and impairment of associate (note 11) £m	Total £m
Safety	**(10.8)**	**(1.9)**	**–**	**(1.7)**	**(14.4)**	**–**	**(14.4)**
Environmental & Analysis	**(6.3)**	**(0.4)**	**(0.5)**	**–**	**(7.2)**	**2.0**	**(5.2)**
Healthcare	**(10.8)**	**(1.2)**	**(0.5)**	**(3.1)**	**(15.6)**	**–**	**(15.6)**
Total Segment & Group	**(27.9)**	**(3.5)**	**(1.0)**	**(4.8)**	**(37.2)**	**2.0**	**(35.2)**

The transaction costs arose mainly on the acquisitions during the period. In Safety, they related to the acquisitions of Jam Topco Limited (MK Test), G.F.E. - Global Fire Equipment - Montagem de Equipamento Electrónico S.A (Global Fire Equipment), Remlive Limited (Remlive) and Advantronic Systems, S.L. (Advantronic) in the current period and the Tedan Group in the prior year. In Environmental & Analysis, they relate to the acquisition of Hathorn which was acquired after the period end and Ziegler Electronic Devices GmbH (ZED) which was acquired in a prior year. In Healthcare, they related to the acquisitions of Infinite Leap and Rovers Medical Devices B.V. (Rovers) in previous years.

The £1.0m adjustments to contingent consideration comprised a debit of £0.5m in Environmental & Analysis arising from an increase in estimates of the payable for Alpha Instrumatics (Alpha), decrease in estimates of the payable for Visual Imaging Resourcing LLC and a decrease from exchange differences on balances denominated in Euros. In Healthcare, there was a debit of £0.5m arising from an increase in estimates of the payable for Rovers and a decrease from exchange differences on balances denominated in Euros.

The £4.8m release of fair value adjustments to inventory related to the TeDan Group, Global Fire Equipment, AprioMed AB, Rovers and Advantronic. All amounts have been released in relation to Global Fire Equipment, AprioMed AB and Rovers.

During the period, Hydreka S.A.S was disposed of for a profit of £3.0m and an impairment of investment in associate assets was recognised for OneThird B.V. of £1.0m.

Segment results (continued)

	Unaudited six months to 30 September 2023						
		Acquisition items					
	Amortisation of acquired intangibles £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 £m	Total £m
Safety	(9.6)	(0.6)	–	(1.2)	(11.4)	0.5	(10.9)
Environmental & Analysis	(5.4)	(0.5)	0.1	(0.8)	(6.6)	–	(6.6)
Healthcare	(8.4)	(0.1)	(0.4)	(0.9)	(9.8)	–	(9.8)
Total Segment & Group	(23.4)	(1.2)	(0.3)	(2.9)	(27.8)	0.5	(27.3)

The transaction costs arose mainly on the acquisitions during the period. In Safety, they relate to the acquisitions of Lazer Safe in the current period and FirePro in the prior year. In Environmental & Analysis, they relate to the acquisition of Sewertronics and Visual Imaging Resources. In Healthcare, they related to the acquisition of Visiometrics in a previous year.

Adjustment to contingent consideration comprised of a credit of £0.1m in Environmental & Analysis arising from exchange differences on balances denominated in Euros. In Healthcare, there was a debit of £0.6m arising from an increase in estimates of the payable for IZI and Spreo, partly offset by a credit arising from exchange differences on balances denominated in Euros.

The £2.9m release of fair value adjustments to inventory related to WEETECH, Thermocable, FirePro and Lazer Safe in Safety; Visual Imaging Resources in Environmental & Analysis; and IZI in Healthcare. All amounts have been released in relation to IZI, WEETECH and Thermocable.

	Audited year ended 31 March 2024						
		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 £m	Total £m
Safety	(19.5)	(0.9)	–	(1.5)	(21.9)	0.5	(21.4)
Environmental & Analysis	(11.6)	(1.3)	4.0	(1.0)	(9.9)	–	(9.9)
Healthcare	(18.4)	(2.4)	(0.1)	(3.9)	(24.8)	–	(24.8)
Total Segment & Group	(49.5)	(4.6)	3.9	(6.4)	(56.6)	0.5	(56.1)

The transaction costs arose mainly on the acquisitions during the year. In Safety, they related to the acquisition of Lazer Safe in the current year, FirePro in the previous year and MK Test that was purchased in April 2024. In Environmental & Analysis, they related to the acquisition of Sewertronics, Alpha Instrumatics (Alpha), Visual Imaging Resourcing (VIR) and Ziegler Electronic Devices (ZED). In Healthcare, they related to the acquisition of the TeDan Group, AprioMed and Rovers in the current year, and Infinite Leap and Visiometrics in previous years.

The £3.9m adjustment to contingent consideration comprised a credit of £4.0m in Environmental & Analysis arising from changes in the estimates of the payables for Sewertronics and Alpha and a £0.1m charge in Healthcare comprised changes in estimates for Spreo and IZI.

The £6.4m release of fair value adjustments to inventory related to WEETECH, Thermocable, FirePro and Lazer Safe in Safety; VIR in Environmental & Analysis; and IZI, AprioMed, TeDan Group, Rovers and Alpha in Healthcare. All amounts have been released in relation to IZI, WEETECH, Thermocable, FirePro, Lazer Safe, VIR and Alpha.

Information about major customers

Revenue from one customer of the Group's Environmental & Analysis segment represents 14% of the Group's total revenues for the period ended 30 September 2024 (six months to 30 September 2023: less than 10%; year to 31 March 2024: 12%). No other single customer amounted to more than 10% of the Group's revenue.

