Cleaner. Healthier. More productive.

ANNUAL REPORT AND ACCOUNTS 2024

What we do

Our purpose is to harness the power of precision measurement to make the world cleaner, healthier and more productive.

Our 2024 highlights

FINANCIAL

Sales
£1,298.7m
2023: £1,449.2m
Change yoy (10%)
LFL[1] change yoy (7%)

Adjusted earnings per share[1,2]
148.1p
2023: 199.7p
Change yoy (26%)

Adjusted cash flow conversion[1,2]
88%
2023: 103%
Change yoy (1500bps)

Statutory operating profit
£97.6m
2023: £188.6m
Change yoy (48%)

Dividend per share
83.2p
2023: 79.2p
Change yoy 5%

Statutory operating margin
7.5%
2023: 13.0%
Change yoy (550)bps

Adjusted operating profit[1]
£202.6m
2023: £262.5m
Change yoy (23%)
LFL[1] change yoy (20%)

Basic earnings per share
233.1p
2023: 140.3p
Change yoy (66%)

Adjusted operating margin[1,2]
15.6%
2023: 18.1%
Change yoy (250bps)
LFL[1] change yoy (250bps)

R&D as a percentage of sales
8.1%
2023: 7.5%
Change yoy 60bps

NON-FINANCIAL

Total recordable incident rate[2]
0.26
2023: 0.34

Energy efficiency[2]
(MWh per £m revenue)
57.0
2023: 48.9

Employee engagement –
Gallup GrandMean score[2]
4.00
2023: 3.92

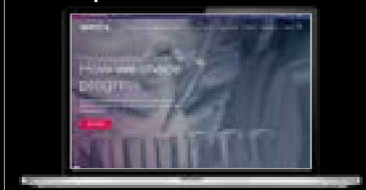
CDP score
A-
2023: A-

1. Alternative performance measures (APMs) are used consistently throughout this Annual Report and are referred to as 'adjusted' or 'like-for-like' (LFL). These are defined in full and reconciled to the reported statutory measures in the appendix to the Consolidated Financial Statements on page 229.
2. See more in the Key Performance Indicators section on pages 36 and 37.

Contents

Cover image: detector lens, Laser 3 Plus series of gas analysers, Servomex

For more information on Spectris's activities and performance please visit our website:
spectris.com



CLEANER. HEALTHIER. MORE PRODUCTIVE.

Demand for our products and services is being amplified by a number of global trends including an ageing population, driving a rise in healthcare demand, the existential need to solve the climate crisis through the transition to cleaner energy, and a more responsible use of the planet's resources requiring customers to optimise production and improve yield.

Strategy for sustainable growth

Our Business Model

We deliver our purpose and our commitment to being a sustainable business partner, investment proposition and employer through our business model.

In October 2022, having delivered our Strategy for Profitable Growth, we announced the next phase in our journey – our Strategy for Sustainable Growth.

See our Business Model:
pages 4 to 5

SPECTRIS AT A GLANCE

Spectris in focus

Spectris harnesses the power of precision measurement to equip our customers to make the world cleaner, healthier and more productive. We focus on areas where we have competitive and differentiated offerings, positioned in attractive, structural growth markets with high barriers to entry.

What we do
We combine precision with purpose, to deliver progress for a better world. We provide critical insights to our customers through premium precision measurement, using technical expertise and deep domain knowledge to deliver value beyond measure for all our stakeholders.

How we equip customers
We equip our customers to solve some of their greatest challenges. By leveraging our domain expertise alongside our market-leading instruments, software and solutions, we help our customers to develop: the technologies to drive the energy transition; the medicines that cure us; the materials we build with; the devices that connect us; and the machines that help us work faster, better and more efficiently.

Our go-to-market model
Our high-touch selling model, with over 90% of our sales direct, drives high levels of customer intimacy and understanding.

Our global network of ~2,200 sales and service employees work closely with our customers to ensure we understand their technical requirements and deliver the optimal solution. This also allows us to provide high levels of aftersales services and support, generating a strong aftermarket annuity.

OUR KEY MARKETS
% of Group sales

1 Life sciences/Pharmaceutical
19% 2023: 18%

2 Technology-led industrials
17% 2023: 16%

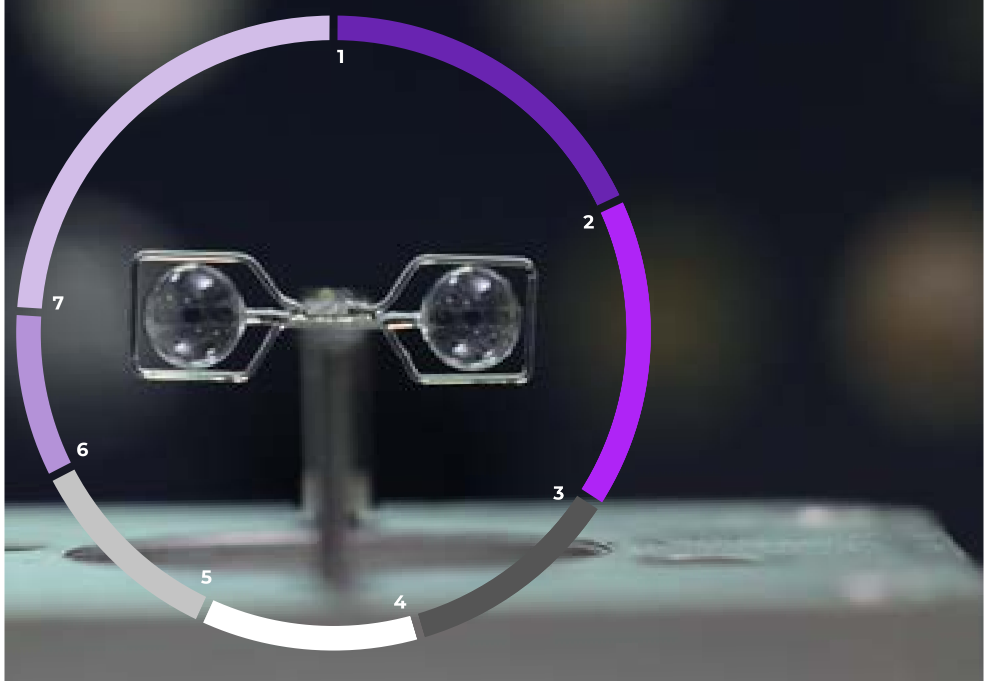
3 Electronics and semiconductor
12% 2023: 12%

4 Materials
12% 2023: 10%

5 Automotive
11% 2023: 10%

6 Academic research
9% 2023: 10%

7 Other
20% 2023: 24%



SPECTRIS AT A GLANCE continued

OUR ORGANISATIONAL STRUCTURE

Spectris Scientific

Spectris Scientific is a leader in advanced material measurement and characterisation.

Sales as a percentage of Group sales
60% 2023: 49%

Reported sales growth
(4)% 2023: 7%

LFL sales growth
(6)% 2023: 12%

Adjusted operating margin
17.7% 2023: 21.4%

Employees
3,936 2023: 2,997

Our businesses

Malvern Panalytical
A leader in material measurement and characterisation for advanced material analysis.

Malvern Panalytical

Particle Measuring Systems
World leader in micro-contamination monitoring solutions for ultra-clean manufacturers.

PARTICLE MEASURING SYSTEMS a spectris company

Servomex
Servomex is a world leader in premium gas and moisture analysis solutions.

SERVOMEX a spectris company

Spectris Dynamics

Spectris Dynamics is a leader in advanced, integrated virtual and physical test and measurement.

Sales as a percentage of Group sales
39% 2023: 37%

Reported sales growth
(8)% 2023: 10%

LFL sales growth
(7)% 2023: 6%

Adjusted operating margin
14.4% 2023: 17.1%

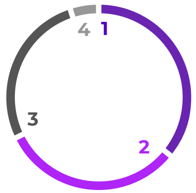
Employees
3,517 2023: 3,455

Our businesses

Hottinger Brüel & Kjaer
A world leader in advanced, integrated, physical and virtual testing and measurement.

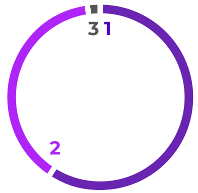
HBK HOTTINGER BRÜEL & KJAER

GROUP SALES



Sales by location (%)

1	Asia	36
2	Europe	32
3	North America	27
4	ROW	5



Sales by business (%)

1	Spectris Scientific	60
2	Spectris Dynamics	39
3	Red Lion Controls[1]	1

Sales by market (%)

1	Life sciences/Pharmaceutical	19
2	Technology-led industries	17
3	Electronics and semiconductor	12
4	Metals, minerals, mining	12
5	Automotive	11
6	Academic research	9
7	Other	20

1. Red Lion Controls was sold in April 2024

BUSINESS MODEL

Driven by our purpose, built on our values

PURPOSE LED

Our Purpose
We are harnessing the power of precision measurement to make the world cleaner, healthier and more productive.

+

Our Commitment
To being a sustainable business partner, investment proposition and employer.

DELIVERED THROUGH OUR BUSINESS MODEL

Great businesses
Asset-light businesses, focused on premium, precision measurement solutions and industry-leading domain expertise, aligned with our Purpose.

Find out more: **pages 8 to 9**

Structural growth markets
Aligned with attractive, sustainable, structural growth markets with high barriers to entry.

Find out more: **pages 10 to 11**

Investing in growth
Disciplined capital allocation for the benefit of all stakeholders – investment in growth through R&D and M&A.

Find out more: **pages 12 to 13**

Customer centricity
Solving customer challenges with leading, differentiated solutions, equipping them to make the world cleaner, healthier and more productive.

Find out more: **pages 14 to 15**

Operational excellence
Leveraging the Spectris Business System (SBS) business improvement projects and our high-performance culture.

Find out more: **page 16**

People and culture
Purpose-led, healthy, high-performance culture with a clear ambition to create a positive and lasting impact to the planet and society.

Find out more: **pages 18 to 19**

UNDERPINNED BY OUR VALUES

Be True
We believe in absolute integrity. It's how we win for stakeholders, the environment and each other.

Own It
We believe in teamwork and keeping our promises. It's how we build our brands and businesses.

Aim High
We believe in being bold and positive. It's how we perform at our best and achieve greater success.

BUSINESS MODEL continued

CREATING VALUE BEYOND MEASURE FOR ALL OUR STAKEHOLDERS

Our customers
We build strong, collaborative customer relationships, underpinned by a deep understanding of our customers' businesses.

Our people
We ensure that our culture openly reflects our values and meets the expectations of our people. We are committed to creating the best possible working environment and culture where our employees feel included, engaged and can thrive.

Our value chain
We believe that our suppliers should have the opportunity to benefit from their relationship with us, working together with a shared purpose and Values.

Our society
We are committed to creating a positive legacy in our communities and for the next generation. The Spectris Foundation will enhance and improve our charitable giving to support quality access to a STEM education.

Our shareholders
We work to ensure the long-term success of the Group to deliver enhanced shareholder value through our financial performance, capital distributions and our focus on long-term value creation.

Our planet
We recognise that we have a role to play in tackling environmental degradation and climate change. Our products and services help our customers reduce their environmental impact. We are also making strong progress in our ambition to become Net Zero across our own operations by 2030 and across our value chain by 2040.

Find out more about approach to sustainable growth in the Sustainability Report: **pages 62 to 78**

OUR STRATEGY

Strategy for sustainable growth

There has never been a better time, or a greater need, to harness the power of precision measurement to make the world cleaner, healthier and more productive.

Since 2019, we have repositioned Spectris as a leading sustainable, compound-growth business, delivering value beyond measure for all our stakeholders.

In October 2022, we announced our plans and the outlook for the next stage of our journey – our Strategy for Sustainable Growth.

