

28 February 2025

Record profits, good organic growth and strong cash generation
Further £200m share buyback announced
Expect another year of strong financial and strategic progress in 2025

Preliminary results, year ended 31 December 2024

	Adjusted ¹				Statutory		
	2024	2023	Change	Organic ⁴	2024	2023	Change
Revenue	£2,210m	£2,196m	+1%	+4%	£2,210m	£2,196m	+1%
Operating profit	£436m	£411m	+6%	+10%	£356m	£319m	+12%
Operating margin	19.7%	18.7%	+100bps		16.1%	14.5%	+160bps
Profit before tax	£419m	£387m	+8%		£330m	£302m	+9%
Basic EPS	122.5p	116.8p	+5%		96.0p	91.5p	+5%
Free cash flow ²	£263m	£234m	+12%		£263m	£234m	+12%
Dividend per share	31.1p	28.3p	+10%		31.1p	28.3p	+10%
Return on invested capital ³	13.4%	13.1%	+30bps				

¹ Excluding the effect of adjusting items as reported in the income statement. See Note 1 for definitions of alternative performance measures.

² Free cash flow before corporate activity.

³ Post-tax return on invested capital, as described in Note 1 to the financial statements.

⁴ After adjusting for acquisitions, disposals and exchange rates (see Note 1).

Highlights

- 4% organic sales growth and 10% organic adjusted operating profit growth
 - Outstanding performance in Process Automation, with record order book into 2025
 - Good demand for energy-saving solutions in Climate Control
 - Resilient performance in Industrial Automation
 - Softer market conditions in Life Science & Fluid Control and Transport
 - Market-led innovation accelerating, with £149m of Growth Hub orders in 2025
- Adjusted operating margin up 100bps to 19.7%, target raised to 20%+
 - Five-year complexity reduction programme concluded, with £15m of benefits in 2024
 - Margins improved in both platforms, reflecting strategic execution and strong pricing power
 - Higher margin aftermarket content represents around 45% of Group sales
- Return on invested capital increased to 13.4%
- Continued strong cash generation, with free cash flow of £263m and > £1bn expected over next three years
- Strong balance sheet with net debt / EBITDA of 1.0x supports compounding EPS growth
- Creating value through disciplined approach to capital allocation
 - Proposed 10% increase in final dividend to 21.1p
 - Acquired TWTG, a leading sensor technology business to accelerate aftermarket growth
 - £100m share buyback completed in 2024; further £200m share buyback announced today

Roy Twite, Chief Executive, said:

"2024 has been another strong year for IMI, with record profits, good organic growth and strong cash generation. We delivered 4% organic sales growth and 10% adjusted operating profit growth, supported by an outstanding performance in Process Automation and continued demand for our energy-saving technology in Climate Control.

I would like to thank all our people for delivering this result. It demonstrates the strength and quality of our business and success of the growth strategy we launched in 2019. IMI is now a higher quality, more

resilient and more innovative business, with a well-balanced geographic mix of revenues more closely aligned to attractive, long-term growth markets in fluid and motion control. Over the past five years we have built a track record of sustainable, profitable growth, delivering 11% compound annual adjusted EPS growth.

Given the strength of our cash flow, disciplined approach to capital allocation, strong balance sheet and confidence in our future performance, we today announce a further £200m share buyback and a 10% increase to the final dividend. Over the next three years, we expect to generate in excess of £1 billion in free cash flow.

Based on current market conditions, we anticipate another year of strong financial and strategic progress in 2025. We expect full year adjusted basic EPS to be between 129p and 136p, representing mid-single digit organic revenue growth.”

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A live webcast of the analyst meeting taking place today at 9:00am (GMT) will be available on the investor page of the Group’s website: www.imiplc.com. The Group plans to release its next Interim Management Statement on 8 May 2025.

Results overview

IMI delivered its fifth consecutive year of profit and margin growth in 2024. Organic revenue grew by 4% and organic adjusted operating profit increased by 10%. Group adjusted operating margin increased by 100bps to 19.7%, with both platforms improving margins in 2024. Statutory operating margin increased by 160bps to 16.1%. Statutory profit before tax increased by 9%.

Cash conversion was 92% (2023: 89%) with free cash flow before corporate activity totalling £263m (2023: £234m) and the Group’s return on invested capital increased to 13.4% (2023: 13.1%). Our adjusted basic earnings per share increased by 5% to 122.5p (2023: 116.8p).

£m	Adjusted ¹				Statutory		
	2024	2023	Change	Organic ²	2024	2023	Change
Revenue							
Process Automation	906	807	+12%	+15%	906	807	+12%
Industrial Automation	508	543	-6%	-3%	508	543	-6%
Automation	1,414	1,350	+5%	+8%	1,414	1,350	+5%
Climate Control	389	386	+1%	+5%	389	386	+1%
Life Science & Fluid Control	236	276	-14%	-10%	236	276	-14%
Transport	171	184	-7%	-4%	171	184	-7%
Life Technology	796	846	-6%	-2%	796	846	-6%
Total Revenue	2,210	2,196	+1%	+4%	2,210	2,196	+1%
Operating profit							
Automation	289	257	+12%	+17%	241	202	+19%
Life Technology	146	153	-5%	-1%	116	116	0%
Total Operating Profit	436	411	+6%	+10%	356	319	+12%
Operating margin	19.7%	18.7%	+100bps		16.1%	14.5%	+160bps

¹ Excluding the effect of adjusting items as reported in the income statement. See Note 1 for definitions of alternative performance measures.

² After adjusting for acquisitions, disposals and exchange rates (see Note 1).

Dividend

The Board is recommending a 2024 final dividend of 21.1p per share (2023: 19.2p per share). Payment will be made on 16 May 2025 to shareholders on the register at the close of business on 4 April 2025.

Share buyback

Given the strong performance in 2024, our outlook for 2025 and our commitment to maintaining an efficient balance sheet, we are today announcing a further £200m share buyback programme. This follows the £100m share buyback programme executed in 2024. IMI remains highly cash generative with significant funding headroom, giving the Group the flexibility to invest organically and in targeted, value-accretive acquisitions.

Outlook

Based on current market conditions, we anticipate another year of strong financial and strategic progress in 2025. We expect full year adjusted basic EPS to be between 129p and 136p.

We expect to deliver continued margin progression in 2025, supported by further growth and the final benefits from the complexity reduction programme. We will continue to identify and execute efficiencies to drive improvements, with any future restructuring charges for our current business taken into underlying operating profit.

This guidance reflects strong organic growth in our Automation platform from the record order book in Process Automation and continued resilience in Industrial Automation. The Life Technology platform is expected to be broadly flat organically in the full year, although down in the first half. This reflects continued demand for our energy efficient products in Climate Control, no expected recovery in Life Science & Fluid Control and a strong first half comparator in Transport.

Update on cyber incident

Further to the announcement on 6 February 2025, we can confirm that IMI has returned to normal operations. We reacted swiftly to contain the threat, working alongside external cyber security experts to protect our data and infrastructure, and further enhance our security.

The full year adjusted basic EPS guidance range reflects our view that the impact of the cyber incident to our underlying business was largely limited to temporary operational disruption. We expect to recognise an adjusting item of between £20m and £25m in 2025 for matters including IT systems recovery, risk management, upgraded IT infrastructure and advisory costs.

Strategic progress

Delivering our financial framework

IMI has been through a period of significant transformation since the launch of our growth strategy in 2019. Adjusted EPS has now grown at an 11% CAGR during this period and we have rejoined the FTSE 100 index, supported by the delivery of our financial framework.

	Medium-term targets	Delivered
Organic revenue growth	5%	4.7% Average 2022 - 2024
Adjusted operating margin	20%+	19.7%
Cash conversion	90%	92%
Return on invested capital	>12%	13.4%

IMI has delivered average organic revenue growth of 4.7% over the last three years. We hold leading positions in attractive long-term growth markets in fluid and motion control and have aligned our business to enduring megatrends – automation, energy efficiency and healthcare demand. We are delivering world-class customer satisfaction and driving market-led innovation through our Growth Hub culture and process. We are very pleased to report that our teams delivered a record £149m of Growth Hub orders in 2024 (2023: £89m).

Aftermarket content now represents around 45% of sales, up from around 35% in 2014. This has been a strategic objective for our business and provides a more resilient and higher margin revenue stream to underpin future growth.

Our adjusted operating margin increased to 19.7% in 2024 (2023: 18.7%) and is now 550bps higher than 2019. This significant improvement reflects the completion of our multi-year complexity reduction programme, a strategic focus on the aftermarket and our strong pricing power. As we continue to deliver our strategy, we see a pathway to further margin improvements. Supported by further growth in our markets and continued execution of the One IMI operating model, we are raising our adjusted operating margin target to 20%+.