3 Finance income

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Interest receivable	**1.4**	0.7	1.2
Net interest credit on pension plans assets	**0.8**	0.9	1.9
Fair value movement on derivative financial instruments	**0.2**	0.2	–
	2.4	1.8	3.1

4 Finance expense

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Interest payable on borrowings	**13.3**	12.0	26.1
Interest payable on lease obligations	**1.9**	1.6	3.2
Amortisation of finance costs	**0.5**	0.5	0.9
Other interest payable	**–**	–	0.3
Fair value movement on derivative financial instruments	**–**	0.1	0.2
	15.7	14.2	30.7

5 Taxation

The Group's effective tax rate on Adjusted[1] profit was 22.4% (six months to 30 September 2023: 21.5%; year to 31 March 2024: 21.5%). The total Group tax charge for the six months to 30 September 2024 of £37.8m (six months to 30 September 2023: £31.7m; year to 31 March 2024: £71.5m) comprises a current tax charge of £42.9m (six months to 30 September 2023: £43.5m; year to 31 March 2024: £89.9m) and a deferred tax credit of £5.1m (six months to 30 September 2023: deferred tax credit £11.8m; year to 31 March 2024: deferred tax credit £18.4m). The tax charge is based on the estimated effective tax rates for the year, for profit before taxation before adjustments. The tax rates applied to the adjustments are established on an individual basis for each adjustment.

The tax charge includes £29.3m (six months to 30 September 2023: £21.5m; year to 31 March 2024: £50.9m) in respect of overseas tax.

The UK Finance (No. 2) Act 2023, enacted on 11 July 2023, contains the UK's provisions in relation to a new tax framework (part of the Organisation for Economic Co-operation and Development (OECD) BEPS initiative), which introduces a global minimum effective tax rate of 15% to large multinational groups, effective for accounting periods beginning on or after 31 December 2023 (year ended 31 March 2025 for Halma). To date, member states are in various stages of implementation and the OECD continues to refine technical guidance. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions, where the transitional safe harbour relief may not apply and the Pillar Two effective tax rate may be below 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

The Group is continuing to monitor income tax developments in the territories in which it operates to assess the impact of the Pillar Two income taxes legislation on its future financial performance, as well as the applicable accounting standards. The Group has applied the exemption under the IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

6 Earnings per ordinary 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 ordinary 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 the 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.

Earnings per ordinary share continued

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, 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:

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Earnings from continuing operations attributable to owners of the parent	**136.2**	118.5	268.8
Amortisation and impairment of acquired intangible assets (after tax)	**20.1**	17.6	37.4
Acquisition transaction costs (after tax)	**3.3**	1.2	4.3
Adjustments to contingent consideration (after tax)	**1.0**	0.3	(3.9)
Release of fair value adjustments to inventory (after tax)	**3.7**	2.2	4.9
Disposal of operations and restructuring (after tax)	**(3.0)**	(0.5)	(0.5)
Impairment of associate (after tax)	**1.0**	–	–
Adjusted earnings attributable to owners of the parent	**162.3**	139.3	311.0

Basic and diluted earnings per share

Per share

	Unaudited six months to 30 September 2024 pence	Unaudited six months to 30 September 2023 pence	Audited year to 31 March 2024 pence
Earnings per share from continuing operations attributable to owners of the parent	**36.08**	31.39	71.23
Amortisation and impairment of acquired intangible assets (after tax)	**5.35**	4.68	9.89
Acquisition transaction costs (after tax)	**0.87**	0.31	1.15
Adjustments to contingent consideration (after tax)	**0.27**	0.07	(1.04)
Release of fair value adjustments to inventory (after tax)	**0.97**	0.59	1.31
Disposal of operations and restructuring (after tax)	**(0.79)**	(0.14)	(0.14)
Impairment of associate (after tax)	**0.26**	–	–
Adjusted earnings per share attributable to owners of the parent	**43.01**	36.90	82.40
Diluted earnings per share from continuing operations attributable to owners of the parent	**35.98**	31.31	70.96

	Unaudited six months to 30 September 2024 shares, million	Unaudited six months to 30 September 2023 shares, million	Audited year to 31 March 2024 shares, million
Weighted average number of ordinary shares in issue			
For basic earnings per share	**377.4**	377.5	377.3
Dilutive potential ordinary shares – share awards	**1.1**	1.0	1.4
For diluted earnings per share	**378.5**	378.5	378.7

7 Dividends

Per share

	Unaudited six months to 30 September 2024 pence	Unaudited six months to 30 September 2023 pence	Audited year to 31 March 2024 pence
Amounts recognised as distributions and paid to shareholders in the period			
Final dividend for the year to 31 March 2024 (31 March 2023)	**13.20**	12.34	12.34
Interim dividend for the year to 31 March 2025 (31 March 2024)			8.41
	13.20	12.34	20.75
Dividends in respect of the period			
Proposed interim dividend for the year to 31 March 2025 (31 March 2024)	**9.00**	8.41	8.41
Final dividend for the year to 31 March 2025 (31 March 2024)			13.20
	9.00	8.41	21.61

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Amounts recognised as distributions and paid to shareholders in the period			
Final dividend for the year to 31 March 2024 (31 March 2023)	**49.9**	46.5	46.5
Interim dividend for the year to 31 March 2025 (March 2024)			31.7
	49.9	46.5	78.2
Dividends in respect of the period			
Proposed interim dividend for the year to 31 March 2025 (31 March 2024)	**34.0**	31.7	31.7
Final dividend for the year to 31 March 2025 (31 March 2024)			49.8
	34.0	31.7	81.5

