

SMITHS GROUP PLC – Q1 TRADING UPDATE

Pioneers of progress – improving our world through smarter engineering

Tenth consecutive quarter of growth, FY2024 guidance confirmed

Smiths Group plc (“Smiths” or “the Group”) today announces its trading statement for the first quarter of FY2024.

Smiths delivered organic¹ revenue growth of 3.5% for the three months ending October 2023 against a Q1 FY2023 comparator of +13.2%. The performance in the first quarter was in line with the Group’s expectations, and Smiths confirms full year guidance of organic revenue growth within its medium-term target range of 4-6%, with continued margin expansion.

- John Crane made a strong start to the year with double-digit organic revenue growth. Continued strong order growth supports a positive outlook for the rest of FY2024.
- Smiths Detection delivered high single-digit organic revenue growth, with the full year outlook supported by a record orderbook. Order growth in the first quarter was significant, with a major contributor being two multi-year defence contracts for next generation chemical and biological detection.
- Flex-Tek’s organic revenue declined mid-single digits with weakness in the US heating, ventilation and air conditioning market, partially offset by good growth in aerospace. Flex-Tek is expected to return to growth in the second half. In August, Flex-Tek acquired US-based Heating & Cooling Products for ~£65m (<7X 2023E EBITDA), expanding its product range and geographic coverage.
- Smiths Interconnect’s organic revenue and order decline worsened in the quarter with double-digit contraction, reflecting challenging market conditions, and impacting margins.

In the first quarter, Smiths also published its second Sustainability Report which can be found [here](#).

Paul Keel, Group Chief Executive, commented:

“We made a solid start to FY24, with +3.5% organic growth in the quarter. We have now delivered ten consecutive quarters of growth, underpinned by our strategy of accelerating growth, improving execution and investing in our people. Our strong orderbooks in John Crane and Smiths Detection and new product pipeline give us confidence in delivering full year growth within our medium-term target of 4-6%, despite record FY23 comparators, a moderating pricing environment and softer market conditions in parts of Flex-Tek and Smiths Interconnect.

My thanks to our employees around the world for your hard work in delivering for our stakeholders. I’d also like to thank Sir George Buckley for his decade of chairmanship of Smiths, and subject to today’s AGM, welcome Steve Williams as the new Chair of the Board.”

Upcoming events

Smiths will be holding its Annual General Meeting (“AGM”), today, 16 November 2023. Sir George Buckley will retire as Chairman and from the Board of Smiths at the conclusion of the AGM and, subject to his election as a Non-executive Director, Steve Williams will be appointed as Chair of the Board.

Smiths will host a John Crane Deep Dive event on 30 November 2023 for investors and analysts, focused on how John Crane is implementing Smiths’ strategy to create value for stakeholders in energy and industrial end markets.

Smiths will publish its results for the six months ending 31 January 2024 on 26 March 2024.

¹Organic revenue growth excludes the effects of foreign exchange and M&A.

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About Smiths Group

For over 170 years, Smiths Group has been pioneering progress by improving our world through smarter engineering. We serve millions of people every year, to help create a safer, more efficient and better-connected world, across four major global markets: Energy, General Industry, Safety & Security and Aerospace. Listed on the London Stock Exchange, Smiths employs more than 15,000 colleagues in over 50 countries. For more information visit www.smiths.com.