Cash conversion remains high at 92% (2023: 89%) and we are committed to deploying this cash to enhance shareholder returns. IMI remains highly cash generative and expects to deliver free cash flow in excess of £1 billion over the next three years. The Group has been strengthened by six complementary, value-enhancing bolt-on acquisitions since 2019, with our fully burdened return on invested capital increasing to 13.4% - significantly higher than our 12% underpin and our 9% weighted average cost of capital.

Health and safety remains a top priority

Ensuring everyone who works or visits our sites is safe remains one of our top priorities. Health and safety incidents reduced by 26% in the year, and the Total Recordable Incident Frequency Rate was 0.38 (2023: 0.44). While this is good progress, we are committed to our ambition of an accident-free workplace.

One IMI operating model

IMI operates under a One IMI operating model targeted at delivering our financial framework. We achieve this through disciplined execution, applying our best practices in commercial excellence, market-led innovation and complexity reduction across IMI.

Commercial excellence

Commercial excellence remains at the heart of our strategy for growth as we apply our applications engineering expertise in fluid and motion control to help our customers optimise their systems. We create significant value for our customers by helping them to become safer, more productive and more energy efficient.

Over the last five years we have made significant investments in our people, processes and operations to support the delivery of our financial framework. We have made great progress equipping our people with digital tools and standardising the use of CRM across our business to accelerate growth. The use of these digital tools has played a key role in our success in the aftermarket. We launched new learning and development programmes during 2024 to ensure our people are well equipped to create value for our customers.

Market-led innovation

We continue to create value by accelerating market-led innovation through our unique Growth Hub culture and processes. Growth Hub is IMI's innovation engine, encouraging an entrepreneurial approach to solve industry-wide customer problems. We play to our strengths in attractive growth markets, leveraging our strong customer relationships to gain a deep understanding of their unmet and emerging needs. Our sprint teams move at pace using a 'test and learn' approach, working with customers to validate issues and understand broader market demand. Through this process we are able to minimise up-front capital commitments before rapidly bringing validated solutions to market, once customer endorsement has been secured.

Growth Hub has been an integral part of IMI's transformation since 2019 and we are pleased to report that our teams generated £149m of new orders in 2024 (2023: £89m). A great example of innovation in action is our IMI VIVO hydrogen electrolyser system, which is being used by our customers to produce hydrogen for a wide range of applications. We delivered £53m of IMI VIVO orders in 2024 (2023: £9m) and our pipeline of opportunities remains strong.

Complexity reduction

We are pleased to report that the multi-year restructuring programme launched in 2019 is now complete. The programme has played a significant role in improving our competitive position, improving product quality, customer satisfaction and operational efficiency whilst supporting the 550bps expansion in adjusted operating margin since 2019. We expect that a final £10m in benefits from the programme will be realised in 2025. We will continue to identify and execute efficiencies to drive improvements, with any future restructuring charges for our current business taken into underlying operating profit.

IMI strategic enablers

Talent and engagement

Our continued focus on developing our people to ensure we have high-quality teams at every level of our organisation is seeing benefits. We were delighted that employee engagement increased by two percentage points in our 2024 employee survey, in which 79% of colleagues reported they see IMI as a great place to work.

Digital

Digital capabilities and development are a core part of our growth strategy and we continue to actively develop connected products and digital tools to improve our value and service to customers.

In October, we were delighted to announce the acquisition of TWTG, a leading Industrial Internet of Things specialist based in the Netherlands. TWTG's market-leading sensing technology is directly applicable to our customers and creates a significant opportunity to accelerate aftermarket growth, particularly within Process Automation.

During the year we deployed a secure, private generative Artificial Intelligence tool for internal use across IMI, enhancing productivity and innovation. Artificial Intelligence is transforming the way businesses understand and respond to customer feedback, playing a key role in our digital transformation. By leveraging Artificial Intelligence tools, it is now possible to analyse vast amounts of data efficiently, providing a deeper understanding of customer sentiment and key issues.

Artificial Intelligence is supporting our digital strategy by enabling smarter, faster decisions. Deploying it at speed across our business will enable us to prioritise improvements, drive customer satisfaction and reinforce our competitive edge. This will remain a key priority in 2025.

Sustainability

We see good opportunities to support customers in developing solutions for a zero-carbon future. We saw strong growth in our solutions for the hydrogen value chain during 2024. Our solutions – including electrolysis, liquid storage, refuelling and heavy-duty trucks – have scaled rapidly from £7m in 2022 to £66m in 2024.

Disciplined approach to capital allocation

IMI is a highly cash generative business with a clear and disciplined approach to capital allocation, prioritising investments that accelerate organic growth.

We also pursue bolt-on acquisitions that enhance our position in attractive, long-term growth markets, that will deliver returns in line with our strict financial criteria. Since 2019, we have deployed over £400m in acquisitions and our return on invested capital has increased by 200bps. Looking to the future, we have a strong pipeline of M&A opportunities and will seek attractive bolt-on acquisitions to accelerate growth and expand our capabilities, particularly in the US and Europe.

We remain committed to maintaining an efficient balance sheet and will look to return capital to shareholders should leverage fall sustainably below our 1.0x–2.0x target range. The announcement of a further share buyback today reflects this commitment.

By deploying our growing free cash flow into organic growth opportunities, attractive acquisitions and share buybacks, we are confident we can continue our track record of compounding EPS growth.



Board changes

We announced a number of leadership changes in 2024. Daniel Shook, our Group CFO, will step down from the Board in August 2025 for family reasons. Daniel has made an incredible contribution to IMI over the last decade, and we will miss him greatly. Daniel will be succeeded as Group CFO on 1 August 2025 by Luke Grant, Vice President of Finance for Industrial Automation. Luke's knowledge of the business, financial expertise and commitment to our culture will provide important continuity and ongoing excellence. His appointment is a reflection of how we identify, develop and promote talent at IMI.

Lord Smith of Kelvin stepped down as Chair on 31 December 2024 after nearly ten years at IMI. Robert has been an exceptional leader and played a significant role in the company's transformation in the last decade. I wish him much success in the future. He has been succeeded as Chair by Jamie Pike, someone with a long track record of success with world-class industrial companies, and I am looking forward to working alongside him to continue creating value for all our stakeholders.

Roy Twite
Chief Executive Officer
27 February 2025

Financial review

Key highlights

	Adjusted ¹				Statutory		
	2024	2023	Change	Organic ⁴	2024	2023	Change
Revenue	£2,210m	£2,196m	+1%	+4%	£2,210m	£2,196m	+1%
Operating profit	£436m	£411m	+6%	+10%	£356m	£319m	+12%
Operating margin	19.7%	18.7%	+100bps		16.1%	14.5%	+160bps
Profit before tax	£419m	£387m	+8%		£330m	£302m	+9%
Basic EPS	122.5p	116.8p	+5%		96.0p	91.5p	+5%
Free cash flow ²	£263m	£234m	+12%		£263m	£234m	+12%
Dividend per share	31.1p	28.3p	+10%		31.1p	28.3p	+10%
Return on invested capital ³	13.4%	13.1%	+30bps				

1 Excluding the effect of adjusting items as reported in the income statement. See Note 1 for definitions of alternative performance measures.

2 Free cash flow before corporate activity.

3 Post-tax return on invested capital, as described in Note 1 to the financial statements.

4 After adjusting for acquisitions, disposals and exchange rates (see Note 1).

Certain alternative performance measures ('APMs') have been included within this Press Release. These APMs are used by the Executive Committee to monitor and manage the performance of the Group, in order to ensure that the decisions taken align with the Group's long-term interests. Movements in revenue and adjusted operating profit are given on an organic basis (see definition in Note 1 to the financial statements) so that assessment of performance is not distorted by acquisitions, disposals and movements in exchange rates. Rationale for the use of APMs, their definition, and a reconciliation of APMs to statutory measures is included in Note 1 to the financial statements.

Delivering sustainable, profitable growth

The Group delivered a strong financial result in 2024, as revenue, profit and adjusted operating margin improved. Revenue increased by 1% to £2,210m (2023: £2,196m). Organic revenue was 4% higher than the prior year, after adjusting for acquisitions, disposals and exchange rate movements. The exchange rate adjustment was negative £66m.

Adjusted operating profit of £436m (2023: £411m) was 6% higher than last year. On an organic basis, adjusted operating profit increased by 10%.

Group adjusted operating margin was 19.7% (2023: 18.7%). Both platforms grew adjusted margins in the year. Statutory operating profit was £356m (2023: £319m), which increased by 12%. The Group statutory operating margin was 160bps higher than last year, largely reflecting the strong trading results and £6m gain recognised on disposal of subsidiaries in 2024.