8 Notes to the Consolidated Cash Flow Statement

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Reconciliation of profit from operations to net cash inflow from operating activities			
Profit on continuing operations before finance income and expense, share of results of associates, profit or loss on disposal of operations and impairment of associate	**185.4**	162.2	367.7
Non-cash (gain)/loss on hedging instruments	**(0.8)**	0.1	0.4
Depreciation and impairment of property, plant and equipment	**25.2**	22.1	44.4
Amortisation and impairment of computer software	**0.7**	1.0	1.8
Amortisation of capitalised development costs and other intangibles	**5.3**	5.1	9.9
Impairment of capitalised development costs	**0.3**	–	3.0
Amortisation and impairment of acquired intangible assets	**27.9**	23.4	49.5
Share-based payment expense less amounts paid	**2.8**	4.7	16.9
Payments to defined benefit pension plans net of service costs	**0.1**	(2.4)	(3.0)
Loss/(profit) on sale of property, plant and equipment, capitalised development costs and computer software	**0.2**	(0.3)	(0.2)
Operating cash flows before movement in working capital	**247.1**	215.9	490.4
Decrease/(increase) in inventories	**4.0**	(4.3)	19.6
Decrease/(increase) in receivables	**8.1**	8.2	(46.4)
(Decrease)/increase in payables and provisions	**(5.7)**	(19.1)	13.8
Revision to estimate and exchange difference on contingent consideration payable less amounts paid in excess of payable estimated on acquisition	**0.9**	(1.1)	(5.2)
Cash generated from operations	**254.4**	199.6	472.2
Taxation paid	**(65.0)**	(45.6)	(87.2)
Net cash inflow from operating activities	**189.4**	154.0	385.0

	Unaudited 30 September 2024 £m	Unaudited 30 September 2023 £m	Audited 31 March 2024 £m
Analysis of cash and cash equivalents			
Cash and bank balances	**180.2**	136.4	142.7
Overdrafts (included in current borrowings)	**(0.5)**	(0.6)	(0.3)
Cash and cash equivalents	**179.7**	135.8	142.4

	At 31 March 2024 £m	Cash flow £m	Net cash/(debt) acquired/ disposed £m	Lease liabilities additions £m	Exchange adjustments £m	At 30 September 2024 £m
Analysis of net debt						
Cash and bank balances	142.7	**34.5**	**6.4**	**–**	**(3.4)**	**180.2**
Overdrafts	(0.3)	**(0.1)**	–	**–**	**(0.1)**	**(0.5)**
Cash and cash equivalents	142.4	**34.4**	**6.4**		**(3.5)**	**179.7**
Loan notes falling due after more than one year	(370.9)	**(335.8)**	**–**	**–**	**20.2**	**(686.5)**
Bank loans falling due within one year	–	**43.2**	**(43.2)**	**–**	**–**	**–**
Bank loans falling due after more than one year	(341.0)	**298.1**	**–**	**–**	**(1.3)**	**(44.2)**
Lease liabilities	(83.7)	**12.7**	**0.1**	**(28.2)**	**3.4**	**(95.7)**
Total net debt	(653.2)	**52.6**	**(36.7)**	**(28.2)**	**18.8**	**(646.7)**

Overdrafts falling due within one year are included as current borrowings in the Consolidated Balance Sheet. Loan notes and bank loans falling due after more than one year are included as non-current borrowings.

The Group makes use of short-term money market deposits to utilise excess cash. Deposits can vary in duration up to three months but are typically overnight. The deposits are shown within Cash and cash equivalents.

9 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 non-trading items that are not closely related to the Group's trading or operating cash flows. These measures include Return on Total Invested Capital (ROTIC), Return on Capital Employed (ROCE), Organic growth at constant currency, net debt, Adjusted operating profit, Adjusted profit before interest and taxation (Adjusted EBIT), cash conversion and Adjusted operating cash flow.

Note 2 provides further analysis of the adjusting items in reaching adjusted profit measures.

Return on Total Invested Capital (ROTIC)

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Profit after tax	**136.2**	118.5	268.8
Adjustments[1]	**26.1**	20.8	42.2
Adjusted profit after tax[1]	**162.3**	139.3	311.0
Total equity	**1,740.6**	1,650.7	1,736.5
Less net retirement benefit assets	**(3.6)**	(33.1)	(30.9)
Deferred tax liabilities on retirement benefit asset	**1.0**	8.4	7.9
Cumulative fair value adjustments on equity investments through other comprehensive income	**(3.2)**	(4.4)	(3.2)
Cumulative amortisation and impairment of acquired intangible assets	**467.1**	443.5	458.2
Historical adjustments to goodwill[2]	**89.5**	89.5	89.5
Total Invested Capital	**2,291.4**	2,154.6	2,258.0
Average Total Invested Capital[3]	**2,274.7**	2,114.2	2,165.9
Return on Total Invested Capital (ROTIC) (annualised)[4]	**14.3%**	13.2%	14.4%

Return on Capital Employed (ROCE)

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Profit before tax	**174.0**	150.2	340.3
Adjustments[1]	**35.2**	27.3	56.1
Net finance costs	**13.3**	12.4	27.6
Lease interest	**(1.9)**	(1.6)	(3.2)
Adjusted operating profit[1] after share of results of associates and lease interest	**220.6**	188.3	420.8
Computer software costs within intangible assets	**3.2**	2.5	3.3
Capitalised development costs within intangible assets	**53.1**	51.3	51.8
Other intangibles within intangible assets	**3.0**	4.0	3.5
Property, plant and equipment	**252.9**	230.2	236.8
Inventories	**298.8**	319.6	304.8
Trade and other receivables	**445.4**	407.2	460.9
Current trade and other payables	**(284.9)**	(263.8)	(296.5)
Current lease liabilities	**(21.0)**	(19.5)	(19.5)
Current provisions	**(34.8)**	(22.0)	(35.0)
Net tax receivable/(payable)	**22.8**	0.8	(0.9)
Non-current trade and other payables	**(25.0)**	(22.3)	(23.9)
Non-current provisions	**(9.9)**	(12.0)	(10.7)
Non-current lease liabilities	**(74.7)**	(67.6)	(64.2)
Add back contingent purchase consideration provision	**21.1**	20.3	29.2
Capital Employed	**650.0**	628.7	639.6
Average Capital Employed[3]	**644.8**	612.0	617.4
Return on Capital Employed (ROCE) (annualised)[4]	**68.4%**	61.6%	68.2%

