

9 November 2023

Delivering sustainable, profitable growth

Full year adjusted EPS guidance increased to 114p – 118p

IMI, the specialist engineering company, issues the following Interim Management Statement which covers results for the third quarter from 1 July to 30 September 2023.

Roy Twite, Chief Executive, commented:

“We have made great progress delivering our purpose-led strategy, **Breakthrough Engineering for a better world**, as we continue to help our customers become safer, more sustainable and more productive. Our portfolio is aligned to attractive growth markets, and we are creating value for all our stakeholders through a focus on customer satisfaction, market-led innovation and complexity reduction.”

“Based on current market conditions, we are upgrading our adjusted EPS guidance for the full year to 114p to 118p.”

Good growth and margin improvement

IMI delivered a good performance in the third quarter with Group organic revenue up 3% compared to the same period last year and 5% higher on an adjusted basis, with margins also improving. We continue to reduce complexity, expand the aftermarket opportunity in Automation and deliver further growth in our attractive end markets.

Our restructuring programme remains on track to deliver £20m of benefits for the full year, £13m of benefits in 2024 and £9m in 2025, with no changes to expected delivery costs.

Continued momentum across key sectors

As previously announced, IMI adopted a new business structure from July 2023. Reporting is now aligned across two platforms and five sectors, as follows:

Automation

Process Automation (formerly IMI Critical Engineering) had another excellent quarter, with strong order intake and continued organic growth. Orders were up 15% organically, with a 24% increase in Aftermarket. We have seen continued strength in LNG, Marine and downstream Oil & Gas, with new products continuing to make a major contribution to growth. Organic revenue was up 8% for the third quarter and 13% year to date.

Industrial Automation (formerly IMI Precision Industrial Automation including Rail) delivered a resilient performance despite uncertain markets, with organic revenue in the third quarter 1% higher than the same period last year. We see good demand for solutions that automate processes in a competitive labour market and have benefited from the continued investment in reshoring, particularly in the USA.

Life Technology

Climate Control (formerly IMI Hydronic Engineering) revenue in the third quarter was flat organically when compared to the prior period. Whilst recent dynamics in the European construction market did have an impact in the period, the sector continues to be resilient due to retrofit demand for our products that improve energy efficiency in buildings. Heatmiser continues to perform strongly.

Life Science & Fluid Control (formerly IMI Precision Fluid OEM) organic revenue in the third quarter was 13% lower than the same period last year. As expected, we saw customer destocking and reduced demand in the period and we expect this to continue into the fourth quarter. The long-term fundamentals of the sector are strong and we remain excited about the opportunities for growth.

Transport (formerly IMI Precision Transportation excluding Rail) organic revenue in the third quarter was 20% higher than the same period last year. We continue to benefit from strong growth in India and China.

Historical financial information

Following the announcement of its new operating model in July 2023, IMI has today separately published historical pro-forma financial information reflecting the new sector aligned operating model.

This unaudited pro-forma information is presented for 2022 and 2023 H1. There has been no change to previously reported Group financial information.

Further information is available at <https://www.imiplc.com/investors/results-and-presentations/year/2023>.

Exchange rates

If average exchange rates as at 3 November 2023 of US\$1.24 and €1.15 remain constant for the remainder of the year, there would be no impact on revenue and adjusted operating profit in the year when compared to 2022.

Outlook

Based on current market conditions, we now expect 2023 full year adjusted EPS to be in the range of 114p to 118p.

Preliminary results

IMI looks forward to presenting its preliminary results announcement for the year ending 31 December 2023 on 1 March 2024.

Enquiries

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A conference call for analysts and investors will be held at 08:00 GMT today to discuss this statement. To access the call, please register using the link:

<https://www.netroadshow.com/events/login?show=e29033bb&confid=56590>

Notes

IMI plc is a specialist engineering company operating in fluid and motion control markets. We combine our deep engineering knowledge with strong applications expertise to develop solutions for the most acute industry problems. We help our customers become safer, more sustainable and more productive. IMI employs around 10,000 people, has manufacturing facilities in 19 countries and operates a global service network. The Company is listed on the London Stock Exchange and is a constituent of the FTSE4Good Index. Further information is available at www.imiplc.com.

References to adjusted figures reflect figures as reported to management and do not include the impact of adjusting items. References to organic changes are on a constant currency basis and exclude disposals and acquisitions. IMI plc is registered in England No. 714275. Its legal entity identifier ('LEI') number is 2138002W9Q21PF751R30.