UNDERPINNED BY OUR INVESTMENT IN PEOPLE

Read more:
pages 18 to 19

OUR STRATEGY continued

OUR PERFORMANCE TARGETS
2022–2027

Organic sales growth

6-7%

through the cycle

Adjusted operating margin

20%+

Adjusted cash conversion

80-90%

ROGCE

Mid-teens

Employee engagement

Gallup GrandMean score of 4.06 by 2025

Net Zero

Net Zero across our operations by 2030

Net Zero across our value chain by 2040

OUR SIX STRATEGIC PILLARS

1 Great businesses

We are owners of world-class precision measurement businesses with industry-leading domain expertise. Our Scientific and Dynamics Divisions are fully aligned with our Purpose to make the world cleaner, healthier and more productive.

Find out more:
pages 8 to 9

2 Structural growth markets

We concentrate on building leading and differentiated positions in structural, high-growth end markets, underpinned by sustainability themes, to deliver growth through the cycle.

Find out more:
pages 10 to 11

3 Investing in growth

We leverage our strong balance sheet to deliver growth. We are driving organic growth through investment in R&D, innovating and problem solving with the customer in mind. We are compounding this growth through investment in M&A to strengthen and expand our portfolio to add value across our customers' workflows.

Find out more:
pages 12 to 13

4 Customer centricity

Our focus on solutions adds value throughout our customers' workflows. Our direct relationship drives customer-backed innovation, informing our research and product development strategy, such that we intercept our customers' future needs, allowing us to move faster and deliver greater value.

Find out more:
pages 14 to 15

5 Operational excellence

We deploy our SBS to continuously drive operational excellence and improve productivity. We also are investing in new systems to improve processes and we continue to refine our lean operating model to remove structural inefficiencies and deliver our margin ambitions.

Find out more:
page 16

6 People and culture

We have built a purpose-led, healthy, high-performance culture with a clear ambition to create a positive and lasting impact to the planet and society.

Find out more:
pages 18 to 19

OUR STRATEGY continued

Pillar 1: Great businesses

Spectris Scientific
In Spectris Scientific we have brought together three complementary precision instruments businesses: Malvern Panalytical, Particle Measuring Systems and Servomex. Each of these businesses has leading positions at the premium end of common markets, where their deep domain knowledge is essential and drives high levels of customer intimacy. Their depth of capability and expertise play a vital role in 'making the invisible visible' for our customers.

The addition of Micromeritics and SciAps, both highly complementary businesses, will ensure that in Malvern Panalytical we are creating the leading particle characterisation business in the world.

And, as one division of scale, this is providing opportunities to collaborate, sharing best practice in areas like operational effectiveness, including common IT systems and SBS as well as R&D.

Spectris Scientific

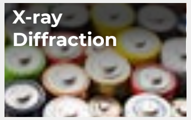
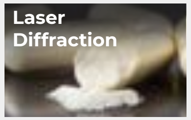
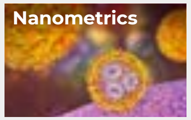
World leader in material measurement and characterisation

Customer needs
- Precise, accurate and reliable measurements
- Maximum yield and instrument uptime
- Expertise and bespoke analytics
- Instrument configurability and ease-of-use
- Regulatory compliance
- Domain knowledge and strong service and support

Competitive strengths
- Best-in-class solutions
- Precision and accuracy of measurement
- Domain expertise and applications know-how
- Local presence providing strong aftermarket
- Regulatory and compliance expertise
- Broad and evolving portfolio

Malvern Panalytical

World leader in material measurement and characterisation for advanced material analysis

Capability	Analytical technique	End markets
	**Elemental Analysis** – Elemental composition – Layer thickness	– Primary Materials – Semiconductors – Chemicals & Coatings – Advanced Manufacturing
	**Structural Analysis** – Crystal structure – Thin film metrology – Residual stress	– Academia – Pharmaceuticals – Semiconductors – Primary materials – Advanced materials
	**Particle Analysis** – Particle size distribution	– Pharmaceuticals – Advanced materials – Primary materials – Food
	**Particle/Molecular Analysis** – Particle size distribution – Molecular size/structure – Zeta potential – Mobility	– Pharmaceuticals – Academia – Chemicals & Coatings
	**Interaction and Stability Analysis** – Binding affinity – Binding kinetics – Higher order structure	– Pharmaceuticals – Academia

Particle Measuring Systems

World leader in micro-contamination monitoring solutions for ultra-clean manufacturers

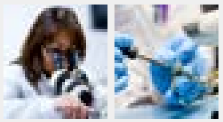
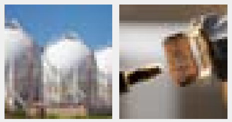
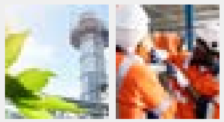
End markets and capabilities

- Airborne particle monitoring
- Gas particle monitoring
- Ultra-pure water

- Aerosol particle monitoring
- Microbial monitoring
- Facility monitoring systems

Servomex

World leader in specialist premium gas and moisture analysis solutions

Hummingbird	Purity & Specialty	Industrial Process & Emissions
Medical – Critical care ventilators – Anesthesia machines **Industrial** – Emissions monitoring – Deep-sea diving	**Industrial Gas** – Bulk production of gases – Air separation **Semiconductor** – Ultra-High-Purity – Low concentration levels	**Hydrocarbon Processing** – Hazardous area – Midstream and downstream **General Industry** – Chemical processing – Emissions monitoring
		

Spectris Dynamics

Spectris Dynamics is a global leader in advanced virtual and physical testing, and high precision sensing solutions. It is uniquely placed, offering the broadest solution, with the ability to integrate both the physical and virtual worlds of test and measurement. The business empowers innovation in the world's leading automotive, machine manufacturing, aerospace, electronics and advanced research customers.

We enable customers to innovate across the whole product lifecycle: from designing in the virtual world, using our leading simulators and simulation software; to validating in the physical world, using Data Acquisition, Software and Sensors. Our technology is the bridge between both worlds, taking the learnings from each and applying it to help engineers accelerate innovation. The backbone of Spectris Dynamics is our domain and physics expertise.

Spectris Dynamics

World leader in advanced integrated physical and virtual testing and measurement

Customer needs
- Accuracy and precision of measurement
- Quality and reliability of product
- Usability and increased efficiency
- Insights through data
- Accelerated development at lower cost
- Increased production quality and output
- Increased asset performance

Competitive strengths
- Complete test and simulation offering
- Class-leading reliability and durability software offering
- Highest accuracy sampling rate and ease of use of data acquisition hardware and software
- Broadest range and sophistication of analytic capabilities, ease of use and flexibility
- Complete virtual test solution including software, simulators and hardware-in-the-loop

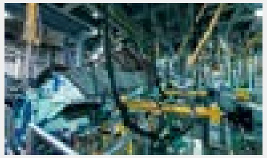
HBK HOTTINGER BRÜEL & KJÆR

World leader in micro-contamination monitoring solutions for ultra-clean manufacturers

End markets

Life-cycle stage

Software solutions for integrated data management and analysis

Design optimisation	Virtual testing	Physical testing	Production	Operation/in-use
				
Capability				
– Fatigue analysis – Failure mode analysis – Structural durability	– Driver experience simulation – Real-time computing – X-in-the-loop testing/simulation	– Structural durability – Vibrational durability – Energy efficiency testing – Noise emissions testing	– End-of-line testing – Production quality – Production efficiency	– Structural health monitoring – Noise monitoring – Enhancing asset performance
Solutions				
– nCode DesignLife software – nCode Aqira software	– Multi-attribute simulators – COMPACT Full Spectrum Simulator – AUTOHAWK hardware-in-the-loop – Real-time operating system	– Sensors: Force/Torque/Strain/Accelerometers – Data acquisition hardware and software – Analytical software	– Torque sensors – Force sensors – Production test systems – Microphones – Industrial data acquisition – Load cells	– Accelerometers – Fibre-optic strain sensors – Sound-level meters – Built-in OEM strain sensors

OUR STRATEGY continued

Pillar 2: Structural growth markets

Our portfolio is focused and aligned to attractive, technology-driven, structural growth markets, underpinned by strong sustainability themes to make the world cleaner, healthier and more productive – aligned with our Purpose.

Cleaner
Climate change and increasingly scarce resources require new solutions to solve the global environmental crisis; including the transition to cleaner energy and mobility solutions.

Healthier
Ageing populations and a rising middle class in developing countries require greater healthcare provision, driving innovation across the Life sciences/ Pharmaceutical space. Growing populations are increasing the need for precision agriculture and the evolution of food production.

More productive
A more digital and automated world demanding ever more advanced computing, smart sensors, software and simulation; compounded by the need of our customers to improve yield, productivity and competitiveness.

Life sciences/ pharmaceutical

Pharmaceutical investment continues to grow, driven by demand for conventional and innovative biologics-based therapies. This growth is underpinned by onshoring activities, the application of analytics to improve drug pipeline efficiency and an increased regulatory focus on data integrity.

% of Group sales
19%

Expected medium-term market growth
5-7%

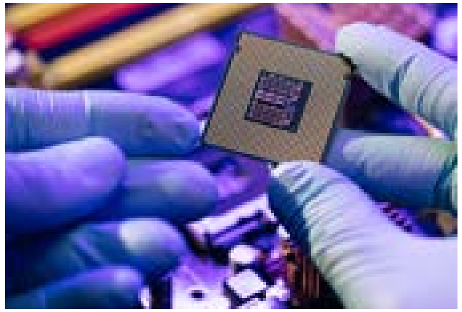
Technology-led industrials

A more connected and automated world, demanding ever more advanced computing and data, is underpinning growth. In a higher cost of capital environment, an increased focus on enhancing processes and assets to drive improvements in productivity and yield is also supporting demand.

% of Group sales
17%

Expected medium-term market growth
5-7%

Electronics and semiconductor



Rising investment to satisfy amplified demand for digital infrastructure and greater processing power, combined with fast-evolving technologies such as 5G, internet of things, artificial intelligence and machine learning; supported by reshoring activities.

% of Group sales
12%

Expected medium-term market growth
6-8%

OUR STRATEGY continued

Materials

Demand for new battery and catalyst material, driven by the energy transition and increasing focus on green metals and mining, as well as minimising the environmental impact of production activities. In turn, this is leading to greater adoption of new technologies, automation and digitisation, fuelling demand for digitally connected instruments and remote monitoring/analytics.

% of Group sales

12%

Expected medium-term market growth

5-6%

Automotive

Investment in automotive R&D is being driven by new platforms and a focus on electric vehicles, as well as new technologies for autonomous and increasingly connected vehicles. A growing use of simulation and software is required to generate smarter insights, early on, and to develop products faster, more efficiently and in a more sustainable manner.

% of Group sales

11%

Expected medium-term market growth

4-6%

Academic research

Demand for advanced analytical and test systems, is being driven by the development of next-generation advanced materials and technologies for a cleaner, healthier and more productive world.

% of Group sales

9%

Expected medium-term market growth

5-6%

Other

Other technology-driven markets such as Energy and Utilities and general Industrial Automation/Industry 4.0, are requiring greater levels of sensing and control, particularly to reduce waste, reduce emissions and increase yield.

% of Group sales

20%

Expected medium-term market growth

3-5%

OUR STRATEGY continued

Pillar 3: Investing in growth

Growing market share through R&D
High levels of customer intimacy drives customer-backed innovation, informing our research and product development strategy such that we intercept our customer needs for the future.

The key to maintaining long-term organic growth and market share gains will be underpinned by new and enhanced products. 2024 was a record year for new product launches.

We employ over 1,300 engineers, approximately half of which are in software. For the last three years we have increased our R&D investment as a percentage of sales to around 8% with the proportion of engineering time now spent on new products increasing to around 60%. Going forward, we plan to maintain investment at 7-8% of revenue.

R&D investment
£104.8m
2023: £108.1m

R&D investment as a percentage of sales
8.1%
2023: 7.5%

Vitality index
29% 2023: 22%

Examples of new products launched in 2024

Spectris Scientific

Mastersizer 3000+
Laser diffraction

Most advanced system for particle size and distribution.