1 Adjustments include the amortisation and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates. Where after-tax measures, these also include the associated taxation on adjusting items.
2 Includes goodwill amortised prior to 3 April 2004 and goodwill taken to reserves.
3 The ROTIC and ROCE measures are expressed as a percentage of the average of the current period's and prior year's Total Invested Capital and Capital Employed respectively. Using an average as the denominator is considered to be more representative. The 1 April 2023 Total Invested Capital and Capital Employed balances were £2,073.8m and £595.2m respectively.
4 The ROTIC and ROCE measures are calculated as annualised Adjusted profit after tax divided by Average Total Invested Capital and annualised Adjusted operating profit after share of results of associates and lease interest divided by Average Capital Employed respectively.

Organic growth and constant currency

Organic growth measures the change in revenue and profit from continuing Group operations. The measure equalises the effect of acquisitions by:

a. removing from the year of acquisition their entire revenue and profit before taxation,

b. in the following year, removing from the current year, the revenue and profit for the number of months equivalent to the pre-acquisition period in the prior year, and

c. removing from the year prior to acquisition any revenue generated by sales to the acquired company which would have been eliminated on consolidation had the acquired company been owned for that period.

The results of disposals are removed from the prior period reported revenue and profit before taxation.

Constant currency measures the change in revenue and profit excluding the effects of currency movements. The measure restates the current year's revenue and profit at last year's exchanges rates.

Organic growth at constant currency has been calculated as follows:

	Revenue		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	**% growth**
Continuing operations	**1,074.3**	950.5	**13.0**
Acquired and disposed revenue	**(33.7)**	(3.2)	
Organic growth	**1,040.6**	947.3	**9.8**
Constant currency adjustment	**15.2**		
Organic growth at constant currency	**1,055.8**	947.3	**11.5**

	Adjusted* profit before interest and taxation			Adjusted* profit before taxation		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	**% growth**	**Unaudited six months to 30 September 2024 £m**	Unaudited six months to 30 September 2023 £m	**% growth**
Continuing operations	**222.5**	189.9	**17.2**	**209.2**	177.5	**17.9**
Acquired and disposed profit	**(7.8)**	0.4		**(1.8)**	0.4	
Organic growth	**214.7**	190.3	**12.8**	**207.4**	177.9	**16.6**
Constant currency adjustment	**3.8**			**3.8**		
Organic growth at constant currency	**218.5**	190.3	**14.8**	**211.2**	177.9	**18.7**

* Adjustments include the amortisation of acquired intangible assets and impairment of acquired intangible assets; significant acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates.

Sector organic growth at constant currency

Organic growth at constant currency is calculated for each segment using the same method as described above.

Safety

	Revenue			Adjusted* profit before taxation		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	**% growth**	**Unaudited six months to 30 September 2024 £m**	Unaudited six months to 30 September 2023 £m	**% growth**
Continuing operations	**444.7**	400.7	**11.0**	**107.6**	89.5	**20.2**
Acquisition, disposal and currency adjustments	**(6.5)**	(0.9)		**(0.9)**	0.6	
Organic growth at constant currency	**438.2**	399.8	**9.6**	**106.7**	90.1	**18.4**

Environmental & Analysis

	Revenue			Adjusted* profit before taxation		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	**% growth**	**Unaudited six months to 30 September 2024 £m**	Unaudited six months to 30 September 2023 £m	**% growth**
Continuing operations	**360.9**	284.1	**27.0**	**82.1**	59.3	**38.4**
Acquisition, disposal and currency adjustments	**(2.6)**	(2.4)		**(1.7)**	(0.2)	
Organic growth at constant currency	**358.3**	281.7	**27.2**	**80.4**	59.1	**36.0**

Healthcare

	Revenue			Adjusted* profit before taxation		
	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	% growth	**Unaudited six months to 30 September 2024 £m**	Unaudited six months to 30 September 2023 £m	% growth
Continuing operations	**269.0**	266.3	**1.0**	**55.9**	62.4	**(10.4)**
Acquisition, disposal and currency adjustments	**(9.3)**	-		**(1.5)**	-	
Organic growth at constant currency	**259.7**	266.3	**(2.5)**	**54.4**	62.4	**(12.8)**

* Adjustments include the amortisation of acquired intangible assets and impairment of acquired intangible assets; acquisition items; significant restructuring costs; profit or loss on disposal of operations and impairment of associates.

Earnings before Interest and Tax (EBIT)

EBIT is equal to Profit before interest and taxation as presented on the face of the Consolidated Income Statement. In the analysis by sector, profit is Adjusted operating profit before central administration costs after share of associate which equals Adjusted EBIT.

Net debt/adjusted EBITDA

Net debt is the leverage defined in the Group's RCF agreement as Borrowings plus lease liabilities net of Cash and bank balances. Adjusted EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) is used to calculate covenant compliance and leverage, and is defined in the RCF agreement. The Net debt/adjusted EBITDA is calculated as annualised EBITDA divided by net debt.