Adjusted net financing costs on net borrowings reduced to £14.8m (2023: £22.7m), largely reflecting the reduction in net debt in the year and includes the impact of £2.8m (2023: £2.9m) interest cost on leases. Statutory net finance costs increased to £25.8m in the year (2023: £16.2m), largely due to losses on instruments measured at fair value through profit or loss recognised as an adjusting item (see Note 3).

Adjusted net financing costs on borrowings were covered 36 times (2023: 22 times) by adjusted earnings before interest, tax, depreciation, amortisation, impairment and adjusting items of £526m (2023: £503m). Net pension financing interest expense under IAS 19 was £1.9m (2023: £0.5m expense).

Adjusted profit before taxation was £419m (2023: £387m), which was 8% higher than 2023. Statutory profit before taxation increased 9% to £330m (2023: £302m) reflecting growth in the year and the

Group's execution of restructuring activities to improve customer satisfaction and long-term competitiveness. The total statutory profit for the period after taxation was £249m (2023: £237m).

Platform results

Automation

Automation specialises in the design and manufacture of motion and fluid control solutions that enable a diverse range of industries, to operate more efficiently, safely and sustainably. Our Process Automation sector supports vital process and energy industries whilst Industrial Automation helps create the smart, safe and sustainable factories, production lines and warehouse operations of the future.

£m	Adjusted				Statutory		
	2024	2023	Change	Organic ¹	2024	2023	Change
Revenue							
Process Automation	906	807	+12%	+15%	906	807	+12%
Industrial Automation	508	543	-6%	-3%	508	543	-6%
Total Revenue	1,414	1,350	+5%	+8%	1,414	1,350	+5%
Operating profit	289	257	+12%	+17%	241	202	+19%
Operating margin	20.5%	19.1%	+140bps		17.0%	15.0%	+200bps

¹ After adjusting for acquisitions, disposals and exchange rates (see Note 1 to the financial statements).

Process Automation (£m)	2024	2023	Change	Organic ¹
Closing order book	857	760	+13%	
Order intake:				
Aftermarket	601	561	+7%	+11%
New Construction	413	390	+6%	+8%
Total order intake	1,014	951	+7%	+10%

¹ After adjusting for acquisitions, disposals and exchange rates (see Note 1 to the financial statements).

Automation delivered strong organic revenue growth of 8%, with revenue also up 5% on a statutory basis.

Process Automation had an outstanding year, with record order intake and continued organic growth. Orders were up 10% organically, including a significant £33m order in our Marine business during the first half which covers deliveries over several years. Aftermarket orders increased by 11% organically as we continue to benefit from our investment in this space. In addition to the large Marine order, we have seen particular strength in downstream oil and gas and hydrogen. Organic revenue was 15% higher than 2023 and 12% higher on a statutory basis.

Industrial Automation organic revenue was 3% lower than 2023, in line with softer industrial activity in Europe and the Americas. Revenue was down 6% on a statutory basis.

Adjusted operating profit increased by 17% on an organic basis and the adjusted operating margin improved by 140bps to 20.5%. This was a strong performance, reflecting a further shift towards higher-margin Aftermarket opportunities and the continued execution of footprint optimisation initiatives, which delivered £5m of incremental benefits in 2024. Statutory operating profit increased by 19% to £241m in the year.

We expect to deliver strong growth in 2025, supported by the record order book in Process Automation and continued resilience in Industrial Automation.

Life Technology

Life Technology develops motion and flow control solutions that enhance and improve the quality of life across three key sectors. Climate Control's innovative solutions help customers optimise heating and cooling systems, reduce energy consumption and improve building comfort. Life Science & Fluid Control develops solutions that empower our Life Science customers to improve patient-focused critical care and diagnose disease earlier and our Fluid Control customers to accelerate the safety, reliability and performance of everyday activities. Transport is at the heart of advancing commercial vehicles, our cutting-edge technology helps manufacturers to radically reduce emissions and improve vehicle safety.

£m	Adjusted				Statutory		
	2024	2023	Change	Organic ¹	2024	2023	Change
Revenue							
Climate Control	389	386	+1%	+5%	389	386	+1%
Life Science & Fluid Control	236	276	-14%	-10%	236	276	-14%
Transport	171	184	-7%	-4%	171	184	-7%
Total Revenue	796	846	-6%	-2%	796	846	-6%
Operating profit	146	153	-5%	-1%	116	116	0%
Operating margin	18.4%	18.1%	+30bps		14.5%	13.7%	+80bps

¹ After adjusting for acquisitions, disposals and exchange rates (see Note 1 to the financial statements).

Life Technology delivered a resilient performance, despite a mixed market backdrop. Revenue was down 2% organically and 6% lower on a statutory basis.

Climate Control saw good demand for its energy-saving products and solutions, with revenue up 1% when compared to 2023 and 5% higher on an organic basis. Whilst trends in the European construction market did impact sales in the year, the sector continues to perform resiliently due to the strong retrofit demand for products that reduce energy consumption in buildings.

As expected, Life Science & Fluid Control revenue was 14% lower than in 2023, reflecting the continued softness seen across the global life science device market. Organic revenue was 10% lower. The long-term fundamentals of this sector are strong, and we remain excited about the opportunities for growth.

Transport revenue was 7% lower than 2023, and 4% lower organically. Whilst demand for our innovative solutions remains strong, there was a strong comparator in the second half.

Adjusted operating margin for the year was 18.4%, 30bps higher than the prior year. Complexity reduction initiatives delivered £10m of incremental benefits. Statutory operating profit was flat year-on-year.

We expect Life Technology to be broadly flat organically in 2025 and down in the first half. This reflects continued demand for our energy efficient products in Climate Control, no expected recovery in Life Science & Fluid Control and a strong first half comparator in Transport. We expect margins to improve in the year.

Adjusting items

£m	2024	2023
Reversal of net economic hedge contract gains	(2)	(8)
Restructuring costs	(55)	(48)
Acquired intangible amortisation and other acquisition items	(29)	(34)
Exit from Russia	-	(2)
(Losses) / gains on instruments measured at fair value through profit or loss	(9)	7
Gain on disposal of subsidiaries	6	-
Tax in connection with the above adjusting items	23	19
Other adjusting tax items	(3)	-
Total adjusting items	(69)	(66)

Adjusting items that are excluded from adjusted profit before tax are listed below:

- **Reversal of net economic hedge contract gains:** For segmental reporting purposes, changes in the fair value of economic hedges which are not designated as hedges for accounting purposes, together with the gains and losses on their settlement, are included in the revenues and adjusted operating profit of the relevant business segment. The adjusting item reverses this treatment at an operating profit level, leading to a loss of £2m (2023: £8m loss).
- **Restructuring costs:** Restructuring costs of £55m were incurred in 2024, with a breakdown of these costs by platform, alongside expected benefits provided below. Further details on 2024 projects are included in Note 6 to the financial statements.
- **Acquired intangible amortisation and other acquisition items:** Acquired intangible amortisation is excluded from adjusted profits, to allow for comparability of the performance across platforms. Acquired intangible amortisation decreased to £28m (2023: £32m). Other acquisition costs reduced to £1m (2023: £2m).
- **Exit from Russia:** During 2023, changes were made to the legal structure of a customer which resulted in a £2m write-off, following the Group's decision to end all business in Russia in 2022.
- **Losses / gains on instruments measured at fair value through profit or loss:** A loss arose on the revaluation of financial instruments and derivatives under IFRS 9 of £9m (2023: £7m gain).
- **Gain on disposal of subsidiaries:** The Group disposed of a French subsidiary, Industrie Mecanique Pour Les Fluides SA, on 25 April 2024 resulting in a gain on disposal of £6m.
- **Taxation:** The tax effect of the above items has been recognised as an adjusting item and amounts to £23m (2023: £19m). Other adjusting tax items include a charge of £5m relating to the transfer of businesses in the year offset by a credit of £2m relating to the release of a restructuring provision.

Complexity reduction programme concludes

IMI's multi-year restructuring programme has now concluded. The following tables provide a summary of the final costs and benefits associated with the programme:

£m	2024	2025 ¹
Restructuring charge		
Automation	(35)	-
Life Technology ²	(13)	-
Total charge	(48)	-
Cash impact ²	(40)	(10)

£m	2024	2025 ¹
Incremental annual benefits		
Automation	5	5
Life Technology	10	5
Total benefits	15	10

¹Future-looking forecast information.

² Restructuring charge and cash outflow have been adjusted to offset the profit on disposal of Industrie Mecanique Pour Les Fluides SA (see Note 12)

Whilst this programme has now completed, IMI will continue to identify and execute efficiencies within its operations. Future restructuring costs within our current business will be taken into underlying operating profit.

