## DPLM XLON Diploma PLC

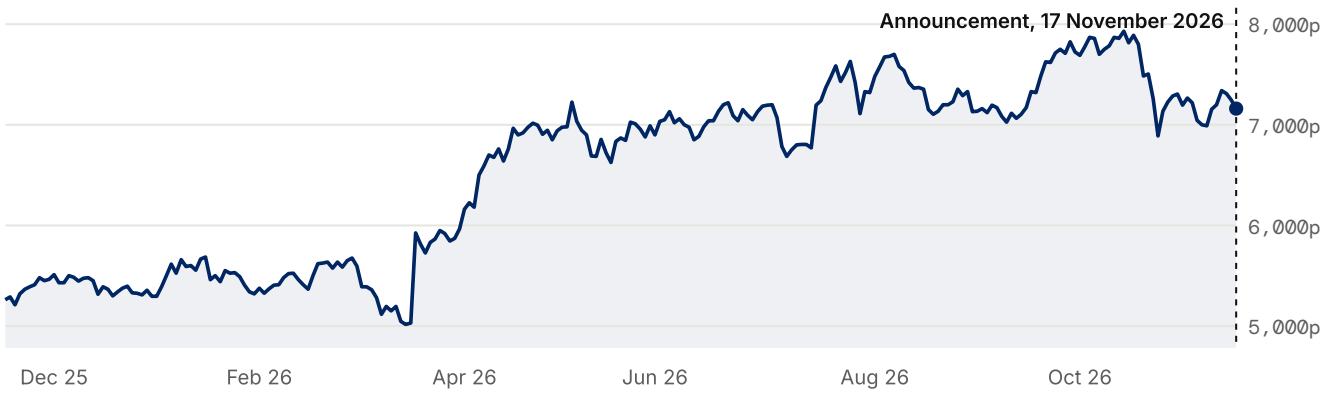
Diploma PLC Full Year Results 2026 · RNS 3807D · 17 November 2026

# Diploma lifts adjusted EPS 45% in FY26 and guides to slower 6% organic growth for FY27

| | |
|---|---|
| Share price | 7,145p |
| Market cap | £9.60bn |
| 52-week range | 4,970p - 7,980p |
| Shares in issue | 134.3m |
| 12-month change | +36.1% |

Ticker Data API, as at 16 Nov 2026, 16:29

### SHARE PRICE, 12 MONTHS




### SUMMARY

Diploma's full-year results today showed revenue up 21% to £1,840.3m and adjusted earnings per share up 45% to 255.6p for the year to 30 September 2026, with organic growth of 15% and an adjusted operating margin of 26.5%. Each matched or beat the guidance raised in July. For FY27 the group guides to 12% total revenue growth at constant currency, of which 6% is organic, and a 25.5% margin, with double-digit growth in the first quarter easing from the second. The longer-term case rests on Controls, 61% of revenue and up 25% organically, and on a steady acquisition programme of 16 businesses since the start of FY26. Against that sit a sharp guided slowdown, a widening gap between adjusted and statutory profit, and a £9.60bn market value with the shares at 7,145p on results day.

## KEY FIGURES

| FIGURE | VALUE | PERIOD | CHANGE |
|---|---|---|---|
| Revenue | £1,840.3m | FY26 (year to 30 Sep 2026) | +21% (FY25: £1,524.5m) |
| Organic revenue growth | 15% | FY26 | FY25: 11% |
| Adjusted operating profit | £487.1m | FY26 | +42% (FY25: £342.7m) |
| Statutory operating profit | £390.0m | FY26 | FY25: £283.7m |
| Adjusted earnings per share | 255.6p | FY26 | +45% (FY25: 176.0p) |
| Basic earnings per share | 192.2p | FY26 | FY25: 137.9p |
| Free cash flow | £323.3m | FY26 | FY25: £247.2m; conversion 94% vs 105% |
| FY27 guided organic revenue growth | 6% | FY27 guidance, constant currency | Total growth guided at 12%; margin guided at 25.5% |
| Full-year dividend per share | 65.4p | FY26 | +5% (FY25: 62.3p) |
| Share price | 7145.00p | Results day, 17 Nov 2026 | -1.45% on the day; 52-week range 4970.00p to 7980.00p |