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Profit before interest and taxation (EBIT)	**187.3**	162.6	367.9
Add back:			
Acquisition items	**9.3**	4.4	7.1
Impairment of associate	**1.0**	–	–
Profit on disposal of operations	**(3.0)**	(0.5)	(0.5)
Amortisation and impairment of acquired intangibles	**27.9**	23.4	49.5
Adjusted profit before interest and taxation (Adjusted EBIT)	**222.5**	189.9	424.0
Depreciation, impairment and amortisation (excluding acquired intangibles)	**31.5**	28.2	59.1
EBITDA	**254.0**	218.1	483.1
Net Debt (note 8)	**646.7**	618.8	653.2
Net debt/adjusted EBITDA (annualised) ratio	**1.27**	1.42	1.35

Adjusted operating profit

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Operating profit	**185.4**	162.2	367.7
Add back:			
Acquisition items	**9.3**	4.4	7.1
Amortisation and impairment of acquired intangible assets	**27.9**	23.4	49.5
Adjusted operating profit	**222.6**	190.0	424.3

Adjusted operating cash flow

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Net cash from operating activities (note 8)	**189.4**	154.0	385.0
Add back:			
Net acquisition costs paid	**3.7**	3.1	6.0
Taxes paid	**65.0**	45.5	87.2
Proceeds from sale of property, plant and equipment and capitalised development costs	**0.2**	0.7	1.6
Share awards vested not settled by own shares*	**9.3**	5.1	5.4
Deferred consideration paid in excess of payable estimated on acquisition	**0.1**	1.4	1.5
Less:			
Purchase of property, plant and equipment (excluding Right of use assets)	**(18.8)**	(19.3)	(32.8)
Purchase of computer software and other intangibles	**(0.8)**	(0.6)	(2.4)
Development costs capitalised	**(8.5)**	(7.4)	(16.4)
Adjusted operating cash flow	**239.6**	182.5	435.1
Cash conversion % (adjusted operating cash flow/adjusted operating profit)	**107.6%**	96.1%	102.5%

* See Consolidated Statement of Changes in Equity.

10 Acquisitions

In accounting for acquisitions, adjustments are made to the book values of the net assets of the companies acquired to reflect their fair values to the Group. Other previously unrecognised assets and liabilities at acquisition are included and accounting policies are aligned with those of the Group where appropriate.

During the six months ended 30 September 2024, the Group made four acquisitions namely:

1. Jam Topco Limited (MK Test);
2. G.F.E. - Global Fire Equipment - Montagem de Equipamento Electrónico S.A (GFE);
3. Remlive Limited; and
4. Advantronic Systems, S.L. (Advantronic).

Set out on the following pages are summaries of the assets acquired and liabilities assumed and the purchase consideration of:

a. Total of acquisitions;
b. Jam Topco Limited (MK Test);
c. G.F.E. - Global Fire Equipment - Montagem de Equipamento Electrónico S.A (GFE);
d. Remlive Limited;
e. Advantronic Systems, S.L. (Advantronic); and
f. Adjustments in respect of prior year acquisitions.

Due to their contractual dates, the fair value of receivables acquired (shown below) approximate to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial.

There are no material contingent liabilities recognised in accordance with paragraph 23 of IFRS 3 (revised).

The acquisitions contributed £11.7m of revenue and £2.1m of profit after tax for the six months ended 30 September 2024. If these acquisitions had been held since the start of the financial year, it is estimated that the Group's reported revenue would have been £5.2m higher and profit after tax would have remained the same.

As at the date of approval of the financial statements, the accounting for all acquisitions since 21 November 2023, 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.

a) Total of acquisitions

	Unaudited £m
Non-current assets	
Intangible assets	**33.0**
Investments	**0.1**
Property, plant and equipment	**5.9**
Deferred tax	**0.2**
Current assets	
Inventories	**9.4**
Trade and other receivables	**9.0**
Corporation tax asset	**0.3**
Cash and cash equivalents	**7.6**
Total assets	**65.5**
Current liabilities	
Payables	**(8.2)**
Borrowings	**(43.2)**
Lease liabilities	**(0.1)**
Provisions	**(0.2)**
Corporation tax liability	**(0.1)**
Non-current liabilities	
Lease liabilities	**(0.6)**
Deferred tax	**(7.9)**
Total liabilities	**(60.3)**
Net assets of businesses acquired	**5.2**
Initial cash consideration paid	**46.6**
Other adjustments	**-**
Other amounts to be paid	**0.8**
Contingent purchase consideration including retentions estimated to be paid	**0.9**
Total consideration	**48.3**
Total goodwill	**43.1**

Total goodwill of £43.1m comprises £37.2m relating to current year acquisitions and £5.9m relating to prior year acquisitions within 12 months of the acquisition date, including the Tedan Group and Rovers Medical Devices B.V..

Other adjustments are primarily adjustments for acquired working capital once balances are fully reconciled, forming part of the contractual payment mechanisms.