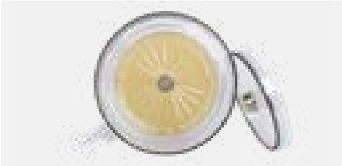
Revontium
X-ray fluorescence

Delivering high-quality elemental analysis in a compact format.

Zetasizer Advance accessory
Light scattering

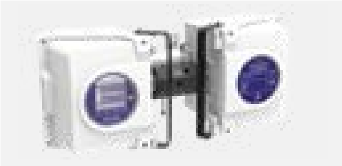
Provides automated sample introduction that allows user free measurements.

BioCapt Single-Use AutoM Microbial Impactor
Microbial air sampling



Increases the reliability and repeatability of microbial air sampling readings.

SpectraExact 2500F
Photometric analyser



A new level of precision for liquid measurements in hazardous areas.

Gen 7 DF-500 Series
Ultra-trace oxygen analyser

Ultra-high purity gas analysis to meet the highest levels of performance.

Spectris Dynamics

DiM FSS Hyperdock
Full spectrum simulator

A highly-optimised carbon-fibre cockpit delivering higher frequency vibration.

T100/T110
Torque sensor

Provides higher bandwidth and unprecedented insights into torque signals.

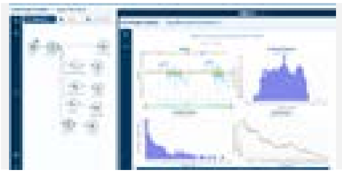
digiBOX
IIoT-ready amplifier

A compact IIoT amplifier enabling traditional sensors to become smart sensors.

IO-Link
Smart sensor

Helps to digitalise industrial processes and enhance accuracy, reliability and efficiency.

Advantage Insights
Data analytics software



Helps engineers create, edit and run sensor data analytics to enable better decisions.

CCRT's FPGA Workbench
Real-time software

A complete development environment used in HiL solutions and other simulators.

OUR STRATEGY continued

Compounding growth through M&A

Compounding growth through M&A is a key part of our strategy. Our acquisition targets come from early-life technologies, to bolt-ons of varying sizes, through to larger-scale opportunities.

We take a disciplined approach – ensuring there is a clear industrial logic and financial rationale, consistent with our capital allocation policy. Since 2019, we have invested £1.1 billion in 16 acquisitions.

Last year was a significant year for M&A activity. The disposal of Red Lion Controls in April concluded the portfolio transformation that began in 2019, and we subsequently acquired three, high-quality, strategically-aligned acquisitions: SciAps, Micromeritics and Piezocryst.

All three businesses have been key long-term targets, for some time, and have attractive growth and margin profiles that expand our capabilities and support the delivery of our medium-term financial targets.

Micromeritics and SciAps will be integrated into Malvern Panalytical in Spectris Scientific, while Piezocryst will be integrated into Spectris Dynamics. We are delighted to welcome new colleagues into the Group and that the customer response to these acquisitions has been so positive.

Please scan to see videos of the Divisions

ACQUISITIONS

Acquisition		Key technologies and end markets	Benefits of the acquisition
SciAps August 2024 Consideration: £134.9m A specialist provider of handheld instruments leveraging X-ray Fluorescence (XRF) and Laser Induced Breakdown Spectroscopy (LIBS) techniques for in-field materials analysis.		– Handheld instruments that identify critical compounds, minerals, and elements – Two proprietary technology platforms: XRF and LIBS – End markets: – Recycling – Mining & exploration – Non-destructive testing and Positive material identification – Lead paint inspection	– Highly synergistic combination – Handheld portfolio complements Malvern Panalytical's range of laboratory equipment – Significantly enhances our digital offering, including SMART Return – Increases exposure to the attractive North America market
Micromeritics August 2024 Consideration[1]: £471.7m World leader in analytical instrumentation for the physical characterisation of particles, powders, and porous materials.		– Leading technologies across particle activity, porosity, powder flow and density – Strong track record of innovation – End markets: – Cleantech – Chemicals – Pharmaceuticals – Semiconductor	– In combination with Malvern Panalytical, creates a global leader in particle characterisation – Highly complementary product offering – Opportunity to convert new customers with differentiated solution portfolio – Strong opportunity for cross-selling – Significant cost synergies
Piezocryst December 2024 Consideration: £110.1m A leading provider of piezoelectric sensors, specialising in high-precision pressure sensors and accelerometers for demanding applications.		– Unique offering for Gallium Orthophosphate ($GaPO_4$) crystals in high temperature applications – Sensors known for quality, durability and precision – End markets: – Automotive – Aerospace & defence – Turbines – General industry	– Builds on the acquisitions of Dytran and Microstrain to further strengthen Dynamics' premium sensor offering – Scope to expand Piezocryst's technology into new markets and geographies – Brings a unique technology to create a leadership position in high temperature, vibration and pressure sensing

1. The acquisition of Micromeritics includes a deferred element of £17.6m

OUR STRATEGY continued

Pillar 4: Customer centricity

Global footprint
We are a truly global business employing 7,633 employees, in over 30 countries, across the Group and almost 150 locations in our three key regions of North America, Europe and APAC.

Our local presence supports our direct selling model and fosters a highly customer-centric approach.

Significant domain expertise
We combine leading instruments and technologies with deep technical knowledge and domain expertise, adding value throughout our customers' workflows.

High-touch sales approach
Our ~2,200 sales and service employees work closely with our customers – 90% of our sales are direct – to ensure we understand their technical requirements and provide the optimal solution.

GLOBAL FIGURES

Global sites
149

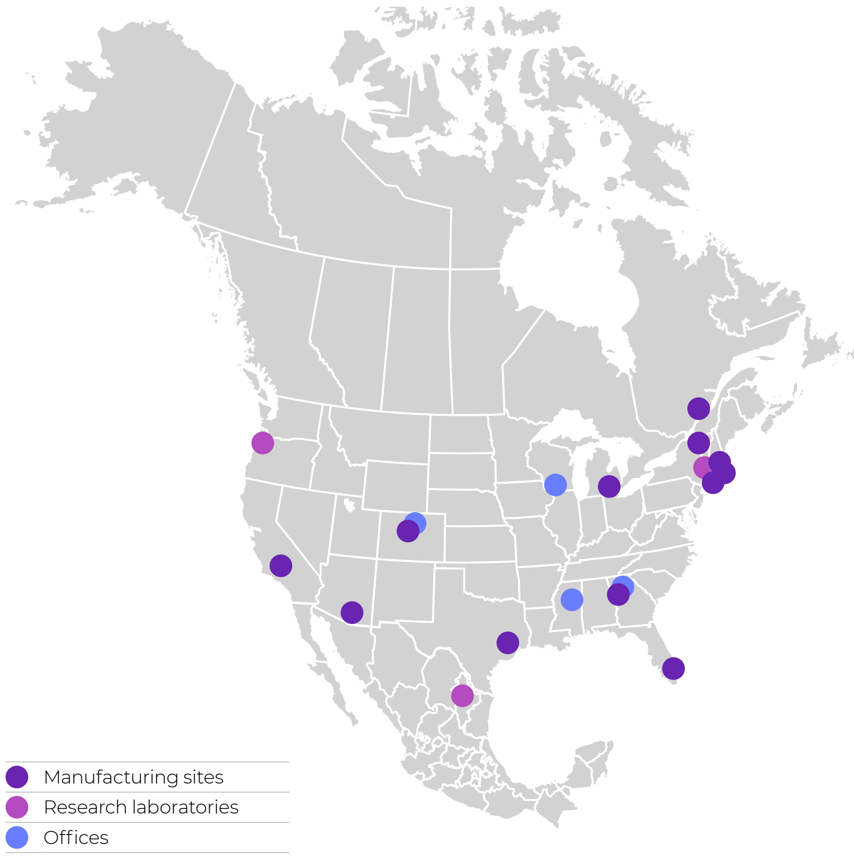
Number of customers
~67,000

Direct sales
~90%

Recurring revenues
~30%

Sales and service employees
~2,200

North America

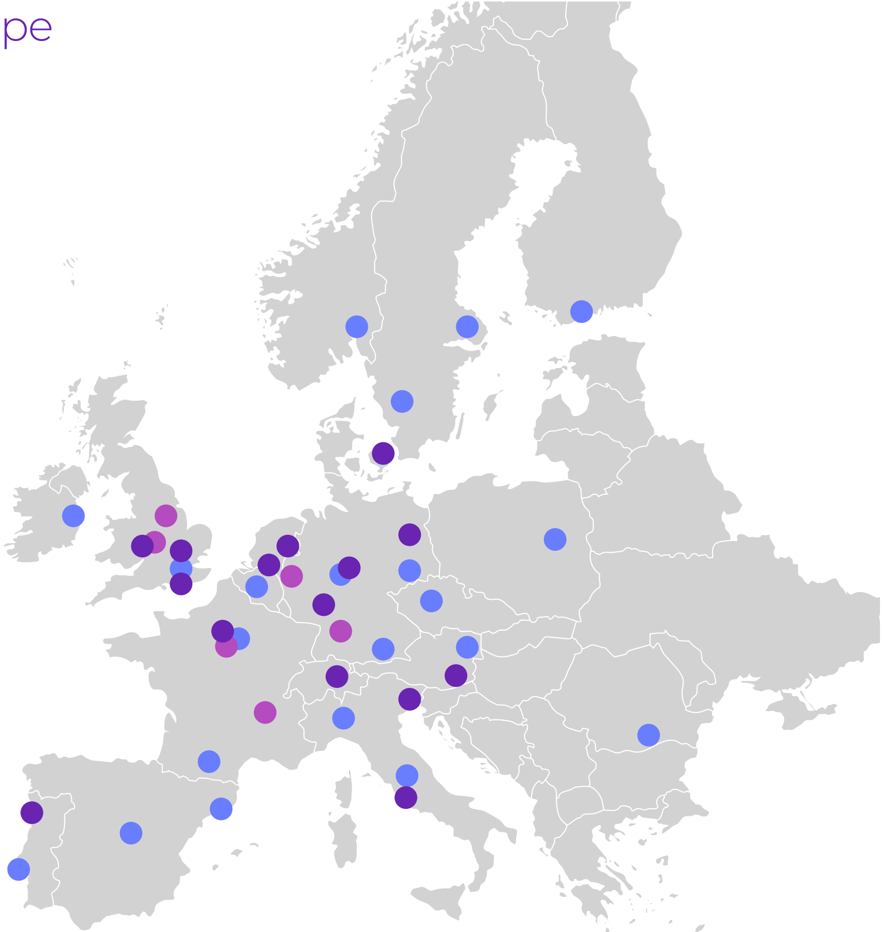


Employees
1,764

In North America, we have 22 locations in the US and one in Canada comprising:
- 14 manufacturing sites
- 3 labs
- 5 sales offices

Key manufacturing locations include:
- Particle Measuring Systems in Boulder, CO
- Concurrent Real-Time in Pompano Beach, FL
- Dytran in Los Angeles, CA
- Micromeritics in Norcross, GA
- SciAps and Servomex in Boston, MA