Taxation

The adjusted effective tax rate for the Group increased to 24.3% (2023: 21.8%), reflecting the increase in the UK statutory rate of corporation tax in 2023, global minimum tax legislation and the non-repeat of favourable historic tax settlements in 2023. The total adjusted tax charge for the year was £102m (2023: £85m) and the statutory effective tax rate was 24.8% (2023: 21.5%). The Group seeks to manage its tax affairs within its core tax principles of compliance, fairness, value and transparency, in accordance with the Group's Corporate Tax Strategy which is available on the Group's corporate website. We are expecting the adjusted effective tax rate to increase to around 25% in 2025, reflecting a small one-off deferred tax benefit in 2024.

Adjusted basic earnings per share increased by 5%

The average number of shares in issue during the period was 259m (2023: 259m), resulting in adjusted basic earnings per share of 122.5p (2023: 116.8p), an increase of 5%. Statutory basic earnings per share increased by 5% at 96.0p (2023: 91.5p) and statutory diluted earnings per share increased by 5% at 95.6p (2023: 91.2p).

£100m share buyback completed

In 2024, we successfully completed our planned £100m share buyback with the purchase and cancellation of 5.5 million shares. Our average shares in issue for 2024 were 259 million.

Maintaining continued cash discipline

Movement in net debt	2024 £m	2023 £m
Adjusted EBITDA*	526.3	503.2
Working capital movements	(21.5)	(31.3)
Capital and development expenditure	(91.5)	(79.9)
Provisions and employee benefit movements**	(1.7)	(2.7)
Principal elements of lease payments	(28.6)	(29.0)
Other	18.8	6.0
Adjusted operating cash flow***	401.8	366.3
Adjusting items	(40.7)	(43.1)
Interest	(14.8)	(22.7)
Derivatives	14.6	9.8
Tax paid	(97.9)	(76.1)
Free cash flow before corporate activity	263.0	234.2
Dividends paid to equity shareholders	(76.0)	(68.8)
Acquisition of subsidiaries	(18.2)	-
Disposal of subsidiaries	17.5	0.5
Net (purchase) / issuance of own shares	(97.1)	0.6
Net cash flow (excluding debt movements)	89.2	166.5
Reconciliation of net cash to movement in net debt		
Net increase in cash and cash equivalents excluding foreign exchange	37.4	17.7
Less: cash acquired/disposed	1.8	0.4
Net repayment of borrowings excluding foreign exchange and net debt disposed/acquired	50.0	148.4
Decrease in net debt before acquisitions, disposals and foreign exchange	89.2	166.5
Net cash acquired/disposed	(4.7)	(0.4)
Currency translation differences	(4.7)	1.8
Movement in lease liabilities	11.1	5.5
Movement in net debt in the year	90.9	173.4
Net debt at the start of the year	(638.6)	(812.0)
Net debt at the end of the year	(547.7)	(638.6)

*Adjusted profit after tax (£317.0m) before interest (£16.7m), tax (£101.8m), depreciation (£71.0m) and amortisation (£19.8m).

**Movement in provisions and employee benefits as per the statement of cash flows (£1.4m) adjusted for the movement in restructuring provisions (£3.1m).

***Adjusted operating cash flow is the cash generated from the operations shown in the statement of cash flows, less cash spent acquiring property, plant and equipment, non-acquired intangible assets and investments; plus cash received from the sale of property, plant and equipment and the sale of investments, excluding the cash impact of adjusting items; a reconciliation is included in Note 9 to the financial statements.

Adjusted operating cash flow was £402m (2023: £366m). This represents a conversion rate of total Group adjusted operating profit to adjusted operating cash flow of 92% (2023: 89%). There was a £41m cash outflow from adjusting items (2023: £43m outflow) primarily related to restructuring costs.

Net working capital balances increased by £22m, with a £43m increase in payables in line with growth offset by a £41m increase in receivables and a £24m increase in inventory largely reflecting continued growth in the Process Automation order book. The £31m increase in 2023 was due to a £58m increase in payables offset by a £57m increase in receivables and a £32m increase in inventory.

Cash spent on property, plant and equipment and other non-acquired intangibles in the year was £92m (2023: £80m), which was equivalent to 1.5 times (2023: 1.3 times) depreciation and amortisation

thereon. The Group continues to deploy capital to support growth and improve the efficiency of its operations, including projects that support our net-zero carbon target.

Research and development spend, including capitalised intangible development costs of £8m (2023: £6m), totalled £73m (2023: £72m), representing 3.3% (2023: 3.3%) of sales. The Group continues to support investment in growth, with this spend focused on delivering innovative new solutions. As this measure focuses primarily on the efforts of the engineering function, it does not fully capture the cross-functional support in Growth Hub initiatives – a significant further investment alongside our research and development spend.

In 2024, the Group paid cash tax of £98m (2023: £76m), which was 120% (2023: 117%) of the statutory tax charge for the year.

Free cash flow before corporate activity increased to £263m (2023: £234m).

Dividends paid to shareholders totalled £76m (2023: £69m) and there was a cash outflow of £100m in relation to the share buyback programme (2023: nil). In addition, there was a cash inflow of £3m associated with the issue of share capital for employee share schemes (2023: £1m inflow).

Overall net debt reduced by £91m in 2024 (2023: £173m decrease).

Strong balance sheet offers strategic flexibility

Net debt at the year-end was £548m, compared to £639m at the end of 2023. The reduction reflects the strong cash generation in the year. The net debt is composed of a cash balance of £148m (2023: £107m), a bank overdraft of £91m (2023: £66m), interest-bearing loans and borrowings of £515m (2023: £580m) and lease liabilities of £89m (2023: £100m).

The year-end net debt to adjusted EBITDA ratio was 1.0 times (2023: 1.3 times). At the end of 2024, loan notes totalled £515m (2023: £532m), with a weighted average maturity of 2.6 years (2023: 3.6 years), and other loans including bank overdrafts totalled £91m (2023: £114m). Total committed bank loan facilities available to the Group at the year-end were £300m (2023: £300m), of which nil (2023: nil) was drawn.

At 31 December 2024, the value of the Group's intangible assets, including goodwill, was £925m (2023: £958m).

The net book value of the Group's property, plant and equipment at 31 December 2024 was £301m (2023: £300m). Capital expenditure on property, plant and equipment amounted to £75m (2023: £60m), with the main capital expenditure focused on production facility investment to support operational efficiency and growth. Including capitalised intangible assets, total capital expenditure was £92m (2023: £80m) and was 1.5 times (2023: 1.3 times) the depreciation and amortisation charge (excluding acquired intangible amortisation and lease asset depreciation) for the year of £62m (2023: £63m).

The net deficit for defined benefit obligations at 31 December 2024 was £47m (2023: £49m deficit). The UK deficit was £3m (2023: £4m deficit), with the liabilities fully bought-in during 2022. The deficit in the overseas funds as at 31 December 2024 was £44m (2023: £45m deficit).

Return on invested capital ('ROIC')

The Group uses ROIC as an indication of IMI's ability to deploy capital effectively. The Group's fully burdened definition of ROIC is adjusted operating profit after tax divided by average capital invested. Capital invested is defined as net assets adjusted to remove net debt, derivative assets/liabilities, defined pension position (net of deferred tax) and to reverse historical impairments of goodwill and amortisation of acquired intangibles.

ROIC was 13.4% in 2024 (2023: 13.1%), which increased by 30bps, reflecting the strong trading performance.

Return on invested capital	2024 £m	2023 £m
Adjusted operating profit	435.5	410.6
Notional tax charge	(105.8)	(89.5)
Net adjusted operating profit after tax	329.7	321.1
Net assets	1,085.1	1,030.2
Adjusted for:		
Net debt	547.7	638.6
Restructuring provision	26.1	20.9
Net derivative assets/liabilities	6.4	(1.2)
Net defined pension benefit	47.4	48.9
Deferred tax on employee benefits	(13.0)	(13.5)
Previously written-off/impaired goodwill	346.9	346.9
Acquired intangibles amortisation	403.9	387.6
Closing capital invested	2,450.5	2,458.4
Opening capital invested	2,458.4	2,460.8
Average capital invested	2,454.5	2,459.6
Return on invested capital	13.4%	13.1%

Acquisitions

On 31 October 2024 the Group acquired 100% of the share capital, and associated voting rights, of TWTG for initial purchase consideration of €22m. TWTG is a leader in smart connected asset monitoring solutions and is based in Rotterdam, the Netherlands. TWTG is now part of IMI's Process Automation sector.

Disposals

On 25 April 2024 the Group disposed of French subsidiary Industrie Mecanique Pour Les Fluides SA for proceeds of £18.5m resulting in a gain on disposal of £6.3m. For further details see Note 12.