Analysis of cash outflow in the Consolidated Cash Flow Statement

	Unaudited six months to 30 September 2024 £m	Unaudited six months to 30 September 2023 £m	Audited year to 31 March 2024 £m
Initial cash consideration paid	**46.6**	60.4	247.7
Cash acquired on acquisitions	**(7.6)**	(1.7)	(8.3)
Initial cash consideration adjustment received on current year acquisitions	**-**	(1.7)	(2.0)
Contingent consideration paid	**9.3**	2.8	2.9
Net cash outflow relating to acquisitions	**48.3**	59.8	240.3
Included in cash flows from operating activities	**0.1**	1.4	1.5
Included in cash flows from investing activities	**48.2**	58.4	238.8

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 £43.2m of debt acquired; £38.0m in relation to MK Test and £5.2m in relation to GFE.

b) Jam Topco Limited (MK Test)

	Unaudited £m
Non-current assets	
Intangible assets	**26.1**
Property, plant and equipment	**0.8**
Deferred tax	**0.3**
Current assets	
Inventories	**1.8**
Trade and other receivables	**5.1**
Corporation tax asset	**0.3**
Cash and cash equivalents	**1.7**
Total assets	**36.1**
Current liabilities	
Payables	**(5.2)**
Borrowings	**(38.0)**
Non-current liabilities	
Lease liabilities	**(0.5)**
Deferred tax	**(6.8)**
Total liabilities	**(50.5)**
Net liabilities of businesses acquired	**(14.4)**
Initial cash consideration paid	**6.3**
Other adjustments	**0.3**
Other amounts to be paid	**0.3**
Total consideration	**6.9**
Total goodwill	**21.3**

On 30 April 2024, the Group acquired the entire share capital of Jam Topco Limited and its subsidiaries Jam Bidco Limited, MK Test Group Limited, MK Test Systems Ltd, MK Test Holdings Limited, and MK Test Systems America Inc.

The group ('MK Test') was acquired for a total estimated consideration of £6.9m. The initial consideration comprised the cash and debt free purchase price of £43.2m, plus cash acquired of £1.7m less debt acquired of £38.0m, working capital adjustments of £0.3m and amounts to be paid to the sellers of £0.3m. The debt acquired of £38.0m was settled immediately post-acquisition. There is no contingent consideration payable.

Founded in 1990 and headquartered in Wellington, Somerset, UK, MK Test designs and manufactures safety-critical electrical testing technology. Its products are used globally to test the integrity of high voltage electrical systems in aerospace, rail and commercial EV industries. MK Test will continue to run under its own management team and has become part of the Group's Safety sector.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £19.2m; trade names of £2.2m and technology related intangibles of £4.7m.

The residual goodwill of £21.3m represents:
a) the technical expertise of the acquired workforce;
b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
c) the ability to exploit the Group's existing customer base.

MK Test contributed £7.6m of revenue and £1.5m of profit after tax for the 5-month period ended 30 September 2024. If this acquisition had been held since the start of the financial year, it is estimated that the Group's reported revenue and profit after tax would have been £0.9m higher and £0.3m lower respectively.

Acquisition costs totalling £0.9m were recorded in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

c) G.F.E. - Global Fire Equipment - Montagem de Equipamento Electrónico S.A (GFE)

	Unaudited £m
Non-current assets	
Intangible assets	**13.8**
Investments	**0.1**
Property, plant and equipment	**4.3**
Current assets	
Inventories	**6.5**
Trade and other receivables	**2.9**
Cash and cash equivalents	**5.5**
Total assets	**33.1**
Current liabilities	
Payables	**(2.8)**
Borrowings	**(5.2)**
Lease liabilities	**(0.1)**
Non-current liabilities	
Deferred tax	**(2.7)**
Total liabilities	**(10.8)**
Net assets of businesses acquired	**22.3**
Initial cash consideration paid	**35.2**
Other adjustments	**(0.6)**
Other amounts to be paid	**0.5**
Contingent purchase consideration including retentions estimated to be paid	**0.5**
Total consideration	**35.6**
Total goodwill	**13.3**

On 26 June 2024, the Group acquired the entire share capital of GFE and its subsidiaries GFE TEC, Createch SA and Nibble Engenharia Lda.

The group ("GFE") was acquired for a total estimated consideration of €42.0m (£35.6m). The initial consideration comprised the cash and debt free purchase price of €41.3m (£34.9m), plus cash acquired of €6.5m (£5.5m) less debt acquired of €6.1m (£5.2m), less other adjustments of €0.7m (£0.6m). Other amounts to be paid relates to €1.1m (£1.0m) of retention amounts due. £0.5m was paid by period end and the balance is recorded as contingent purchase consideration including retentions estimated to be paid.

Based in Faro, Portugal, GFE designs and manufactures high-quality fire detection and alarm systems. GFE was bought as a bolt-on for the Group's Ampac businesses and so joins the Safety sector.

On acquisition, acquired intangibles were recognised relating to customer related intangibles of £8.4m, trade name of £2.0m and technology related intangibles of £3.4m.

The residual goodwill of £13.3m represents:
a) the technical expertise of the acquired workforce;
b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
c) the ability to exploit the Group's existing customer base.

GFE contributed £3.3m of revenue and £0.4m of profit after tax for the 3-month period ended 30 September 2024. If this acquisition had been held since the start of the financial period, it is estimated that the Group's reported revenue would have been £3.1m higher and profit after tax would have been £0.4m higher.

Acquisition costs totalling £0.8m were recognised in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

d) Remlive Limited (Remlive)

	Unaudited £m
Non-current assets	
Intangible assets	**1.4**
Current assets	
Inventories	**0.6**
Trade and other receivables	**0.2**
Cash and cash equivalents	**0.1**
Total assets	**2.3**
Current liabilities	
Payables	**(0.1)**
Corporation tax liability	**(0.1)**
Non-current liabilities	
Deferred tax	**(0.4)**
Total liabilities	**(0.6)**
Net assets of business acquired	**1.7**
Initial cash consideration paid	**3.2**
Contingent purchase consideration including retentions estimated to be paid	**0.4**
Total consideration	**3.6**
Total goodwill	**1.9**

On 10 July 2024, the Group acquired the entire share capital of Remlive Limited (Remlive).

Remlive was acquired for a total estimated consideration of £3.6m. The initial consideration comprised the cash and debt free purchase price of £3.1m, plus cash acquired of £0.1m. Other amounts to be paid relates to £0.4m of retention amounts due.