Europe



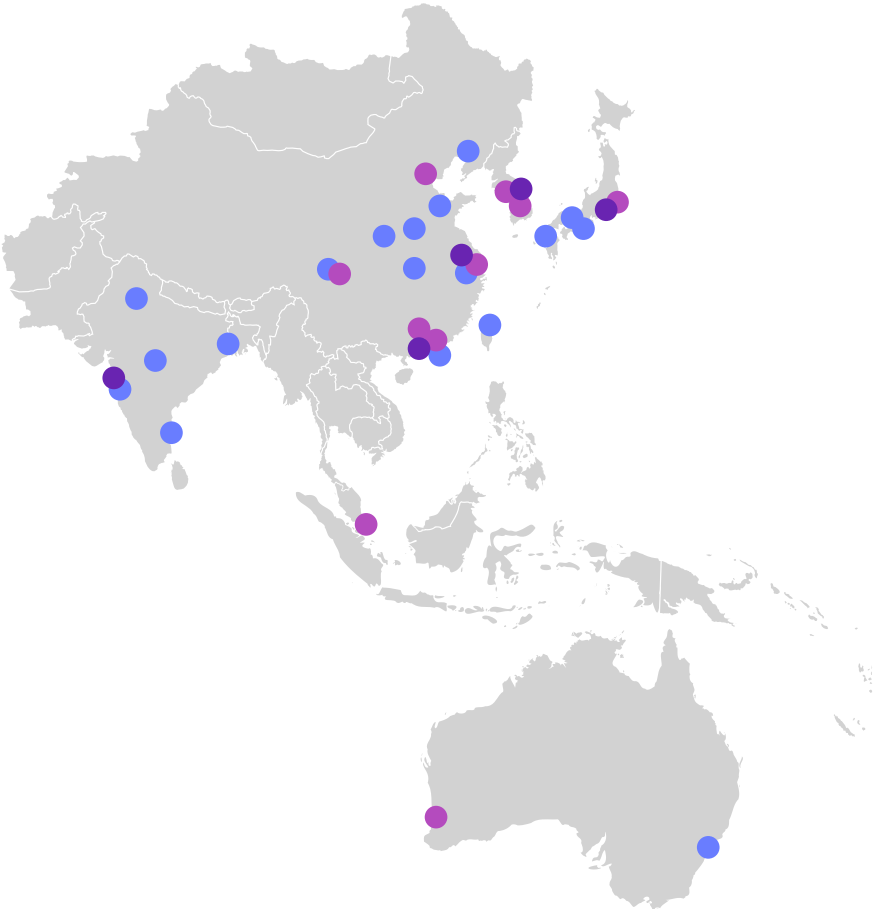
Employees

4,033

In Europe, we have 73 locations across 18 countries comprising:
- 16 manufacturing sites
- 7 labs
- 50 sales offices

Key manufacturing locations include:
- Malvern Panalytical in Malvern, UK and Almelo, Netherlands
- Servomex in Crowborough, UK
- HBK in Darmstadt in Germany, Virum in Denmark and Porto in Portugal
- Piezocryst in Graz, Austria

Asia-Pacific



Employees

1,714

In Asia Pacific, we have 51 locations with 21 in China.
- 6 manufacturing sites
- 12 lab
- 33 sales offices

Key manufacturing locations include:
- Malvern Panalytical in Zhuhai, China
- HBK in Suzhou, China
- Particle Measuring Systems and Servomex in Yongin, South Korea
- Concurrent Real-Time in Tokyo, Japan

OUR STRATEGY continued

Pillar 5: Operational excellence

We are also driving operational excellence to improve productivity.

We are leveraging the SBS to continuously deliver tangible benefits and it is being deployed across a number of functions beyond operations.

We are also investing in new systems to improve our processes and we continue to refine our lean operating model to remove structural inefficiencies and deliver our margin ambitions.

These self-help initiatives provide a series of building blocks on our journey towards delivering operating margins of over 20%.

Spectris Business System (SBS)

The main objectives of the SBS are to deliver tangible and sustainable value for all our stakeholders through the removal of waste and pursuit of continuous improvement.

SBS has been embraced across our manufacturing sites and is being expanded beyond operations into areas such as R&D, Commercial, Human Resources, Finance and Legal.

The SBS is not only delivering hard financial benefits and represents a key element of our journey towards 20%+ operating margins, but it is also strengthening our capabilities and creating additional capacity to invest in innovation and automation.

Since embedding our 'Go for Gold' certification programme to drive lean operations across the Group, eleven sites have now achieved Bronze status, with one of our Scientific sites in China becoming our first site to achieve Silver status. We are targeting a further ten sites to reach Bronze in 2025.

SBS delivered over £10m in benefits in 2024 (2023: £10m), with inventory improvements of a similar magnitude.

SBS benefits in 2024
>£10m (2023: £10m)

Bronze sites end-2024
10

Target bronze sites end-2025
20

Business process transformation

In 2022, we announced our business transformation programme including the development of a new ERP system across the Group, deploying SAP S/4HANA in the cloud.

Having completed the design, build and test phases in 2023, implementation of the new system began in 2024. In April 2024, our Malvern Panalytical business went live on the new system on a global basis. In September 2024, we completed the first phase in Spectris Dynamics.

The programme will deliver simplified and standardised processes, helping us deliver our growth objectives and a number of benefits including: simpler working practices; better customer experience; enhanced interaction with suppliers; and a more globally connected and scalable business.

Data
– Higher quality
– Commonality
– Platform for AI and automation

Processes
– Standardised
– Consistent
– Reduce manual intervention

Business transformation

People
– Upskill talent
– Drive productivity
– Improve engagement

Technology
– Best-in-class
– Scalable
– Single source of truth

The ERP rollout will contribute 150bps towards the Group's operating margin target of 20%+ and it is a major component of our 2025-26 Profit Improvement Programme.

In 2025, we will continue the implementation of the new ERP in Spectris Dynamics before ultimately implementing across the rest of the Group.

2022	2023	2024	2025 onwards
– Board approval to commence business transformation programme	– Preparation, design and test	– Malvern Panalytical implementation – Dynamics Phase I implementation	– Spectris Dynamics Phases II and III implementation – Recently acquired businesses – PMS and Servomex

SPECTRIS SPOTLIGHT:

Servomex

Enabling zero-carbon steel production

Servomex has played a vital role in a groundbreaking project for sustainable industrial development: the supply of gas analysis technologies to a global steel technology company with a presence in over 20 countries, for use in a revolutionary process that removes carbon emissions from iron and steel production.

A significant leap forward in the global transition to fossil-free steel production, Servomex's cutting-edge analysers, expert domain knowledge, and commitment to partnership have enabled the company to deliver a zero-carbon variant of its direct reduction steelmaking process to create a revolutionary green steel facility.

A revolution in green steel production

This large-scale project utilises a giga-scale green hydrogen plant powered entirely by renewable energy sources – including wind and hydropower. The hydrogen produced will replace traditional carbon-based fuels in the reduction of iron ore, eliminating carbon dioxide (CO_2) emissions from the process.

The facility is under construction with production due to commence in 2026 and full capacity to be reached by 2030. This revolutionary approach is projected to reduce 300 million tonnes of CO_2 emissions by 2040, setting a benchmark for decarbonisation in heavy industry. The steel produced will meet the growing demand for sustainable materials and be used by industry leaders including leading European car manufacturers.

Enabling the process transition from fossil fuels to hydrogen

At the heart of the project was the modification of its direct iron reduction (DIR) process. Traditional DIR processes rely on coke to reduce iron ore to iron, generating significant CO_2 emissions as a byproduct; the new plant has adapted the process to utilise the green hydrogen produced at the site, fundamentally transforming the reduction reaction:

- **Traditional Process:**
  Coke + Iron Ore = Iron + CO_2
- **New Green Process:**
  H_2 + Iron Ore = Iron + H_2O (water)

This innovation eliminates CO_2 emissions, making it a cornerstone of sustainable steel production.

A partnership for safety, efficiency and reliability

High-performance gas analysis technologies were required to ensure the safety, efficiency, and reliability of the hydrogen systems used in the DIR process. With more than forty years of successful partnership with the steel and iron company, Servomex was highly familiar with the application and recommended the installation of three SERVOTOUGH 2500 photometric and three SERVOTOUGH Oxy oxygen analysers to monitor the process.

Designed for analysing corrosive, toxic and flammable gas streams, the SERVOTOUGH 2500 analysers measure hydrogen concentrations to ensure optimised performance of the reduction process. SERVOTOUGH Oxy 1900 analysers utilise Servomex's renowned Paramagnetic sensing technology to provide the stable, reliable percentage oxygen measurements required to maintain process safety and efficiency.

Integrated with complementary sampling systems into a single analyser house by Servomex's in-house systems team, Servomex's solution seamlessly combined with the company's proprietary and third-party technologies to achieve the comprehensive gas monitoring and analysis capability required.

The benefits of partnership

The deployment of Servomex's gas analysis technologies delivered multiple benefits to the project:

- **Enhanced Process Efficiency:** Accurate monitoring of gas compositions ensures that the hydrogen reduction process operates at peak efficiency, minimising resource use and maximising output.
- **Safety Assurance:** As hydrogen is highly flammable, Servomex's precise oxygen measurements are critical for maintaining safe operating conditions.
- **Sustainability Gains:** By facilitating the use of green hydrogen in place of coke, Servomex's solutions contribute directly to the elimination of CO_2 emissions.
- **A Reliable Solution:** Servomex's decades-long partnership ensured a seamless integration of Servomex technologies into the facility.

Pioneering the future of green steel

This partnership underscores the critical role of advanced gas analysis in enabling sustainable industrial practices. By replacing carbon-based fuels with green hydrogen, the facility is proving that large-scale decarbonisation of hard-to-abate sectors is not only possible but achievable within the coming decades.

As the world transitions to a sustainable, low-carbon future, Servomex remains at the forefront of providing gas analysis that empowers customers to enable a cleaner, healthier, and more productive world.

OUR STRATEGY continued

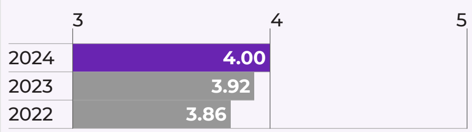
Pillar 6: People and Culture

We have a purpose-led, healthy, high-performance culture with a clear ambition to create a positive and lasting impact to the planet and society.

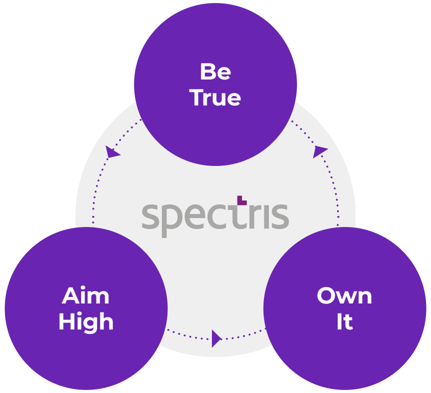
Our culture openly reflects our values and meets the expectations of our people. We are committed to creating the best possible working environment and culture where our employees feel included, engaged and can thrive.

Our people sit at the heart of our organisation. Ensuring that they have the opportunity to develop their skills and careers is critical to ensuring engaged, motivated and high-performing teams and their success is pivotal to achieving strong business results.

Employee engagement (GrandMean)



Our Values



Be True
We believe in absolute integrity. It's how we win for stakeholders, the environment and each other.

Own it
We believe in teamwork and keeping our promises. It's how we build our brands and businesses.

Aim High
We believe in being bold and positive. It's how we perform at our best and achieve greater success.

Our values of Be True (integrity), Own It (accountability), Aim High (ambition) were launched in 2020 and have become an integral part of our cultural DNA that underpins our healthy, high-performance culture.

Working hand-in-hand with our Code of Business Ethics, our values define how we act and what we expect from each other and are woven naturally into everything we do, including annual performance reviews.

Through structured interventions we keep our Values real, ensuring they remain fresh and have an ongoing relevance to our people. They are also the core of our leadership development programmes.

Our People

Engagement
The engagement of our people continues to be a global strategic priority. By creating a working environment where people are inspired by what they do every day, we saw our global engagement GrandMean score rise for the third-year running.

Through initiatives such as our global leadership development programme, Ascend, we are committed to helping our managers be the best they can be. By creating an engaging and inclusive environment, our leaders support our healthy, high-performance culture.

Development
We understand the vital importance of nurturing a culture of continuous improvement through ongoing and impactful development opportunities. We have created the Spectris Way of Development that enables pathways to rewarding careers whilst building the strategic capabilities we need now and for the future.

Inclusion
We are committed to attracting, inspiring and engaging a talented and diverse workforce and are making good progress in delivering on our ambition. We continue to achieve progress against our targets and are taking steps across the Group to create a sense of inclusion and belonging.