Sources: Full Year Results RNS, 17 Nov 2026; Ticker market data, company page

## THE ANNOUNCEMENT

- Revenue rose 21% to £1,840.3m, including 15% organic growth (FY25: 11%). Adjusted operating profit rose 42% to £487.1m, lifting the adjusted margin 400 basis points to 26.5%, and adjusted EPS rose 45% to 255.6p.
- FY27 guidance at constant currency is 12% total revenue growth: 6% organic and 6% from acquisitions announced so far, with a 25.5% operating margin. Management expects double-digit growth in the first quarter, moderating from the second as the group laps very strong comparisons, and describes the guidance as ahead of its financial model.
- Controls (61% of revenue) grew 25% organically on aerospace, defence, datacentre and energy demand. Seals (26%) grew 4% with high-single-digit growth in North America, and Life Sciences (13%) grew 1%, with the first half of FY27 expected to remain challenging.
- Sixteen businesses have been bought since the start of FY26 for c.£368m at an average EBIT multiple of c.7x, adding £50m of annualised operating profit. They include CDM, a c.$80m revenue US defence interconnect business, and Elite, a c.$25m revenue US aftermarket pump parts business.
- Free cash flow rose to £323.3m (FY25: £247.2m), though conversion fell to 94% from 105%. Leverage is 0.7x and return on adjusted trading capital employed (ROATCE) rose to 25.3% from 20.9%.
- The proposed full-year dividend is 65.4p, up 5%, including a final of 46.3p payable on 29 January 2027, subject to approval at the AGM on 13 January 2027.

## AGAINST GUIDANCE

FY26 landed on or above the guidance raised through the year. In July the company lifted its organic growth guide to 14% (from 12%) and its margin guide to c.26.5% (from c.25%), and projected c.42% operating profit growth. Delivery was 15% organic growth, a 26.5% margin and 42% profit growth. Earlier in the year the organic guide had moved from 6% to 9% in March and to 12% in May. For FY27 the company says it expects performance ahead of its own financial model, guiding to 6% organic growth, 6% from acquisitions announced to date and a 25.5% margin, with the acquisition contribution rising if more deals complete. Ticker's earnings surprise model had estimated, before the release, a better-than-even tilt towards results ahead of expectations, though most of FY26 had already been signalled by the July upgrade.

## BULL CASE

- Management has a strong forecasting record this year: organic guidance was raised three times and still beaten, and the margin and profit calls from July were met exactly. That record supports reading the 6% organic and 25.5% margin guides for FY27 as cautious starting points.
- Controls, 61% of revenue, grew 25% organically on aerospace, defence, datacentre and energy demand, with double-digit growth at Windy City, Peerless, Clarendon and IS Group and good momentum into FY27.
- The acquisition programme has capacity to keep adding growth that the guidance excludes. Sixteen deals at an average c.7x EBIT added £50m of annualised operating profit, leverage is 0.7x and free cash flow reached £323.3m.
- Directors bought shares through 2026, including the CFO, Wilson Ng, at 7,066p in July and the senior independent director, Katie Bickerstaffe, at 7,696p in September.

## BEAR CASE

- The slowdown is steep. Organic growth is guided to fall from 15% to 6% and the margin to ease from 26.5% to 25.5%, partly to reflect investment and acquisition mix, and the shares at 7,145p on results day value the group at £9.60bn against FY26 free cash flow of £323.3m.
- The gap between adjusted and statutory profit has widened: adjusted operating profit of £487.1m compares with statutory £390.0m, against £342.7m and £283.7m a year earlier. The 25.3% ROATCE measures return on adjusted trading capital, which is not the same as the return on the full price paid for acquired businesses.
- Free cash flow does not cover deals and dividends on its own. FY26 acquisitions cost c.£281m on top of the dividend, and cash conversion slipped to 94%, below the prior year's level.
- Parts of the portfolio are weak. Life Sciences grew 1% with the first half of FY27 expected to stay challenging, and International Seals remains difficult, while Bank Rate rose to 4.00% on 12 November 2026 and the 10-year gilt yield stood at 5.49% on 11 November.

## WHAT TO WATCH

- Organic growth from the second quarter of FY27, when the strong comparisons start: whether Controls holds double-digit growth and the group tracks at or above the 6% guide.
- The full annual report, expected around January as last year's was filed on 29 January 2026: the reconciliation between adjusted and statutory profit, working-capital movements, current debt maturities and covenant headroom (the most recent schedule on file, at September 2024, showed £480m of borrowings due in one to two years).
- The AGM on 13 January 2027, with the shares ex-dividend on 14 January and the 46.3p final paid on 29 January, alongside any trading comments on first-quarter growth.
- The half-year results, which will show whether Life Sciences recovers after a challenging first half and whether further acquisitions lift total growth above the guided 12%.

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