Based in the United Kingdom, Remlive designs and manufactures electrical safety warning indicators. Remlive was bought as a bolt-on for the Group's Fortress businesses and so joins the Safety sector.

On acquisition, acquired intangibles were recognised relating to a trade name of £0.3m and technology related intangibles of £1.1m.

The residual goodwill of £1.9m represents:
a) the technical expertise of the acquired workforce;
b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
c) the ability to exploit the Group's existing customer base.

Remlive contributed £0.4m of revenue and £0.2m of profit after tax for the 3-month period ended 30 September 2024. If this acquisition had been held since the start of the financial period, it is estimated that the Group's reported revenue would have been £0.2m higher and profit after tax would have been £0.1m lower.

Acquisition costs totalling £0.1m were recognised in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

e) Advantronic Systems, S.L. (Advantronic)

	Unaudited £m
Non-current assets	
Intangible assets	**0.6**
Property, plant and equipment	**0.1**
Current assets	
Inventories	**0.6**
Trade and other receivables	**0.8**
Cash and cash equivalents	**0.3**
Total assets	**2.4**
Current liabilities	
Payables	**(0.6)**
Non-current liabilities	
Lease liabilities	**(0.1)**
Deferred tax	**(0.2)**
Total liabilities	**(0.9)**
Net assets of business acquired	**1.5**
Initial cash consideration paid	**1.9**
Other adjustments	**0.3**
Total consideration	**2.2**
Total goodwill	**0.7**

On 29 July 2024, the Group acquired the entire share capital of Advantronic. Advantronic was acquired for a total consideration of €2.6m (£2.2m). The initial consideration comprised the cash and debt free purchase price of €2.0m (£1.6m), plus cash acquired of €0.3m (£0.3m) plus working capital adjustments of €0.3m (£0.3m).

Based in Madrid, Spain, Advantronic manufactures control panels, distributes fire alarm systems and has strong expertise in wireless technology. Advantronic was bought as a bolt-on for the Group's Orama businesses and so joins the Safety sector.

On acquisition the acquired intangibles were recognised relating to customer related intangibles of £0.4m, trade name of £0.1m and technology related intangibles of £0.1m.

The residual goodwill of £0.7m represents:
a) the technical expertise of the acquired workforce;
b) the opportunity to leverage this expertise across some of the Group's businesses through future technologies; and
c) the ability to exploit the Group's existing customer base.

Advantronic contributed £0.4m of revenue and nil profit after tax for the 2-month period ended 30 September 2024. If this acquisition had been held since the start of the financial period, it is estimated that the Group's reported revenue would have been £1.0m higher and profit after tax would have been unchanged.

Acquisition costs totalling £0.1m were recognised in the Consolidated Income Statement.

The goodwill arising on this acquisition is not expected to be deductible for tax purposes.

f) Adjustments in respect of prior year acquisitions

	Unaudited Total £m
Non-current assets	
Intangible assets	**(8.9)**
Property, plant and equipment	**0.7**
Deferred tax	**(0.1)**
Current assets	
Inventories	**(0.1)**
Total assets	**(8.4)**
Current liabilities	
Payables	**0.5**
Provisions	**(0.2)**
Non-current liabilities	
Deferred tax	**2.2**
Total liabilities	**2.5**
Net assets of business acquired	**(5.9)**
Total goodwill	**5.9**

In finalising the acquisition accounting for the prior year acquisition of the Tedan Group, an adjustment of £0.5m was made to increase property, plant and equipment, a reduction of £0.1m was made to payables and an increase of £0.1m to deferred tax liability. Overall this resulted in a corresponding decrease in goodwill of £0.5m.

In finalising the acquisition accounting for the prior year acquisition of Rovers Medical Devices B.V., an adjustment to reduce the valuation of acquired intangible assets by £8.9m was made. An adjustment to increase property, plant and equipment of £0.2m, reduce deferred tax asset by £0.1m and reduce inventories by £0.1m. Other adjustments included a reduction to payables by £0.4m, an increase to provisions by £0.2m and a reduction of deferred tax liabilities by £2.3m. Overall this resulted in a corresponding increase in goodwill of £6.4m.

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.

11 Disposal of operations

On 31 May 2024, the Group disposed of Hydreka S.A.S. including its subsidiary, Enoveo S.A.S., to a third party for proceeds of €8.8m (£7.5m). This transaction resulted in the recognition of a gain in the Consolidated Income Statement as follows:

	Total £m
Proceeds of disposal	**7.5**
Less: net assets on disposal	**(3.2)**
Less: allocation of goodwill disposed	**(2.0)**
Less: costs of disposal	**(0.4)**
Add: translation reserve recycled to profit and loss	**1.1**
Profit on disposal	**3.0**

Cash received on disposal of operations of €6.7m (£5.6m) comprised proceeds of €8.8m (£7.5m), less amounts to be received of €0.7m (£0.7m) net of cash disposed of €1.4m (£1.2m). Of the amount to be received, €0.3m (£0.3m) was received in October 2024 and the balance is held in escrow and will be receivable within 12 months.

12 Fair values of financial assets and liabilities

As at 30 September 2024, 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 rate 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 January 2016, May 2022 and April 2024 is estimated to be £689.1m, against a carrying value of £686.5m.

The fair value of 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.

As at 30 September 2024, the total forward foreign currency contracts and swaps outstanding were £68.6m. The contracts 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.

The fair values of the forward contracts are disclosed as a £2.0m (30 September 2023: £0.7m; 31 March 2024: £0.7m) asset and £1.0m (30 September 2023: £0.8m; 31 March 2024: £2.6m) liability in the Consolidated Balance Sheet.