Spectris Foundation
The Spectris Foundation is a registered charity with a mission to provide equal opportunities and global access to quality STEM education. Our grants champion diversity and inclusion and we are actively addressing the gender and socioeconomic gap in science, technology, engineering and mathematics.

Connect
spectris FOUNDATION
Ascend
25X25

Find out more in Sustainability: **pages 62 to 78**

"By investing in our people, we provide them with exciting development and career opportunities, which contributes to our healthy, higher-performance culture."

Andrew Harvey
Spectris Group HR Director

CHAIR'S STATEMENT

"The strategic acquisitions made in 2024 have created strong foundations for our future growth."

Mark Williamson
Chair, Spectris plc

2024 has been both a strategically important and an operationally challenging year for Spectris.

Following three successive years of double-digit organic sales and profit growth, the Group's performance in 2024 has been impacted by significant market headwinds, notably in our key markets of pharmaceutical, academia and China. In the same year, the Group has made three exciting acquisitions and delivered a record year for new product launches, which will compound our growth and will further strengthen our capabilities.

While demand in our core markets has impacted our operational performance this year, the fundamental strengths of our Group have remained a constant. The innovation of our products, criticality of our solutions and the global drivers towards a cleaner, healthier and more productive world will underpin our progress as our markets begin to recover.

Strategic progress

Since 2019, we have transformed Spectris into a more focused and higher quality business, well positioned in attractive markets with structural growth drivers closely aligned to our ambition to be a leading sustainable business. In 2024, we continued our journey, with strong strategic execution, further strengthening the Group.

This year the Board and I had the pleasure of witnessing our strategic progress first hand during a week-long visit to China and Japan. Together, these countries account for 22% of Group sales and represent a significant opportunity for future growth. During the visit we spent time with key customers, local leaders and employees across six sites. In every interaction, I heard the strong positive impact of the delivery of our strategy ambitions and the long-term alignment we are building.

Find out more about progress against the goals set out in the Group's Strategy for Sustainable Growth on **pages 36 to 37**

Our inorganic growth strategy is supporting our access to new and exciting markets, while allowing us to create deeper and more coordinated offerings for customers across our existing markets. Spending time with our customer, NIO, in Shanghai highlighted how we are supporting their innovation and reducing their time to market through coordinated offerings across our Physical Test, Virtual Test and In-Process divisions within Spectris Dynamics, an approach only made possible by our successful targeted acquisition of adjacent nascent technologies. The genuine integration of our digital and hardware offerings and the positive impact this is having on our customers' ability to innovate and grow is inspiring.

Meeting with the Japan Aerospace Exploration Agency (JAXA), highlighted the critical role of our products and services in accelerating innovation across the growing market of Space. The growth of Space as a market, across both Divisions represents an immense growth opportunity. At JAXA we also witnessed first hand the significant impact of the successful integration of Dytran into the Dynamics Division. Acquired in 2022, Dytran is outperforming the initial investment case that underpinned the acquisition and has created a strong platform to access key growth markets, including Space.

In 2022, our Strategy for Sustainable Growth set out our commitment to innovation and ongoing focused investment in R&D. This commitment has supported the Group to deliver a record number of new product launches in 2024, across both the Scientific and Dynamics Divisions. Meeting with our customers AIST and Osaka University in Japan, I heard first hand how they rely on the quality and specificity of our technology to drive their innovation and how our new technological advancements, such as the integration of AI into the Mastersizer 3000+ and the automated working of the Zetasizer sample assistant, will support the further acceleration of innovation. Our investment in organic growth is ensuring that our product portfolio remains at the forefront of technology and this investment will allow us to realise a significant competitive advantage as our markets begin to recover. Further details on the Group's R&D programme are set out on page 12.

In 2024, we completed the disposal of Red Lion Controls, which marked the end of the portfolio rationalisation programme envisaged in 2019. We also significantly advanced our inorganic growth strategy through the successful acquisition of SciAps Incorporated and Micromeritics Instrument Corporation into the Scientific Division and Piezocryst Advanced Sensorics into the Dynamics Division. These acquisitions have significantly strengthened our capabilities and customer offering, providing a strong and immediate platform for growth with immediate synergies and clear adjacent customer and market opportunities.

The acquisitions have also brought exciting new talent and ideas to the Group. I am looking forward to spending time with all our new businesses in 2025 as they are integrated into the Group.

We also continue to invest in operational improvements across the Group. In 2024, we completed the first phase of the rollout of our new ERP system. As I write, the system is now fully embedded within Malvern Panalytical and the initial phase of the system rollout in Dynamics has taken place, as planned. The standardisation and efficiencies we will achieve through the ERP system represent a fundamental building block to reduce overheads and deliver operating margin growth of at least 20%, while allowing us to scale more efficiently. We are also continuing to deliver strong operational efficiencies and demonstrable cost reductions through the deployment of the Spectris Business System (SBS). During the visit to our facility in Suzhou, I saw first hand the impressive impact of SBS, and the tangible operational and functional efficiency benefits we are realising. Additionally, SBS is helping drive engagement, with continuous improvement at the heart of our healthy, high-performance culture. With these successes in mind, I am delighted to see the growing success of the SBS 'Going for Gold' programme, with 10 sites now certified as Bronze and the first silver certification taking place at Malvern Panalytical Omec in China.

OUR CAPITAL ALLOCATION SINCE 2019

Investment in R&D

£596.6m

Returned to shareholders through buybacks and dividends

£1.07bn

Investment in acquisitions

£1.14bn

Find out more in our Financial Review on **pages 48 to 55**

CHAIR'S STATEMENT continued

Capital allocation

The appropriate allocation of capital, as always, is central to our Board agenda, ensuring we strike the right balance between generating strong returns for shareholders and investing for growth.

We remain focused on driving sustainable organic growth, with significant continued investment in R&D, while continuing to use our strong balance sheet to compound growth through value-enhancing acquisitions, with significant progress on both growth levers realised in 2024. At the same time, the Board is committed to ensuring that our buyback strategy supports the maintenance of a strong and effective balance sheet, while providing the optionality to advance the Group's strategy through organic and inorganic growth.

The Board is proposing a final dividend of 56.6 pence per share which, when combined with the interim dividend of 26.6 pence, gives a total of 83.2 pence per share for the year. This equates to a 5% increase, in line with our policy of making progressive dividend payments based on affordability and sustainability.

Looking ahead, the Group's strong cash generation capability will continue to provide flexibility and agility to pursue further value creating opportunities as they arise.

Dividend per share

83.2p

(2023: 79.2p)

Our performance

While the Group's strategic progress in 2024 has been strong, demand for the Group's products was lower across a number of key markets, with a sharper correction than expected coming into 2024, after three years of double-digit growth. The reduction in revenue and consequential drop-through impact, significantly impacted our operating profit, despite a material reduction in overhead expense during the year. The Group remained highly cash generative with its usual strong cash conversion.

While order intake in 2024 was marginally lower on a LFL basis than the comparative period, it is encouraging to see positive order momentum in the final quarter of the year.

Given the market conditions, management has taken and continues to take decisive action on reducing costs, while also delivering the benefits from our ERP transformation and synergies from the acquisitions made in 2024. This will result in an overall profit improvement programme, delivering £50 million of run-rate benefit in 2026.

Leading sustainable business

Sustainable growth means creating long-term foundations for success – making how we do business as important as what we do. Our continued strong progress against the sustainability ambitions we set out in 2022 is critical, as environmental and social factors become ever more linked to growing regulation and tariffs.

By remaining proactive and focused on the sustainability topics that are material to the Group, we will safeguard our business performance for the benefit all our stakeholders. I am delighted by the focused progress we continue to make against our sustainability ambitions, including a further 21.7% reduction in scope 1 and 2 emissions during the year as set out on page 74 to 75.

Our people and culture

An engaged and motivated workforce is key to achieving our growth potential. During my visit to Seoul, Tokyo, Kobe, Shanghai and Suzhou, I was delighted to spend quality time with our local leaders and employees. It was fantastic to see first hand the focus on safety and SBS as well as the passion for the Company and pride in operating in line with our Values, across each site. Further details of the Board visit are set out on page 88.

Kjersti Wiklund, our Workforce Engagement Director, continues to provide valuable oversight of the development of the Group's culture. Board members joined Kjersti in small group workforce engagement sessions

as part of the Board visit to Japan and China. Maintaining our focus on direct and individual interactions with employees is incredibly important to me and is ensuring that the voice of employees continues to be central to Board decision-making.

I remain committed to ensuring we build a diverse and inclusive workforce, recognising also the positive impact that diversity of thought has on creativity and innovation. I am proud that 50% of our Board and over 40% of our Executive leadership is now comprised of women and the wider impact that the focus on diversity, in our talent planning processes, is having on the composition of our leadership team. Further details are set out on page 67.

The scores from our global Gallup employee engagement survey continue to improve, with our GrandMean score increasing to 4.00 (2023: 3.92), reflecting our commitment to the development of a strong, inclusive culture underpinned by our values.

Read about our people and culture on **pages 18 to 19**

SPOTLIGHT – THE GROWING IMPACT OF THE SPECTRIS FOUNDATION

Donations made by Spectris to the Spectris Foundation to date

£16.8m

Grants made by the Foundation to date

104

The Foundation has awarded

£2.2m

to STEM and employee nominations, with over £1.9m committed to STEM education to date

The Spectris Foundation continues to grow from strength to strength, positively impacting so many young peoples' lives, with £2.2m donated to date, to global charities, supporting greater inclusion and access to science, technology, engineering and maths (STEM). The charity has also approved 82 employee nominated donations since its launch in 2021, supporting our employees to give back to their local communities.

In 2023, the Board set an ambition to donate an additional £6 million to the Foundation by 2030. We remain on track to deliver on this ambition with £1 million donated in 2023 and a further £750,000 donated in 2024. More detail on the impact of the Spectris Foundation can be found on pages 76 to 77.

Board changes

The Board and I have spent a significant amount of time this year overseeing changes to the Board and Executive Management Team. I am delighted with the appointment of Derek Harding to his new position leading our enlarged Scientific Division, which has been well-received by all stakeholders. This is an important move, at a time when we are integrating the acquisitions of Micromeritics and SciAps into the Division. I was also very pleased to welcome Angela Noon to the Board as our new Chief Financial Officer in September 2024. Angela's strong experience and fresh perspectives are already hugely valued by the Board.

Bill Seeger and Ulf Quellmann retired from the Board this year, following the completion of nine years' service. On behalf of the Board, I would like to extend my sincere thanks and appreciation to Bill and Ulf for their invaluable contribution to the Group. In June 2024, Nick Anderson joined the Board as a Non-executive Director. Nick's strategic acumen and significant industry experience has added immediate value to the Board's considerations, and I am very pleased that we have been able to attract a Non-executive of his calibre to the Board.

I am very proud to Chair a Group with leading businesses and technology supported by such passionate and dedicated people. I have served as Chair of Spectris since 2017, and I will stand for re-election at the Company's AGM in May 2025 for the final time before stepping down from the Board at the May 2026 AGM. The Nomination and Governance Committee is currently engaged in the search and selection of my successor to support an appropriate handover period. Further information on this can be found in the Nomination and Governance Committee Report on pages 90 to 93.

Summary and outlook

During an incredibly busy year, the capability and commitment of the Group's leadership team and employees has been paramount. I would like to thank all my colleagues for their support and determination in managing our operational performance, in what was such a challenging and busy year, while delivering such significant strategic progress.

As we look ahead to 2025 and beyond, I am confident that the actions we have taken in 2024 have positioned the Group for success, as we continue to execute our Strategy for Sustainable Growth.

Mark Williamson
Chair
27 February 2025

Section 172 statement

Read more about how the Board supports its Section 172 statement throughout the Corporate Governance section with specific examples on **pages 34 to 35**

CHIEF EXECUTIVE'S REVIEW

"We took decisive action to ensure we are well-placed to deliver meaningful profit growth in 2025."