Foreign exchange

The income statements of overseas operations are translated into Sterling at average rates of exchange for the year, balance sheets are translated at year-end rates. The most significant currencies are the Euro and the US Dollar – the relevant rates of exchange were:

	Average Rates		Balance Sheet Rates	
	2024	2023	2024	2023
Euro	1.18	1.15	1.21	1.15
US Dollar	1.28	1.24	1.25	1.27

The movement in average exchange rates between 2023 and 2024 negatively impacted both revenue and adjusted operating profit by 3% in the full year when compared to 2023.

If exchange rates as at 21 February 2025 of US\$1.26 and €1.21 were projected for the full year and applied to our 2024 results, it is estimated that both revenue and adjusted operating profit would be broadly neutral.

Treasury

IMI has a centralised Treasury function that provides treasury services to Group companies including funding liquidity, credit, foreign exchange, interest rate and base metal commodity management. The Group Treasury function manages financial risks in compliance with Board-approved policies.

Capital allocation

Free cash flow before corporate activity increased by 12% to £263m in the year (2023: £234m) as net debt reduced to 1.0x adjusted EBITDA (2023: 1.3x), comfortably within our 1.0x–2.0x target range.

The Group will look to prioritise opportunities to deliver incremental organic growth as it continues to invest in its people and operations. Capital expenditure was 1.5x depreciation during the year (2023: 1.3x) with R&D expenditure at 3.3% of sales (2023: 3.3%), above our 3.0% target.

IMI will also pursue bolt-on acquisitions that strengthen its position in fluid and motion control markets and deliver returns in line with its strict financial criteria. Acquisitions must deliver returns above the Group weighted average cost of capital by year three and must not be materially dilutive to the Group return on invested capital by year five.

The Group is committed to a progressive dividend policy and considers appropriate mechanisms to return additional surplus capital if the Group's net debt to adjusted EBITDA fall sustainably below our 1.0x–2.0x target range. A £100m share buyback was completed in the year (2023: nil).

There is significant headroom to current funding covenants of 3.0x net debt to adjusted EBITDA.

At 31 December 2024, IMI plc (the parent company) had distributable reserves of £304m (2023: £304m).

Daniel Shook
Chief Financial Officer

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

		2024			2023		
	Notes	Adjusted £m	Adjusting items (Note 1) £m	Statutory £m	Adjusted £m	Adjusting items (Note 1) £m	Statutory £m
Revenue	1	2,210		2,210	2,196		2,196
Cost of sales		(1,165.4)		(1,165.4)	(1,182.1)	(1.6)	(1,183.7)
Gross profit		1,044.6		1,044.6	1,013.9	(1.6)	1,012.3
Net operating costs		(609.1)	(79.3)	(688.4)	(603.3)	(90.4)	(693.7)
Operating profit	1	435.5	(79.3)	356.2	410.6	(92.0)	318.6
Financial income	3	9.7		9.7	8.1		8.1
Financial expense	3	(24.5)		(24.5)	(30.8)		(30.8)
(Losses) / gains on instruments measured at fair through profit or loss			(9.1)	(9.1)		7.0	7.0
Net financial expense relating to defined benefit pension schemes	8	(1.9)		(1.9)	(0.5)		(0.5)
Net financial (expense)/income		(16.7)	(9.1)	(25.8)	(23.2)	7.0	(16.2)
Profit before tax		418.8	(88.4)	330.4	387.4	(85.0)	302.4
Taxation	4	(101.8)	19.9	(81.9)	(84.5)	19.4	(65.1)
Profit after tax		317.0	(68.5)	248.5	302.9	(65.6)	237.3
Earnings per share	5						
Basic - from profit for the year				96.0p			91.5p
Diluted - from profit for the year				95.6p			91.2p

All activities relate to continuing operations and are all attributable to the owners of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	£m	£m	£m	£m
Profit for the year		<u>248.5</u>		<u>237.3</u>
Items that will not subsequently be reclassified to profit and loss				
Re-measurement loss on defined benefit plans	(1.5)		(33.7)	
Related taxation credit on items that will not subsequently be reclassified to profit and loss	0.2		8.6	
		<u>(1.3)</u>		<u>(25.1)</u>
Items that may be reclassified to profit and loss				
Gain arising on hedging instruments designated in hedges of the net assets in foreign operation	11.1		6.7	
Loss on exchange differences on translation of foreign operations net of funding revaluations	(37.9)		(41.1)	
Gain on exchange differences reclassified to income statement on disposal of operations	(0.3)		(0.2)	
Related tax (charge) / credit on items that may subsequently be reclassified to profit and loss	(2.9)		1.8	
		<u>(30.0)</u>		<u>(32.8)</u>
Other comprehensive loss for the year, net of taxation		<u>(31.3)</u>		<u>(57.9)</u>
Total comprehensive income for the year, net of taxation		<u>217.2</u>		<u>179.4</u>
Attributable to:				
Equity holders of the parent		<u>217.2</u>		<u>179.4</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Share capital £m	Share premium account £m	Capital redemption reserve £m	Translation reserve £m	Retained earnings £m	Total £m
As at 1 January 2023		78.6	16.4	177.6	43.8	589.2	905.6
Profit for the year						237.3	237.3
Other comprehensive expense excluding related taxation effect					(34.6)	(33.7)	(68.3)
Related taxation effect					1.8	8.6	10.4
Total comprehensive (expense) / income					(32.8)	212.2	179.4
Issue of share capital			0.6				0.6
Dividends paid	7					(68.8)	(68.8)
Share-based payments (net of tax)						13.4	13.4
As at 31 December 2023		78.6	17.0	177.6	11.0	746.0	1,030.2
Changes in equity in 2024							
Profit for the year						248.5	248.5
Other comprehensive expense excluding related taxation effect					(27.1)	(1.5)	(28.6)
Related taxation effect					(2.9)	0.2	(2.7)
Total comprehensive (expense) / income					(30.0)	247.2	217.2
Issue of share capital		0.1	1.3				1.4
Dividends paid	7					(76.0)	(76.0)
Share-based payments (net of tax)						10.7	10.7
Cancellation of Treasury Shares		(1.6)		1.6			-
Proceeds from employee share scheme trust						2.0	2.0
Share buyback programme						(100.4)	(100.4)
As at 31 December 2024		77.1	18.3	179.2	(19.0)	829.5	1,085.1

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £m	2023 £m
Assets		
Goodwill	670.9	680.3
Other intangible assets	254.0	277.4
Property, plant and equipment	301.2	300.4
Right-of-use assets	87.6	99.6
Employee benefit assets	1.1	1.7
Deferred tax assets	24.2	22.7
Other receivables	2.1	2.3
Total non-current assets	1,341.1	1,384.4
Inventories	447.8	437.3
Trade and other receivables	540.2	523.9
Derivative financial assets	6.9	12.1
Current tax	4.5	4.5
Investments	2.2	1.7
Cash and cash equivalents	147.8	106.5
Total current assets	1,149.4	1,086.0
Total assets	2,490.5	2,470.4
Liabilities		
Trade and other payables	(495.9)	(470.3)
Bank overdraft	(91.0)	(66.3)
Interest-bearing loans and borrowings	(124.0)	(47.2)
Lease liabilities	(23.2)	(25.2)
Provisions	(34.7)	(28.7)
Current tax	(61.8)	(73.0)
Derivative financial liabilities	(13.3)	(10.9)
Total current liabilities	(843.9)	(721.6)
Interest-bearing loans and borrowings	(391.4)	(531.4)
Lease liabilities	(65.9)	(75.0)
Employee benefit obligations	(48.5)	(50.6)
Provisions	(8.5)	(13.0)
Deferred tax liabilities	(33.7)	(33.3)
Other payables	(13.5)	(15.3)
Total non-current liabilities	(561.5)	(718.6)
Total liabilities	(1,405.4)	(1,440.2)
Net assets	1,085.1	1,030.2
Share capital	77.1	78.6
Share premium	18.3	17.0
Other reserves	160.2	188.6
Retained earnings	829.5	746.0
Total equity	1,085.1	1,030.2