Any movements in the fair values of the forward contracts are recognised in equity until the hedge transaction occurs, when gains or losses are recycled to finance income or finance expense.

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 values of the equity instruments held at fair value through other comprehensive income at 30 September 2024 were £18.0m (30 September 2023: £18.9m; 31 March 2024: £18.0m). This is within 'Interests in associates and other investments' on the Consolidated Balance Sheet.

The fair value adjustment recognised in other comprehensive income for the six months to 30 September 2024 was £Nil (six months to 30 September 2023: £Nil; year to 31 March 2024: loss of £1.2m).

13 Contingent liability

Group financing exemptions applicable to UK controlled foreign companies

On 2 April 2019, the European Commission (EC) published its final decision that the UK controlled Foreign Company Partial Exemption (FCPE) constitutes State Aid. As previously reported, the Group has benefited from the FCPE, which amounts to £15.4m of tax for the period from 1 April 2013 to 31 December 2018.

Appeals had been made by the UK Government, the Group and other UK-based groups to annul the EC decision. On 8 June 2022, the EU General Court delivered its decision in favour of the EC. In August 2022, the UK Government appealed this decision. On 19 September 2024, the European Court of Justice annulled the EC's original decision and found in favour of ITV and HMRC that the UK CFC legislation did not contravene EU State Aid rules. This judgement is now final. Halma expects this decision to apply to its appeal, in its favour, and as such management remains of the view that it is probable that it will receive a refund of the amounts previously collected by HMRC in respect of this matter.

Notwithstanding this appeal, under EU law, the UK Government was required to commence collection proceedings. In January 2021, the Group received a Charging Notice from HM Revenue & Customs (HMRC) for £13.9m assessed for the period from 1 April 2016 to 31 December 2018. The Group has appealed against the notice but, as there was no right of postponement, the amount charged was paid in full in February 2021 with a further £0.8m of interest paid in May 2021. In February 2021, the Group received confirmation from HMRC that it was not a beneficiary of State Aid for the period from 1 April 2013 to 31 March 2016.

As the amounts paid are expected to be fully recovered, the Group continues to recognise a receivable of £14.7m (31 March 2023: £14.7m) on the Consolidated Balance Sheet within non-current assets.

Other contingent liabilities

The Group has widespread global operations and is consequently a defendant in many 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 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.

14 Retirement benefits

At 30 September 2024, the Group's defined benefit pension plans have a net retirement benefit asset of £3.6m (30 September 2023: £33.1m, 31 March 2024: £30.9m). On 6 September 2024 the Group's two main defined benefit plans, Halma Group Pension Plan and the Apollo Pension and Life Assurance Plan, purchased buy-in policies with Standard Life which required the sale and transfer of the majority of each schemes' assets. The buy-in policies are presented as pension plan assets with the fair value being the present value of the schemes defined benefit obligations. Any 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 schemes that was not required to cover the pension buy-in policies. The buy-in transactions had no cash effect on the Group. On an IAS 19 basis, £27.9m of actuarial losses have been recognised in the Consolidated Statement of Comprehensive Income and Expenditure, this includes the revaluation of the insurance assets which had no impact on the income statement.

15 Events subsequent to the end of the reporting period

On 1 October 2024, the Group acquired the entire share capital of Hathorn Corporation, based in Ontario, Canada, along with its subsidiary Reliable Drain Cameras and Repair Inc in Ohio, US, for a cash consideration of CAD$44.4m (c.£25m) on a cash and debt-free basis. Hathorn designs and manufactures pipeline inspection products for the wastewater market. Hathorn was brought as a bolt-on for the Minicam Group and so joins the Environmental and Analysis sector.

On 15 November 2024, the Group acquired the entire share capital of Lamidey Noury Medical, SAS, based in Paris, France for a cash consideration of €50m (c.£42m) on a cash and debt-free basis. Lamidey Noury is a French manufacturer of minimally invasive surgery products and will be part of the Healthcare sector.

On 18 November 2024, the Group acquired the entire share capital of Safe-Com Wireless LLC, based in Holmdel, New Jersey, USA for a maximum consideration of $10m (c.£8m) on a cash and debt-free basis. Safe-Com are a US-based manufacturer of emergency responder communication enhancement systems and will be a bolt-on for Avire in the Safety sector.

There were no other known material non-adjusting events which occurred between the end of the reporting period and prior to the authorisation of these financial statements on 21 November 2024.

16 Other matters

Seasonality

The Group's financial results have not historically been subject to significant seasonal trends.

Equity and borrowings

Issues and repurchases of Halma plc's ordinary shares and drawdowns and repayments of borrowings are shown in the Consolidated Cash Flow Statement.

Related party transactions

There were no significant changes in the nature and size of related party transactions for the period to those reported in the Annual Report and Accounts 2024.

17 Principal risks and uncertainties

A number of potential risks and uncertainties exist that could have a material impact on the Group's performance over the second half of the financial year and could cause actual results to differ materially from expected and historical results.

The Group has in place processes for identifying, evaluating and managing key risks. These risks, together with a description of the approach to mitigating them, are set out on pages 108 to 117 in the Annual Report and Accounts 2024, which is available on the Group's website at www.halma.com. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the Annual Report and Accounts.

The principal risks and uncertainties relate to:

- Cyber and IT interruption
- Organic growth
- Acquisitions and investments
- Talent and diversity
- Innovation
- Economic and geopolitical uncertainty
- Natural hazards, including climate change
- Business model and its communication
- Non-compliance with laws and regulations
- Financial controls
- Liquidity
- Product failure or non-compliance

18 Responsibility statement

The Directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

By order of the Board

Marc Ronchetti	**Steve Gunning**
Group Chief Executive	Chief Financial Officer

21 November 2024