Andrew Heath
Chief Executive, Spectris plc

A year of strong strategic execution to position the Group for growth in 2025
At the start of the year, after three years of double-digit growth, we expected to deliver another year of progress in 2024, from anticipated improvement in a number of key end markets, particularly in the second half. While we have seen some encouraging demand patterns in the fourth quarter, the unique, and largely unprecedented, alignment of prolonged weakness across multiple end-markets in 2024, is reflected in our full year performance.

In response, we took decisive action, both on cost and investment, to ensure we were well-placed to deliver meaningful profit growth in 2025 and into the future. We have put in place an accelerated value realisation plan, our Profit Improvement Programme, leveraging the strategic actions we have taken to drive profitability and capitalise on market recovery over the next 12-18 months. In combination with our continued commitment to invest in R&D and the acquisition of three accretive and highly synergistic businesses in 2024, we are positioned strongly to deliver sustainable, profitable growth and material shareholder value creation.

We are two years into the execution of our Strategy for Sustainable Growth. I am pleased with the significant progress we have made, especially in a more challenging environment. We ended the year strongly, with full year profit slightly ahead of our revised guidance, and I would like to thank all my Spectris colleagues for owning it, aiming high and delivering such a robust finish to the year.

2024 financial performance
After a disappointing performance in the first half, which was compounded by short-term disruption as we went live with the first of our ERP implementations, we delivered a strong second half. In particular, we delivered a very strong fourth quarter, where operating profit was ahead of an equally robust comparative period. Demand also improved strongly in the fourth quarter, with LFL order growth of 6% and the book-to-bill ratio closing the year at just under 1x. Another positive indicator which suggests that we are in a recovery phase, is an analysis of total orders and sales on a last twelve-month (LTM) basis. This not only shows the positive trajectory of both in the final quarter, but also the closing of the gap through 2024, with LTM orders higher at the end of December versus the end of Q3 2024.

Sales

£1,298.7m

(2023: £1,449.2m)
Change yoy (10)%
LFL change yoy (7)%

Adjusted operating profit

£202.6m

(2023: £262.5m)
Change yoy (23)%

Adjusted operating margin

15.6%

(2023: 18.1%)
Change yoy (250)bps

For the full financial year,sales of £1,298.7 million were 7% lower on a LFL basis, down 10% on a reported basis, reflecting a 1pp net impact from disposals and acquisitions and 2pp from adverse foreign exchange. LFL sales were lower in all end markets, and on a regional basis, were 6% lower in each of North America and Europe, and down 9% in Asia, predominantly driven by China against a strong comparator.

The actions we took on cost helped drive a reduction in adjusted overheads of £43 million on a LFL basis, partially mitigating the negative drop through impact of lower sales and gross profit. Adjusted operating margin ended the year down 250bps at 15.6% (2023: 18.1%). The resultant adjusted operating profit of £202.6 million (2023: £262.5 million) represented a decrease of 20% on a LFL basis (23% lower on a reported basis).

Adjusted earnings per share was 26% lower at 148.1 pence (2023: 199.7 pence). Statutory operating profit of £97.6 million (2023: £188.6 million) was 48% lower driven by the costs associated with our new ERP system and transaction costs associated with our three acquisitions. Cash conversion was 88% on an adjusted basis (2023: 103%) which is in line with our medium-term guidance of 80-90%.

Profit Improvement Programme

£50 million Profit Improvement Programme:

- General cost and efficiency measures announced at the half year and completed during 2024
- The realisation of cost synergies associated with the acquisitions announced in 2024
- Crystallisation of the benefits associated with the implementation of our new ERP system

During the year, we took action to reduce costs and ensure the realisation of the full benefits of the strategic decisions we have made. At the end of October, at our third quarter trading update, we announced our Profit Improvement Programme, that delivers significant benefits across 2025 and 2026.

The Profit Improvement Programme is expected to deliver c.£50 million of full run rate benefits, of which £30 million is expected in 2025 with an additional £20 million in 2026. These benefits underpin the confidence in our guidance for 2025 and driving further meaningful profit improvement in 2026, with further upside potential, from operational leverage, as our end markets recover.

A YEAR OF STRONG STRATEGIC EXECUTION

- Three high-quality, complementary businesses acquired in 2024 delivering material synergies
- R&D delivering a record number of new products and product vitality up 7 percentage points at 29%
- Operational excellence – new ERP system and the Spectris Business System delivering tangible benefits
- Profit Improvement Programme to deliver £50 million of benefits over the next two years
- Returning to growth – signs of end market demand recovery with LFL order growth of 6% in fourth quarter
- Focus on cash generation and leverage reduction in 2025

Find out more about our Strategy for Sustainable Growth:
pages 6 to 19

End markets were subdued in 2024, but are stabilising

Our target end markets have strong medium and long-term growth characteristics:

- LFL order intake 3% lower in 2024
- LFL order growth of 6% in the final quarter was very encouraging
- LTM order intake recovered in the second half

In 2023, end market demand normalised following the impact of the post-pandemic recovery and supply-chain constraints. In 2024, while demand was robust in the second half, we did not see any of the pickup expected when we entered the year. The expected reduction in the cost of capital did not materialise, leading to a sustained period of softness across multiple end-markets, with dampened investment in capex and R&D by our customers.

Order intake of £1,294.1 million was 3% lower on a LFL basis than the comparative period. However, demand improved to be flat in the second half compared to the prior year and on a LTM basis, order intake finished the year higher than at the end of Q3 2024.

While it is too early to state that we are seeing a sustained recovery in end markets, LFL order growth of 6% in the final quarter was very encouraging. With a book-to-bill of 0.99, the order book finished the year in line with the opening position, representing 4 to 5 months of sales.

In 2024, we continued to see sustained order growth in primary materials (materials) and aerospace & defence (A&D) (tech-led industrials) end markets, and it was reassuring to see machine manufacturing (tech-led industrials) return to growth through the year. Equally encouraging, was the order recovery in pharmaceuticals/life sciences and semiconductors which ended the year flat and slightly down respectively. However, collectively this was not sufficient to offset the pull back in academia and clean tech (primarily battery materials). We also experienced a decline in automotive demand in the second half, with the latter having been in growth through the first half of the year. On a LFL basis, demand was flat in Europe, with orders down 6% in North America, primarily driven by automotive, and down 4% in Asia, primarily academia and battery materials.

END MARKET

	Sales 2024 (£m)	Sales 2024 % of total Group	LFL sales growth	LFL orders growth	Expected medium-term market growth
Life sciences/pharmaceutical	249	19%	(8%)	0%	5-7%
Technology-led industrials	224	17%	(3%)	1%	5-7%
Electronics and semiconductor	162	12%	(6%)	(2%)	6-8%
Automotive	140	11%	(4%)	(6%)	4-6%
Materials	151	12%	(4%)	1%	5-6%
Academic research	119	9%	(15%)	(5%)	5-6%
Other	254	20%	(10%)	(9%)	3-5%

CREATING THE RIGHT ENVIRONMENT FOR OUR PEOPLE TO THRIVE

At Spectris, we recognise the importance of creating the right environment for our people to thrive and develop and I am pleased to say that the work we have done in this area has once again resulted in an increase in engagement levels as measured by our annual employee engagement survey.

In 2024, our engagement scores increased to 4.00, increasing for the third successive year and up from 3.92 in 2023 (2022: 3.86) and we are well on track to deliver our medium-term target of 4.06 by the end of 2025.

Our medium-term employee engagement target by end 2025

4.06

(2024: 4.00, 2023: 3.92, 2022: 3.86)

CHIEF EXECUTIVE'S REVIEW continued

LFL sales performance across our end markets is set out in the table on page 26. After a strong prior year, LFL sales contracted across all end markets in 2024. However, our expectations for medium-term average market growth of 5-6% remain unchanged, due to their fundamental long-term growth characteristics. Further detail on end market trends is contained in the Divisional review sections for Spectris Scientific and Spectris Dynamics.

Disciplined capital allocation and strong underlying cash conversion.
Deploying all aspects of our capital allocation framework to drive growth and shareholder returns

- Cash generative, asset-light business model with target leverage of 1-2x EBITDA
- £1.1 billion invested in 16 acquisitions, with £1.1 billion returned to shareholders, since 2019
- Three high quality strategic acquisitions in 2024 to drive long-term growth

We take a disciplined and balanced approach to capital allocation to drive shareholder value creation.

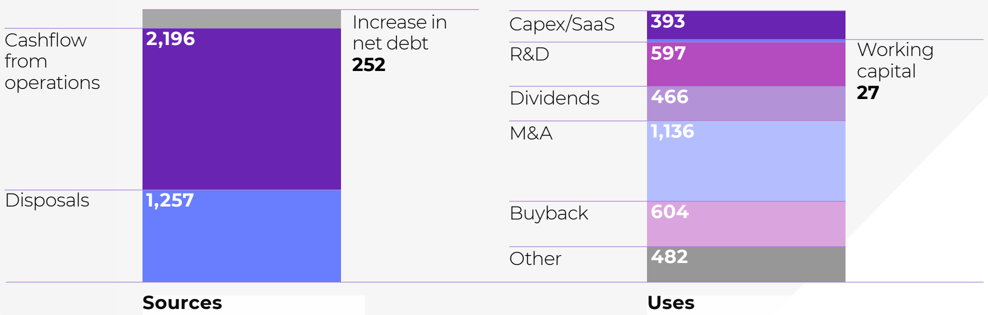
Our first priority is to drive organic growth in the business, through investment in capital expenditure and research and development. We are proud of our track record of successively growing the dividend over the past 35 years, underpinned by our progressive policy, which is our second priority. Thirdly, our strategy is to compound growth through M&A, deploying the strong underlying cash generation of the business and the capital recycled from our successful disposal programme into acquisitions. And then finally, we have demonstrated our commitment to returning excess cash to shareholders through share buybacks, in the absence of available, value-enhancing acquisitions.

Since 2019, we have generated £1.3 billion of proceeds from eight disposals, £2.2 billion from operations and increased net debt by £0.3 billion. During the same period, we have invested £0.6 billion in R&D, £0.4 billion in capex/SaaS, £1.1 billion on acquisitions, £1.1 billion in shareholder returns through the ordinary dividend and share buybacks, with the remainder used to cover our other obligations.

2024 was a significant year for M&A for the Group. We deployed our strong balance sheet to secure three accretive, high-quality businesses, to drive long-term, sustainable growth, temporarily increasing the Group's leverage, consistent with our guidance to exceed the upper limit of our target range of 1x to 2x for the right deals. The combination of our asset-light operating model, high levels of cash conversion, a strong focus on reducing working capital, plus the benefits from our Profit Improvement Programme, will provide the basis for reducing leverage back within the target range, a core priority in 2025.

A BALANCED APPROACH TO CAPITAL ALLOCATIONS

Sources and uses of cash 2019 – 2024 (£m)



* Other comprises: tax payments, lease payments, interest, other.

"We take a disciplined and balanced approach to capital allocation to drive shareholder value creation."

Find out more about our financial performance in 2024:
pages 48 to 55

Looking further ahead, and consistent with our strong track record in this area, we will continue to return surplus cash to shareholders in the absence of compelling, value-creating organic and inorganic opportunities.

Outlook for 2025
While the pace of end market recovery remains unclear, the decisive actions we have taken on cost and our focused portfolio, mean we entered 2025 with good momentum, underpinning progress towards our medium-term financial targets.

In 2025, building on the actions we took in 2024, we expect the Group to trade in line with market expectations returning to strong levels of growth in adjusted operating profit.

A high-quality business with significant up-side potential
Beyond 2025, my confidence in Spectris' long-term growth prospects is founded on the quality of our businesses and the increased capability we are building. Following the successful divestments of recent years, we have focused the Group on a world class portfolio of premium precision measurement businesses.

The actions we have taken in 2024 and the strong momentum in strategic execution provides the Group with a robust platform for sustainable growth and strong cash generation. Additionally, we face into markets rich with opportunity, and with our high gross margins and high operating leverage, we are well placed to deliver further profitability, as markets come back into growth.