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Operating profit for the year		356.2	318.6
Adjustments for:			
Depreciation and amortisation		119.0	124.4
Impairment of property, plant and equipment and intangible assets		2.4	5.2
Profit on disposal of subsidiaries	12	(6.3)	(0.7)
Loss on sale of property, plant and equipment		1.7	0.5
Equity-settled share-based payment expense		10.8	12.9
Increase in inventories		(24.1)	(32.3)
Increase in trade and other receivables		(40.5)	(56.5)
Increase in trade and other payables		43.1	57.5
Increase / (decrease) in provisions		2.7	(0.1)
Increase in employee benefits		1.6	1.0
Settlement of transactional derivatives		2.9	8.8
Cash generated from operations		469.5	439.3
Income taxes paid	4	(97.9)	(76.1)
Net cash from operating activities		371.6	363.2
Cash flows from investing activities			
Interest received	3	9.7	8.1
Proceeds from sale of property, plant and equipment		15.6	1.6
Settlement of effective net investment hedge derivatives		11.7	1.0
Acquisitions of subsidiaries net of cash	11	(17.7)	
Acquisition of property, plant and equipment and non-acquired intangibles		(91.5)	(79.9)
Purchase of investments		(1.0)	
Proceeds from disposal of subsidiaries net of cash	12	15.2	0.1
Net cash from investing activities		(58.0)	(69.1)
Cash flows from financing activities			
Interest paid	3	(24.5)	(30.8)
Adjustment for employee share scheme trust		2.0	
Proceeds from the issue of share capital for employee share schemes		1.3	0.6
Share buyback		(100.4)	
Repayment of borrowings	9	(50.0)	(148.4)
Principal elements of lease payments		(28.6)	(29.0)
Dividends paid to equity shareholders	7	(76.0)	(68.8)
Net cash from financing activities		(276.2)	(276.4)
Net increase in cash and cash equivalents		37.4	17.7
Cash and cash equivalents at the start of the year		40.2	39.2
Effect of exchange rate fluctuations		(20.8)	(16.7)
Cash and cash equivalents at the end of the year		56.8	40.2
Reconciliation of cash and cash equivalents			
Cash and cash equivalents		147.8	106.5
Bank overdraft		(91.0)	(66.3)
Cash and cash equivalents at the end of the period		56.8	40.2

Reconciliation of net cash to movement in net borrowings appears in Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segmental information

Segmental information is presented in the consolidated financial statements for each of the Group's operating segments. The operating segment reporting format reflects the Group's management and internal reporting structures and represents the information that was presented to the chief operating decision-maker, being the Executive Committee.

Automation

The Automation business leverages deep automation technology and applications expertise to improve productivity, safety and sustainability in the Process Automation and Industrial Automation sectors.

Life Technology

The Life Technology business focuses on technologies that enhance and improve everyday life, particularly in the areas of health, sustainability and comfort across the Climate Control, Transport and Life Science and Fluid Control sectors.

Performance is measured by the Executive Committee based on adjusted operating profit and organic revenue growth which are defined in the table below. These two measures represent the two short-term key performance indicators for the Group.

Businesses enter forward currency and metal contracts to provide economic hedges against the impact on profitability of swings in rates and values in accordance with the Group's policy to minimise the risk of volatility in revenues, costs and margins. Adjusted operating profits are therefore charged/credited with the impact of these contracts. In accordance with IFRS 9, these contracts do not meet the requirements for hedge accounting and gains and losses are reversed out of operating profit and are recorded in net financial income and expense for the purposes of the consolidated income statement.

1. Segmental information (continued)

Alternative Performance Measures ('APMs')

Certain alternative performance measures ('APMs') have been included within this announcement and discussed further in Note 6. These APMs are used by the Executive Committee to monitor and manage the performance of the Group. Movements in revenue and adjusted operating profit are given on an organic basis (see definition below) so that performance is not distorted by acquisitions, disposals and movements in exchange rates.

References to EPS, unless otherwise stated, relate to adjusted basic EPS i.e. after adjustment for the per share after tax impact of adjusted items. The directors' commentary discusses these alternative performance measures to remove the effects of items of both income and expense that are considered different in nature from the underlying trading and normal quantum and where treatment as an adjusting item provides stakeholders with additional information to assess period-on-period trading. The table below details the definition of each APM and a reference to where it can be reconciled to the equivalent statutory measure.

APM	Definition	Reconciliation to statutory measure
Adjusted profit before tax	Adjusted profit before tax is statutory profit before tax before adjusting items as shown on the income statement.	See income statement on page 17.
Adjusted net interest cost	Adjusted net interest cost is statutory net interest costs before adjusting items as shown on the income statement.	See income statement on page 17.
Adjusted earnings per share	Adjusted earnings per share is defined within the table in Note 5.	See Note 5.
Adjusted effective tax rate	The adjusted effective tax rate is the tax impact on adjusted profit before tax divided by adjusted profit before tax.	See Note 4.
Adjusted EBITDA	This measure reflects adjusted profit after tax before interest, tax, depreciation, amortisation and impairment.	
Adjusted operating profit	Adjusted operating profit is statutory operating profit before adjusted items as shown on the income statement.	
Adjusted operating margin	Adjusted operating margin is adjusted operating profit divided by revenue.	
Adjusted net financing costs	Adjusted net financing costs is interest received and interest paid including the impact on interest costs on leases before gains on instruments measured at fair value through profit or loss (other economic hedges) and net financial income relating to defined benefit pension schemes.	See income statement on page 17 and segmental reporting in Note 1.
Organic revenue growth		
Organic adjusted operating profit	These two measures remove the impact of adjusting items, acquisitions, disposals and movements in exchange rates.	
Adjusted operating cash flow	This measure reflects cash generated from operations as shown in the statement of cash flows less cash spent acquiring property, plant and equipment, non-acquired intangible assets and investments; plus cash received from the sale of property, plant and equipment, the sale of investments less the repayment of principal amounts of lease payments excluding the cash impact of adjusting items.	See Note 9.

1. Segmental information (continued)

APM	Definition	Reconciliation to statutory measure
Net debt	Net debt is defined as the cash and cash equivalents, overdrafts, interest-bearing loans and borrowings and lease liabilities.	See Note 9.
Net debt: adjusted EBITDA	Net debt divided by adjusted EBITDA as defined above.	
Free cash flow before corporate activity	This measure is a sub-total in the reconciliation of adjusted EBITDA to net debt and is presented to assist the reader to understand the nature of the current year's cash flows excluding dividends, share buybacks and the purchase and issuance of own shares.	See Note 9.
Return on invested capital (ROIC)	This measure takes adjusted operating profit after tax divided by average capital invested. Capital invested is defined as net assets adjusted to remove net debt, derivative assets and liabilities, defined benefit pension position (net of deferred tax) and to reverse historical impairments of goodwill and amortisation of acquired intangible assets.	See page 15.
Cash conversion	Cash conversion is the adjusted operating cash flow as a percentage of the adjusted operating profit.	See page 13.

The following table shows a reconciliation of platform adjusted operating profit to statutory operating profit.

	Automation		Life Technology		Total	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Revenue	1,414	1,350	796	846	2,210	2,196
Adjusted operating profit	289.2	257.3	146.3	153.3	435.5	410.6
Adjusted operating profit margin	20.5%	19.1%	18.4%	18.1%	19.7%	18.7%
Reconciliation to statutory operating profit:						
Reversal of net economic hedge contract gains	(0.2)	(7.5)	(1.8)	(0.8)	(2.0)	(8.3)
Restructuring costs	(35.5)	(30.6)	(19.2)	(17.5)	(54.7)	(48.1)
Acquired intangible amortisation and other acquisition items	(13.0)	(14.9)	(15.9)	(18.7)	(28.9)	(33.6)
Exit from Russia		(2.0)				(2.0)
Gain on disposal of subsidiary			6.3		6.3	
Statutory operating profit	240.5	202.3	115.7	116.3	356.2	318.6
Statutory operating margin (%)	17.0%	15.0%	14.5%	13.7%	16.1%	14.5%
Net financial expense					(25.8)	(16.2)
Statutory profit before tax					330.4	302.4

1. Segmental information (continued)

The following table illustrates how revenue and adjusted operating profit have been impacted by movements in foreign exchange, acquisitions and disposals compared to 2023.

Revenue	Year ended 31 December 2023				Year ended 31 December 2024				
	As adjusted	Disposal	Exchange	Organic	As adjusted	Acquisitions	Organic	Adjusted growth (%)	Organic growth (%)
Automation	1,350		(44)	1,306	1,414	(1)	1,413	5%	8%
Life Technology	846	(9)	(22)	815	796		796	-6%	-2%
Total	2,196	(9)	(66)	2,121	2,210	(1)	2,209	1%	4%
Adjusted operating profit									
Automation	257.3		(9.9)	247.4	289.2	(0.3)	288.9	12%	17%
Life Technology	153.3	(2.0)	(3.9)	147.4	146.3		146.3	-5%	-1%
Total	410.6	(2.0)	(13.8)	394.8	435.5	(0.3)	435.2	6%	10%
Adjusted operating profit margin (%)	18.7%			18.6%	19.7%		19.7%		

The following table shows a geographical analysis of how the Group's revenue is derived by destination:

	2024 £m	2023 £m
UK	130	117
Germany	257	280
Rest of Europe	555	557
Total Europe	942	954
USA	520	525
Rest of Americas	137	140
Total Americas	657	665
China	180	174
Rest of Asia Pacific	277	296
Total Asia Pacific	457	470
Middle East & Africa	154	107
Total revenue	2,210	2,196

1. Segmental information (continued)

The Group's revenue streams are disaggregated in the table below.

