

SMITHS GROUP PLC – Q3 FY2026 TRADING UPDATE

Pioneers of progress – engineering a better future

Smiths Group plc ('Smiths') today announces its trading statement for the third quarter to 2 May 2026.

Roland Carter, Chief Executive Officer, commented:

"We delivered a resilient performance and ongoing strategic progress in Q3, reflecting solid execution despite the challenging external environment. Flex-Tek performance was in line with our expected quarterly phasing. At the time of our previous guidance, the impact from the conflict in the Middle East on John Crane was uncertain. To reflect the quantum of this impact in Q3 and for the rest of the financial year, we are updating our FY2026 revenue guidance, while maintaining our expectations on profit.

"Whilst this moderates growth in the near term, it is set against a backdrop of increasing global demand for energy security and resilience, and we are well positioned to support our customers. This underpins our confidence in the strength of our medium-term growth outlook.

"We continue to make good progress reshaping the portfolio, deploying capital with discipline and investing to drive sustainable growth and long-term shareholder value."

Resilient Q3 and nine-months performance

Organic revenue growth¹ for Smiths² was flat in the third quarter, leading to +0.2% growth for the nine-month period. This performance was achieved in the context of the disruption in global energy markets, a subdued US construction market and a strong comparator in Flex-Tek. Reported revenue included a +2.1% benefit from acquisitions in the third quarter and +1.6% in the nine months.

- **John Crane** organic revenue grew +2.8%. Despite good operational momentum, revenue was impacted by £10m following two months of disruption from the Middle East conflict. Our order book strengthened further in the quarter despite project phasing uncertainty, with a positive book to bill.
 - **Energy** growth was driven by aftermarket, particularly in Latin America, partly offset by near-term market dislocation in the Middle East and changes to project phasing.
 - **Industrial** delivered good growth, with particular strength in OE.
- **Flex-Tek** organic revenue declined (3.9)%, in line with the expected quarterly phasing and against a high-single-digit prior year comparator.
 - **Construction** performance reflected the ongoing weakness in the US residential market. A sequential improvement from the second quarter is expected to continue through the fourth quarter, underpinned by positive pricing initiatives and targeted customer wins.
 - **Thermal Solutions** declined, predominantly due to a notably strong contribution in the prior year from the ultra-high heating project which completed in October. A sequential improvement in heat kit demand and a more favourable comparator support fourth quarter growth.
 - **Aerospace** delivered continued strong growth reflecting good execution against a strong order book and part of the price and volume benefits following contract renewals, which underpin our confidence for improved growth in the second half versus the first.

FY2026 outlook for Smiths

Following strong operating momentum in the first half and supported by our order book, we previously guided to FY2026 organic revenue growth of 3-4%, excluding any impact from the conflict in the Middle East. Reflecting the £10m impact in the third quarter and assuming continuing disruption in the Middle East, we are now expecting organic revenue growth of ~2%. In addition, we now expect headline operating profit margin slightly above 20%, supported by the Acceleration Plan and continued Smiths Excellence savings.

Middle East conflict

We continue to prioritise the safety of our people who work in the region. We are also supporting our customers and remain well positioned to assist them as facilities are returned to service and production recovers. Looking forward, our view on the underlying strength of our John Crane business in the region remains unchanged. While the conflict creates some near-term headwinds, it creates opportunity for incremental investment as the region rebuilds. The effects from the conflict are sharpening the focus on energy security and resilience, which we expect will continue to underpin structural growth in spending on energy infrastructure globally. The Middle East region represents c.7% of revenue for Smiths, primarily John Crane.

Delivering on our strategy

On 1 April, Smiths completed the disposal of Smiths Interconnect to Molex for £1.3bn. Up to 19 May, we have executed £506m of the £1bn buyback related to the transaction, and remain on track to complete the £600m tranche by end of July, with the remainder to be substantially complete by end of CY2026.

The regulatory process in relation to the sale of Smiths Detection is progressing well. We remain on track to complete the transaction in the second half of CY2026 and subsequently provide details on the £1.5bn return of proceeds. In the third quarter, 6% growth was driven by the continued high levels of installation activity of CT scanners in Aviation as well as growth in ports & borders and urban security.

The acquisition of DRC Heat Transfer completed on 2 April and it is now being integrated into Flex-Tek's Thermal Solutions business. The acquisition is consistent with the strategy of building into high growth adjacencies and will enable Flex-Tek to serve customers in fast-growing power generation and data centre markets.

Following the announcement to divest certain Flex-Tek general industrial businesses, we have agreed a sale for two of them, with the transaction expected to complete in June. Processes for the remaining businesses are ongoing.

Q3 2026 conference call

A conference call will be held today at 08.00am (UK time). You can access the webcast via the following link: [Financial results and presentations | Smiths Group](#)

FY2026 results

Smiths will publish its results for the year ending 31 July 2026 on 22 September 2026.

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

²Smiths and/or continuing operations refers to the combination of John Crane and Flex-Tek (i.e. excludes Smiths Detection, Smiths Interconnect and certain Flex-Tek general industrial businesses).

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About Smiths

For 175 years, we have been pioneers of progress, engineering a better future. Our strategy is to be a focused, efficient and value creating industrial engineering company operating in the attractive and growing market segments of flow control, thermal solutions, construction and aerospace.

We focus on solving the toughest problems for our customers, helping address critical global needs such as decarbonisation and the ever-increasing demand for process and energy efficiency.

We are pioneers of progress. Engineering a better future, we drive efficiency for customers in mission-critical situations.

We are united by our purpose. It is what we do, how we think, and how we will continue to use our passion for innovative engineering. For more information visit www.smiths.com