When we launched our Strategy for Sustainable Growth in 2022, we established medium-term performance targets for the Group, for the proceeding five years. Despite the challenges of end markets in 2024, the actions we have taken, and continue to take, only serve to increase our confidence in delivering against this framework by 2027:

On track to deliver against our 2027 commitments:
- Organic sales growth of 6-7% through the cycle
- Adjusted operating margin of 20%+
- Return on gross capital employed (ROGCE) in the mid-teens %

The achievement of these performance objectives will materially enhance the value of the Group and deliver significant benefits to all of Spectris' stakeholders.

Executing our Strategy for Sustainable Growth

We made significant progress in 2024, due to strong strategic execution across all six pillars of our business model.

1. Great businesses

Great businesses with leading market positions
- Two world class divisions providing premium offerings in attractive niches
- Market leading technologies underpinned by strong intellectual property
- Track record of delivering significant outperformance as markets recover
- Excellent diversification across geographies and end markets

Find out more about our Net Zero ambition in our Sustainability section: **pages 62 to 78**

With the launch of the Strategy for Sustainable Growth in 2022, we took the decision to focus the Group on two divisions – Spectris Scientific and Spectris Dynamics – to provide each with the attention and resources they require to become true global leaders in their fields, and the home of choice for asset-light businesses focused on premium, precision measurement solutions and industry leading domain expertise. Both Divisions benefit from the Group's cost of capital, balance sheet strength, and from common systems and capabilities.

In April, following the sale of Red Lion Controls, we brought together our three complementary precision instruments businesses within Spectris Scientific: Malvern Panalytical, Particle Measuring Systems and Servomex. The addition of two, further high-quality businesses in 2024, Micromeritics and SciAps, means that in Spectris Scientific we are creating the leading material characterisation business in the world. As one division of scale, this is providing opportunities to collaborate and share best practice in areas like operational effectiveness, including common IT systems, digital and SBS as well as R&D.

In Spectris Dynamics, we are building a focused leader in advanced, integrated virtual and physical test and measurement. In 2024 we made a further acquisition, Piezocryst, building on the successful acquisitions of Dytran and MicroStrain over the past two years to create the leading, premium pressure and vibration sensing offering for the most advanced applications.

Investment in R&D

£104.8m

(2023: £108.1m)

Vitality index 2024

29%

(2023: 22%)

"During the year, we maintained our investment in R&D, despite softer markets, underlining our commitment to innovate through the cycle, allocating £104.8 million to R&D, representing 8.1% of sales."

Find out more about our operating framework: **pages 6–7**

We continue to see the investment in our virtual test business go from strength to strength, delivering high teens growth in 2024. This along with further investment in our legacy software design tools, has also increased the sale of recurring software in the Division to almost 20% in 2024, with our aspiration being to increase this to 25% by 2027. Spectris Dynamics offers the broadest test and measurement solutions in its premium niches.

2. Structural growth markets

Aligned with attractive markets, underpinned by structural growth drivers
- Average market growth rate of 5-6% through the cycle
- Structural growth markets, underpinned by strong sustainability themes
- Diversified geographical and end market exposure

The Group's strategy is to align our businesses with attractive, sustainable, structural growth markets with high barriers to entry. Demand for our specialised products and services is supported by a number of secular trends that will drive average market growth rate of 5-6% through the cycle:
- Population change: an ageing population will drive the need for more drugs, new treatments and the requirement for productivity gains / automation
- Climate change: increasingly scarce resources require careful management of waste, recycling and effective extraction of resources, and the requirement to develop alternative energy sources

- Productivity: growing need for productivity in a more connected world
- Connection and digitalisation: heightened demand for advanced computing / electronics and requirement for more tailored and faster insights through digital solutions including AI
- Automation: to resolve input cost increases, resource constraints and drive efficiency
- Regulatory: greater regulatory scrutiny and data challenges

These structural growth trends are underpinned by strong sustainability themes, aligned with our Purpose to make the world cleaner, healthier and more productive.

3. Customer-centricity
Solving our customers' toughest challenges

- Highly valued domain and application expertise
- Delivering solutions across the customer workflow, further strengthened through recent acquisitions
- Direct, high-touch selling model drives high levels of customer intimacy and strong aftermarket annuity

At Spectris we are focused on solving our customers' challenges with leading, differentiated solutions. We serve over 67,000 customers globally and over 90% of our sales are direct, with our high-touch approach supported by c.2,200 sales, service and application engineers. Our leading domain and application expertise is highly valued by our customers. Here are just of few examples from across the Group.

In Spectris Dynamics, we combined our deep expertise in sensors, data acquisition, and measurement with the groundbreaking capabilities of artificial intelligence and machine learning to deliver faster, more precise, and cost-effective solutions for our customers. An example of this is our work in the U.S. waterborne transportation sector, with the U.S. Army Corps of Engineers to apply AI-driven technologies to solve traditionally complex engineering problems including improving flood mitigation, reducing dredging costs and preventing river lock system failures.

In Spectris Scientific, our Servomex business has played a vital role in a groundbreaking customer project for sustainable industrial development, through the supply of gas analysis technologies to a global steel company for use in a revolutionary process that removes carbon emissions from iron and steel production. A significant leap forward in the global transition to fossil-free steel production, Servomex's cutting-edge analysers, expert domain knowledge, have enabled the company to deliver a zero-carbon variant of its direct reduction steelmaking process for a revolutionary green steel facility.

Particle Measuring Systems (PMS) continues to be at the forefront of contamination monitoring in the aerospace and defence sector supplying more than 100 instruments to the industry in 2024. Leveraging decades of expertise, PMS is revolutionising the development and supply of cutting-edge aerosol particle counters and monitoring systems, for space shuttles and satellite manufacturing processes, within cleanroom environments. These

ultraclean production facilities prevent particles from earth being transported to, and potentially contaminating space.

And in Malvern Panalytical, we are delighted that the School of Health Sciences at Purdue University in the USA, are using our XRF instruments to investigate and measure trace elements, such as heavy metals, in biological samples and their impact on the human body and environment. These benchtop instruments analyse powder, liquid and solid samples without damaging them in any way and their ease of use, relatively low cost, and ability to analyse multiple samples simultaneously also has positive implications for expanded testing worldwide, particularly in low-and middle-income countries.

4. Investing in Growth

The Group serves attractive markets, underpinned by structural growth drivers

- Track record of organic growth underpinned by innovation and R&D
- Product vitality increased to 29% in 2024
- Deploying capital in high-quality acquisitions to add and enhance capabilities; all deals expected to exceed cost of capital three years post-acquisition

During the year, we maintained our investment in R&D, despite softer markets, underlining our commitment to innovate through the cycle, investing £104.8 million (2023: £108.1 million) in R&D in 2024 representing 8.1% of sales (2023: 7.5%).

This consistent approach to R&D investment, over recent years, delivered a record year for new product launches across both Divisions in 2024, details of which can be found in the Divisional Reviews. The initial customer response to our new products has been positive and is expected to support future organic growth and market share gains. The vitality index, which measures sales generated from new products launched in the last five years, was 29% in 2024, an increase of 7pp on the prior year (2023: 22%). We are well placed to deliver our medium-term vitality index target of c.33%, with a strong and exciting innovation pipeline.

In 2024, we deployed our strong balance sheet (net cash of £138.8 million as we entered 2024) and the proceeds from the sale of Red Lion Controls, to significantly strengthen our portfolio of businesses with three, very high-quality acquisitions. As well as extending our capabilities and expanding our offering to customers, these acquisitions will generate material synergies as we integrate them over the coming months. We are excited about their future potential as part of Spectris:

- In August, we completed the acquisition of Micromeritics for £471.7 million. Together with Malvern Panalytical, this proven, high-margin, high-growth business creates the world's leading particle characterisation business for advanced materials analysis, with a highly differentiated and fully integrated offering. The combination supports the entire customer workflow from R&D to QC/QA applications and strengthens our offering in rapidly growing clean tech markets;

CASE STUDY

SPECTRIS SPOTLIGHT:

Spectris Dynamics

HBK supports Stratolaunch in achieving high-speed milestone

In 2024, US private aerospace company Stratolaunch achieved a significant milestone with the successful test flight of its revolutionary hypersonic aircraft, Talon-A. This remarkable achievement was made possible thanks in part to the advanced capabilities of HBK's Concurrent Real-Time (CCRT) RedHawk Linux OS and SIMulation Workbench (SimWB).

Stratolaunch, known for its innovative approach to airborne payload launches, utilised the world's largest operating aircraft, Roc, to launch the Talon-A. Roc, stretching over a football field in length and capable of carrying a payload of over 500,000 lbs, serves as a mobile launch platform. This allows for flexible launch locations and angles, minimising fuel needs by launching from high altitudes.

Tackling the challenges of hypersonic flight testing

However, this flexibility introduces additional challenges that need to be rigorously tested and validated. Unlike traditional aircraft that take off from the ground and gradually build up speed, the Talon-A is released from Roc at high speeds, requiring immediate flight capabilities. This demands instant functionality from its propulsion system, leaving no room for gradual acceleration or testing phases.

To address these challenges, Stratolaunch developed a hardware-in-the-loop (HiL) lab featuring CCRT's SIMulation Workbench (SimWB) framework, specifically designed for our RedHawk Linux real-time operating system. This plays a crucial role in ensuring the success of the Talon-A platform. By replicating as much of the hardware on the ground as possible, engineers can thoroughly test and validate the system's performance before it is taken to the skies.

CCRT'S LASTING IMPACT ON AEROSPACE ADVANCEMENTS:

The successful implementation of hardware-in-the-loop simulations significantly enhanced testing efficiencies, accuracy, and confidence in the performance of the hypersonic Talon-A platform. Ultimately, the HiL lab serves as a vital testing ground for the Talon-A platform, allowing engineers to verify that all systems function harmoniously from the moment of release. The rigorous testing conducted in the HiL lab is instrumental in ensuring the success of the Talon-A's high-speed missions.

Brian Pincock, Staff Systems Engineer at Stratolaunch, notes, "It is validating to have something that we've spent so many years working on come together, and see it do exactly what we have seen it do in the HiL. Because we were able to see data that matched our predictions, we were confident that our models were quality code and that our process works to verify our understanding of what the Talon-A does, and how it responds."

CCRT's contributions have been pivotal in this success story, showcasing the power of their RedHawk Linux OS and SIMulation Workbench in advancing aerospace technology and innovation.

- In the same month, we completed the acquisition of SciAps for £134.9 million. The business has a proven track record of double-digit growth and adds laser-induced, backscatter spectroscopy (LIBS) technology to Malvern Panalytical's portfolio and provides access to the adjacent hand-held XRF market. SciAps' handheld portfolio, used in the field, complements Malvern Panalytical's range of laboratory and benchtop equipment and also significantly expands the opportunity to provide integrated and in-field digital measuring solutions, as an additional digital revenue service to customers; and
- In December, we completed the acquisition of Piezocryst, a leading provider of piezoelectric sensors, for £110.1 million. Specialising in high-precision pressure sensors and accelerometers, Piezocryst products are known for their quality, durability and precision in the harshest of environments. The acquisition is strongly aligned with our strategy for Spectris Dynamics to create the leading, premium pressure and vibration sensing offering, for the most advanced applications.

In total, the acquisitions create a group with £1.4 billion of sales on a proforma basis in 2024.