	2024 Revenue £m	2023 Revenue £m
Industrial Automation	508	543
Aftermarket	545	483
New Construction	361	324
Process Automation	906	807
Automation	1,414	1,350
Climate Control	389	386
Life Science & Fluid Control	236	276
Transport	171	184
Life Technology	796	846
Total revenue	2,210	2,196
Sale of goods	2,127	2,115
Sale of services	83	81
Total revenue	2,210	2,196

2. Discontinued operations

There was no profit or loss from discontinued operations in 2024 or 2023.

3. Net financing costs

	2024			2023		
	Interest	Financial	Total	Interest	Financial	Total
	£m	£m	£m	£m	£m	£m
Recognised in the income statement						
Interest income on bank deposits	9.7		9.7	8.1		8.1
Financial income	9.7		9.7	8.1		8.1
Interest expense on interest-bearing loans and borrowings	(21.7)		(21.7)	(27.9)		(27.9)
Interest expense on leases	(2.8)		(2.8)	(2.9)		(2.9)
Financial expense	(24.5)		(24.5)	(30.8)		(30.8)
Recognised in other comprehensive income						
Gains on instruments measured at fair value through profit or loss:						
Other economic hedges		(9.1)	(9.1)		7.0	7.0
Net financial expense relating to defined benefit pension schemes	(1.9)		(1.9)	(0.5)		(0.5)
Net financial (expense)/income	(16.7)	(9.1)	(25.8)	(23.2)	7.0	(16.2)

Included in financial instruments are current year trading gains and losses on economically effective transactions which for management reporting purposes are included in adjusted revenue and operating profit (see Note 1). For statutory purposes, these are shown within net financial income and expense above. Gains or losses for future year transactions are in respect of financial instruments held by the Group to provide stability of future trading cash flows.

4. Taxation

The tax charge before adjusting items is £101.8m (2023: £84.5m) which equates to an adjusted effective tax rate of 24.3% (2023: 21.8%). The statutory tax charge is £81.9m (2023: £65.1m) which equates to 24.8% (2023: 21.5%). Taxes of £ 97.9m were paid in the year (2023: £76.1m). The Group seeks to manage its tax affairs within its core tax principles of compliance, fairness, value and transparency, in accordance with the Group's Tax Policy.

The tax rates for 2024 include the estimated impact of the OECD Inclusive Framework agreement for a global minimum corporate income tax rate of 15%, the effect of which on IMI's results is minimal.

As IMI's head office and parent company are domiciled in the UK, the Group references its effective tax rate to the UK corporation tax rate, despite only a small portion of the Group's business being in the UK. The rate of corporation tax in the UK in 2024 was 25% (2023: 23.5%). The Group's effective tax rate differs slightly from the UK tax rate due to the Group's overseas profits being taxed at different rates.

5. Earnings per ordinary share

		2024	2023
	Key	million	million
Weighted average number of shares for the purpose of basic earnings per share	A	258.8	259.3
Dilutive effect of employee share options		1.1	1.0
Weighted average number of shares for the purpose of diluted earnings per share	B	259.9	260.3
		£m	£m
Statutory profit for the year	C	248.5	237.3
Total adjusting items charges included in profit before tax		88.4	85.0
Total adjusting items credits included in taxation		(19.9)	(19.4)
Earnings for adjusted EPS	D	317.0	302.9
Statutory EPS measures			
Statutory basic EPS	C/A	96.0p	91.5p
Statutory diluted EPS	C/B	95.6p	91.2p
Adjusted EPS measures			
Adjusted basic EPS	D/A	122.5p	116.8p
Adjusted diluted EPS	D/B	122.0p	116.4p

6. Adjusting items

Reversal of net economic hedge contract losses/gains

For segmental reporting purposes, changes in the fair value of economic hedges which are not designated as hedges for accounting purposes, together with the gains and losses on their settlement, are included in the revenue and adjusted operating profit of the relevant business segment. The adjusting items at the operating level reverse this treatment. The financing adjusting items reflect the change in value or settlement of these contracts with the financial institutions with whom they were transacted.

Restructuring costs

Restructuring costs of £54.7m were recognised in 2024. The Automation platform incurred costs of £35.5m primarily related to the rationalisation of three facilities and the creation of a COO structure to streamline and share best practice across our Sectors. The Life Technology platform incurred costs of £19.2m related to the Customer First reorganisation project, the Focus for Growth project in Climate Control, to improve the team's ability to implement operational strategies, creation of the COO structure and the rationalisation of two facilities. The benefits of the restructuring programme are included in adjusted operating profit. These restructuring projects are due to be completed in 2025.

Restructuring costs of £48.1m were recognised in 2023. The Automation platform incurred costs of £30.6m related to the rationalisation of three facilities. The Life Technology platform incurred costs of £17.5m related to the Customer First reorganisation project and the rationalisation of three facilities.

Acquired intangible amortisation and other acquisition items

The acquired intangible amortisation charge was £28.2m (2023: £32.0m), which largely relates to the amortisation of the intangible assets recognised on the acquisition of Adaptas Solutions, Heatmiser UK Ltd and Bimba Manufacturing Company. Other acquisition costs of £0.7m primarily related to professional fees associated with the acquisition of TWTG.

Gain on disposal of subsidiary

The Group disposed of a French subsidiary, Industrie Mecanique Pour Les Fluides SA, on 25 April 2024 resulting in a gain on disposal of £6.3m. Refer to Note 12 for further details.

Exit from Russia

During 2023, changes were made to the legal structure of a customer, which resulted in a £2m write-off. This came following the Group's decision to end all new business in Russia in 2022.

Taxation

The tax effect of the above items has been recognised as an adjusting item and amounts to £18.3m (2023: £19.4m). A charge of £5.0m is recorded as an adjusting item relating to the transfer of businesses in the year. A credit of £1.6m is also recorded as an adjusting item relating to the release of a prior year restructuring provision which has now been resolved.

7. Dividend

The directors recommend a final dividend of 21.1p per share (2023: 19.2p) payable on 16 May 2025 to shareholders on the register at close of business on 5 April 2025, which will cost approximately £53.9m (2023: £49.9m). Together with the interim dividend of 10.0p (2023: 9.1p) per share paid in September 2024, this makes a total distribution of 31.1p per share (2023: 28.3p per share). In accordance with IAS10 'Events after the Balance Sheet date', this final proposed dividend has not been reflected in the 31 December 2024 balance sheet.

8. Employee Benefits

The Group has 70 (2023: 70) defined benefit obligations in existence as at 31 December 2024. The Group recognises there is a funding and investment risk inherent within defined benefit arrangements and seeks to continue its programme of closing overseas defined benefit plans where possible and providing in their place appropriate defined contribution arrangements.

The net deficit for defined benefit obligations at 31 December 2024 was £47.4m (2023: £48.9m). The UK deficit was £3.3m (2023: deficit of £3.7m) and constituted 66% (2023: 68%) of the total defined benefit liabilities and 74% (2023: 76%) of the total defined benefit assets. The deficit in the overseas funds as at 31 December 2024 was £44.1m (2023: £45.2m).

	UK £m	Overseas £m	Total £m
Net defined benefit surplus/(obligation) at 1 January 2024	(3.7)	(45.2)	(48.9)
Movement recognised in:			
Income statement	(0.2)	(6.1)	(6.3)
Other comprehensive income	0.6	(2.1)	(1.5)
Cash flow statement		7.1	7.1
Exchange		2.2	2.2
Net defined benefit obligation at 31 December 2024	(3.3)	(44.1)	(47.4)

9. Cash flow and net debt reconciliation

Reconciliation of net cash to movement in net debt	2024	2023
	£m	£m
Net increase in cash and cash equivalents excluding foreign exchange	37.4	17.7
Less: cash acquired/disposed	1.8	0.4
Net repayment of borrowings excluding foreign exchange and net debt disposed/acquired	50.0	148.4
Decrease in net debt before acquisitions, disposals and foreign exchange	89.2	166.5
Net cash acquired/disposed	(4.7)	(0.4)
Currency translation differences	(4.7)	1.8
Movement in lease liabilities	11.1	5.5
Movement in net debt in the year	90.9	173.4
Net debt at the start of the year	(638.6)	(812.0)
Net debt at the end of the year	(547.7)	(638.6)

Movement in net debt	2024	2023
	£m	£m
Adjusted EBITDA*	526.3	503.2
Working capital movements	(21.5)	(31.3)
Capital and development expenditure	(91.5)	(79.9)
Provisions and employee benefit movements**	(1.7)	(2.7)
Principal elements of lease payments	(28.6)	(29.0)
Other	18.8	6.0
Adjusted operating cash flow ***	401.8	366.3
Adjusting items	(40.7)	(43.1)
Tax paid	(97.9)	(76.1)
Interest	(14.8)	(22.7)
Settlement of derivatives	14.6	9.8
Free cash flow before corporate activity	263.0	234.2
Dividends paid to equity shareholders	(76.0)	(68.8)
Acquisition of subsidiaries	(18.2)	-
Disposal of subsidiaries	17.5	0.5
Net purchase of own shares	(97.1)	0.6
Net cash flow (excluding debt movements)	89.2	166.5

*Adjusted profit after tax £317.0m before interest £16.7m, tax £101.8m, depreciation £71.0m and amortisation £19.8m.

**Movement in provisions and employee benefits as per the statement of cash flows £4.3m adjusted for the movement in the restructuring provisions £6.0m.

***Adjusted operating cash flow is the cash generated from the operations shown in the statement of cash flows less cash spent acquiring property, plant and equipment, non-acquired intangible assets and investments; plus cash received from the sale of property, plant and equipment and the sale of investments, excluding the cash impact of adjusting items. This measure best reflects the operating cash flows of the Group.

Reconciliation of adjusted operating cash flow to cash flow statement	2024	2023
	£m	£m
Cash generated from operations	469.5	439.3
Principal lease payments	(28.6)	(29.0)
Settlement of transactional derivatives	(2.9)	(8.8)
Acquisition of property, plant and equipment and non-acquired intangibles	(91.5)	(79.9)
Adjusting items	40.7	43.1
Proceeds from sale of property, plant and equipment	15.6	1.6
Purchase of investments	(1.0)	-
Adjusted operating cash flow	401.8	366.3

10. Exchange rates

The income statements of overseas operations are translated into sterling at average rates of exchange for the year, balance sheets are translated at year end rates. The most significant currencies are the euro and the US dollar – the relevant rates of exchange were:

	Average Rates		Balance Sheet Rates	
	2024	2023	2024	2023
Euro	1.18	1.15	1.21	1.15
US Dollar	1.28	1.24	1.25	1.27

The movement in average exchange rates between 2023 and 2024 negatively impacted both revenue and adjusted operating profit by 3% in the full year when compared to 2023.

If exchange rates as at 21 February 2025 of US\$1.26 and €1.21 were projected for the full year and applied to our 2024 results, it is estimated that both revenue and adjusted operating profit would be broadly neutral.

11. Acquisitions

Acquisitions in 2024

During the year ended 31 December 2024, the Group acquired, TWTG Group B.V. ("TWTG").

a) TWTG GROUP B.V. (TWTG)

	Provisional fair value at 31 October 2024 £m
Other intangible assets	9.5
Property, plant and equipment	0.1
Right of use assets	0.5
Inventories	2.2
Trade and other receivables	1.9
Cash and cash equivalents	0.5
Trade and other payables	(1.6)
Interest-bearing loans and borrowings	(2.9)
Lease liabilities	(0.5)
Deferred taxation	(2.2)
Total identified net assets at fair value	7.5
Goodwill arising on acquisition	10.7
Purchase consideration	18.2

On 31 October 2024 the Group acquired 100% of the share capital, and associated voting rights, of TWTG Group B.V. (TWTG) for initial purchase consideration of £18.2m. TWTG is a leader in smart connected asset monitoring solutions for process industries based in Rotterdam, the Netherlands.

This acquisition has been accounted for as a business combination. The provisional fair value amounts recognised in respect of the identified assets acquired and liabilities assumed are set out in the table above. The goodwill recognised above includes certain intangible assets that cannot be separately identified and measured due to their nature. This includes control over the acquired business, the skills and experience of the assembled workforce, the increase in scale, synergies and the future growth opportunities that the business provides to the Group's operations.

Acquisition costs of £0.7m were recognised in the income statement in 2024.

The revenue and adjusted operating profit included in the income statement for 2024 contributed by TWTG were £1.0m and £0.3m, respectively. If the acquisition had taken place on 1 January 2024, TWTG would have contributed revenue and adjusted operating profit of £7.4m and £1.0m, respectively.

There were no acquisitions during 2023.

12. Disposals

Disposals in 2024

The Group disposed of its French subsidiary, Industrie Mecanique Pour Les Fluides SA, on 25 April 2024 for proceeds of £18.5m resulting in a gain on disposal for the Group of £6.3m after disposing of £11.5m of net assets and incurring £1.0m of associated disposal costs, partly offset by recycling a foreign exchange gain from reserves of £0.3m.

This disposal is not disclosed as a discontinued item because it did not represent a separate major line of business.

	25 April 2024 £m
Sale consideration	18.5
Net assets disposal	(11.5)
Costs of disposal	(1.0)
Foreign exchange gain reclassified on disposal	0.3
Gain on disposal	6.3
Net cash flow arising on disposal	
Sale consideration	18.5
Cash costs of disposal	(1.0)
Cash transferred to purchaser	(2.3)
Net cash flow arising on disposal of operations	15.2

Disposals in 2023

The Group disposed of its Dutch subsidiary, IMI Aero-Dynamiek BV, on 2 October 2023 for proceeds of £0.8m, resulting in a gain on disposal for the Group of £0.7m after disposing of £nil of net assets and incurring £0.3m of associated disposal costs.

This disposal was not disclosed as a discontinued item because it did not represent a separate major line of business

	2 October 2023 £m
Sale consideration	0.8
Net assets disposed	-
Costs of disposal	(0.3)
Foreign exchange loss reclassified on disposal	0.2
Gain on disposal	0.7
Net cash flow arising on disposal	
Sale consideration	0.8
Cash costs of disposal	(0.3)
Net cash flow arising on disposal of operations	0.5

13. Financial information

The preliminary statement of results was approved by the Board on 27 February 2025. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023 but is derived from the 2024 accounts, which are prepared on the same basis as the 2023 accounts. Statutory accounts for 2023 have been delivered to the registrar of companies and those for 2024 will be delivered in due course. Deloitte LLP has reported on the 2024 and 2023 accounts. Their reports were (i) unqualified, (ii) did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying its reports and (iii) did not contain statements under section S498(2) or S498(3) of the Companies Act 2006.

This announcement may contain forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and operating margins, market trends and our product pipeline are forward-looking statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of risks and uncertainties that are inherent in any forward-looking statement which could cause actual results to differ materially from those currently anticipated. Any forward-looking statement is made in good faith and based on information available to IMI plc as of the date of the preparation of this announcement. All written or oral forward-looking statements attributable to IMI plc are qualified by this caution. IMI plc does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in IMI plc's expectations. Nothing in this preliminary announcement should be construed as a profit forecast.

This preliminary statement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to IMI plc and its subsidiaries when viewed as a whole.

References in the commentary to revenue, adjusted operating profit and adjusted operating margins, unless otherwise stated, relate to amounts on an adjusted basis before adjusting items as noted on the face of the consolidated income statement.

References to EPS, unless otherwise stated, relate to adjusted basic EPS i.e. after adjustment for the per share after tax impact of adjusting items in Note 6.

Alternative Performance Measures ('APMs') are used in discussions with the investment analyst community and by the Board and management to monitor the trading performance of the Group. We consider that the presentation of APMs allows for users to better assess period-on-period trading performance of the Group. The APMs presented in the Annual Report to 31 December 2024 are defined in Note 1.

References to organic growth exclude the impact of exchange rate translation and acquisitions or disposals that are included in adjusted growth figures. The organic growth is derived from excluding any contribution from acquired businesses to revenues or profits in the current period until the first anniversary of their acquisition. It also excludes the contribution to revenues or profits in both the current and comparative period from any business that has been disposed of. These organic revenues or profits will then be compared to the organic revenue or profits for the prior period after their re-translation at the current period average exchange rates to provide the organic growth rate. The impact on revenue and adjusted operating profit of movements in foreign exchange, acquisitions and disposals is set out in Note 1.

IMI plc is registered in England No. 714275. Its legal entity identifier ('LEI') number is 2138002W9Q21PF751R30. The person responsible for releasing this announcement on behalf of the Board is Louise Waldek, Chief Legal & Risk Officer and Company Secretary.

The Company's 2024 Annual Report and Notice of the forthcoming Annual General Meeting will be posted to shareholders on 28 March 2025.

Notes to editors

IMI plc is a global leader in fluid and motion control. Its innovative solutions, built around valves and actuators, enable vital sectors to become safer, more productive and more energy efficient. IMI combines world-class applications engineering expertise with a continued focus on commercial excellence, market-led innovation and complexity reduction to solve its customers most acute engineering problems. IMI employs approximately 10,000 people, has manufacturing facilities in 18 countries and operates a global service network. IMI is a member of the FTSE 100 and is listed on the London Stock Exchange. Further information is available at www.imiplc.com.

Brand materials can be found [here](#).