Find out more about our Net Zero ambition in our Sustainability section: **pages 62 to 78**

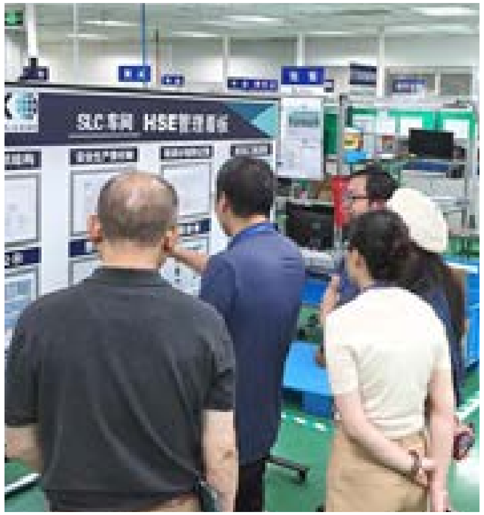
5. Operational excellence

On track to deliver 20%+ operating margins by 2027

- Profit Improvement Programme to deliver £50 million of benefits across 2025-2026
- ERP to deliver 150 bps of operating margin through greater efficiency
- Integration of recent acquisitions delivering material synergies
- SBS driving continuous improvement every day and delivering tangible benefits in excess of £10 million per annum
- Group well positioned to deliver strong operating leverage as markets recover

Operational excellence reflects our consistent focus on productivity and efficiency, supported by investment in new systems and processes, along with the deployment of the Spectris Business System (SBS), our lean operating framework. Our objective is to deliver adjusted operating margins in excess of 20% by 2027 and despite lower profitability in 2024, resulting from lower sales, we remain firmly on course to deliver this commitment.

SBS has embedded a lean mindset across the organisation and a constant drive for continual improvement. As in previous years, SBS generated tangible cost savings in excess of £10 million in 2024, with a similar amount expected in 2025. We are also continuing to push the boundaries of what is possible at our sites and have continued to develop and promote our 'Go-for-Gold' programme with 10 sites now at Bronze and one with Silver accreditation at the end of 2024. We aim to have all operational sites certified at least Bronze by the end of 2025.



"At Spectris, we recognise the importance of creating the right environment for our people to thrive and I am pleased to see an increase in engagement levels."

Examples of the specific ways in which SBS is helping drive greater efficiency can be found in the Divisional Reviews.

In April, we completed the first phase of the rollout of our new ERP system across Malvern Panalytical, and in September, we started a phased roll out of the new system across Spectris Dynamics, taking on board the lessons learnt from the initial implementation. In 2025, we will continue the implementation across the remainder of Spectris Dynamics and prepare for the deployment across the remaining businesses and the recent acquisitions.

The new system replaces a number of legacy ERP systems, helping to standardise, simplify and automate processes to enhance our operations, enabling our businesses to become more efficient and scalable. The ERP deployment will deliver at least 150bps of margin improvement, equivalent to around £20 million P&L benefit.

We are delighted with the acquisitions we made last year. As we have got to know the businesses better, it has only served to confirm the significant opportunity to deliver both the cost and revenue synergies in our acquisition case. The integration of all three businesses has already commenced, with the delivery of synergies underway.

In the second half of the year, we also commissioned our new Spectris Dynamics facility in Porto, Portugal. This new facility mirrors our strain gauge assembly and sensor manufacturing capability in China, such that we are now able to support Western Hemisphere customers in-region.

The combination of the delivery of the Profit Improvement Programme, along with a more efficiently scalable business, following the ERP implementation, and our continued focus on continuous improvement, provides an opportunity to reduce overheads in line with best-in-class peers over the next three years.

6. People and Culture

Purpose-led culture and record employee engagement score

- Healthy, high-performance culture with clear ambition to create a positive and lasting impact
- Committed to investing in our people to drive even higher levels of engagement

At Spectris, we recognise the importance of creating the right environment for our people to thrive and develop and I am pleased to see an increase in engagement levels as measured by our annual employee engagement survey. In 2024, our engagement scores increased to 4.00. This is the third successive year of improvement, up from 3.92 in 2023 (2022: 3.86), and we are well on track to deliver our medium-term target of 4.06 by the end of 2025.

Overall, I am very encouraged by the resilience and determination our people have shown in 2024, which is a testament to them and our healthy, high-performance culture, providing me with confidence that we are well-placed to deliver on our ambitions.

LFL reduction in Scope 1 and 2 emissions in 2024

21.7%

LFL reduction in Scope 1 and 2 emissions since July 2021

54.4%

"We delivered a 21.7% reduction in our scope 1 and 2 emissions in 2024 and since setting our ambition in July 2021, we have realised a 54.4% like-for-like reduction in the emissions from our operations."

Find out more about our operating framework:
pages 6 to 7

Delivering progress for a more sustainable world

Further significant progress in 2024

- 21.7% reduction in Scope 1 and 2 emissions also delivering cost and efficiency benefits
- A- CDP rating

In 2024, we continued to make significant progress towards our goal to become Net Zero across our own operations by 2030 and across our value chain by 2040. We continue to build our credentials as a leading sustainable business, with strong, further progress made towards our Net Zero ambition with a 21.7% reduction in our scope 1 and 2 emissions in 2024. Since setting our ambition in July 2021, we have realised a 54.4% like-for-like reduction in the emissions from our operations.

As a responsible business we are also focused on ensuring that we align our recently acquired businesses with our ambition. Our drive towards Net Zero is not only delivering cost and efficiency benefits in our operations but is also evident in how our instruments and solutions are supporting customers to meet their own sustainability objectives.

Dividend and shareholder returns

We recognise the importance of a growing dividend to our shareholders and are committed to a progressive dividend policy. The Board is declaring a final dividend of 56.6 pence per share, taking the dividend for the full year to 83.2 pence (2023: 79.2 pence per share), representing growth of 5% on last year and 35 years of continuous growth. The final dividend will be payable on 27 June to shareholders on the register on 16 May 2025. The ex-dividend date is 15 May. We also completed £96.7 million of share buybacks during the year, buying back three million shares.

Executive changes

On 1 September, Derek Harding started in his new role as President of our enlarged Spectris Scientific Division, having served as Chief Financial Officer of Spectris since March 2019. The Spectris Scientific Division is the combination of five great businesses with an exciting future, and I am enjoying continuing to work closely with Derek in his new capacity as we continue to deliver our strategic growth ambitions.

I am also delighted to be working with Angela Noon who joined Spectris as Chief Financial Officer on 1 September. Angela is a great addition to the team, bringing significant financial and commercial experience from the industrial and technology sectors.

Summary

2024 was a test for the Group but we exited the year with strengthened capabilities and a clear path to deliver improved profitability. The actions we took over the last twelve months position us to deliver strong earnings growth in 2025, with upside potential as markets recover. We are focused on reducing leverage driven by the Group's strong cashflow and remain committed to the delivery of our medium-term targets, with confidence in delivering a more structurally profitable Spectris, with operating margins in excess of 20%.

Andrew Heath
Chief Executive
27 February 2025

STAKEHOLDER ENGAGEMENT

Our stakeholders

Long-term, sustainable and productive relationships with our stakeholders help fuel and accelerate growth and positive shared outcomes.

We conduct ourselves in a responsible manner and our relationships with our stakeholders are underpinned by our continued focus on a healthy, high-performance culture.

We have identified our key stakeholders, our approach to engagement with them and the impact of this engagement.

Section 172 statement

The Board of Directors confirm that during the year ended 31 December 2024, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1) of the Companies Act 2006, being:

(a) the likely consequences of any decision in the long term
(b) the interests of the Company's employees
(c) the need to foster the Company's business relationships with suppliers, customers and others
(d) the impact of the Company's operations on the community and the environment
(e) the desirability of the Company maintaining a reputation for high standards of business conduct
(f) the need to act fairly between members of the Company

Examples of how the Board has considered stakeholders in its decision making can be found on **page 87**

Further detail on the workforce engagement programme for 2024 can be found on **page 88**

STAKEHOLDER

Our people

Why they matter to Spectris

We have 7,633 people working globally across the Group, who provide us with the essential expertise we need for our business. We are committed to creating a values-driven, healthy high-performance culture. We want our people to be happy and fulfilled by what they do, and to have the right skills for success.

Why we matter to our people

Our people require a safe and healthy workplace, complemented by challenging and rewarding work. We enhance this with development and career opportunities.

How we engage with them

- Annual employee engagement surveys
- Continuing the Spectris Leadership Development Programme, Ascend
- Clear and regular communication through townhalls, both at Group and on a business level, and the use of the Group intranet site

2024 engagement highlights

- Improved Group intranet access and usability
- Virtual Leadership event with a series of external speakers
- In-person employee engagement sessions with the Board in China and Japan

Priorities for 2025

- In-person employee engagement sessions with the Board in the US
- Additional virtual Leadership event to support cross-business networking

RESPONDING TO WHAT WE HEAR:

Culture and values are key

Kjersti Wiklund is our Workforce Engagement Director.

Kjersti plays an integral role in supporting the links between the workforce and the Board.

The workforce engagement activities are supported by our Group HR Director. In 2024 this included visits to the Group's UK Malvern Panalytical operations, alongside engagement sessions held during the Board's visit to Asia.

> "I have welcomed the level of engagement and openness with employees during this year's engagement activities. The insights provided by employees is invaluable to the Board."

Kjersti Wiklund
Workforce Engagement Director

STAKEHOLDER

Our customers

Why they matter to Spectris

Both our immediate and long-term success depends on our ability to understand, respond and adapt to the needs of our customers.

Why we matter to our customers

Our customers across all the sectors we work in, value our strong, differentiated value proposition. They require high-quality instruments and technical expertise and advice.

How we engage with them

- Regularly taking steps to understand our customers' needs through our extensive sales and service teams
- Regularly review and consider NPS scores
- In person meetings and site visits between key customers and the leadership within the business
- Engagement with the Board at key meetings

2024 engagement highlights

- Site visits for the Board to interact with six different customers in Japan and China
- Expanding our capabilities through acquisitions to better find solutions for our customers

Priorities for 2025

- Additional site visits as part of the Board visit to the US

STAKEHOLDER
Our value chain

Why they matter to Spectris
We expect our supply chain to reflect the Group's Values and to operate professionally, providing fair but competitive pricing, mitigating against disruption and having strong financial solvency. A thorough focus on research and development is essential for many of our supply chain.

Why we matter to our value chain
Mutually beneficial working relationships that share risk and reward are important for both of our success. Suppliers expect us to preserve our financial position and to pay them within agreed timescales.

How we engage with them
- Close and regular interaction between our Divisions and their key suppliers
- Through our global Supplier Code of Conduct
- Onboarding our suppliers onto EcoVadis
- Regular audits and encouragement to adhere to our Code of Business Ethics

2024 engagement highlights
- Our EcoVadis programme was expanded into PMS and Servomex with more than 50% of our suppliers by spend now rated on EcoVadis
- Engaging with some of our key suppliers as part of our materiality assessment update

Priorities for 2025
- Continuing to build an ongoing dialogue with our suppliers through EcoVadis
- Expansion of third-party risk processes to consider how we can best assure the risk attached to environmental, social and ethical practices of our supply chain

STAKEHOLDER
Our society

Why they matter to Spectris
We have a responsibility to provide a positive legacy both now and for the next generation. The mission of the Spectris Foundation remains to provide equal opportunities and global access to quality STEM education.

Why we matter to our society
We have an operational and economic impact on local communities both directly and indirectly. This means we are well positioned to support society in a range of areas linked to STEM and our sectors.

How we engage with them
- Volunteering and donations to the Spectris Foundation
- Provide apprentice and work experience opportunities
- Ensuring practices that support responsible behaviour such as fair employment standards and tax transparency

2024 engagement highlights
- Expanding the volunteering opportunities for employees and formally introducing volunteer days
- Running three rounds of applications for employee nominations for grants from the Spectris Foundation

Priorities for 2025
- Continue to support and encourage employee interaction with the work of the Spectris Foundation through volunteering and the employee nomination process

STAKEHOLDER
Our shareholders

Why they matter to Spectris
Our shareholders are critical to our business. By delivering on our Strategy for Sustainable Growth whilst providing an open and transparent dialogue, we provide confidence to our investors that our Group is a sustainable investment proposition.

Why we matter to our shareholders
Our shareholders are concerned about our financial performance, our approach to capital distributions and the long-term viability of Spectris.

How we engage with them
- Investor roadshows and conferences
- Running Capital Markets events
- Holding our Annual General Meeting
- Ensuring regular contact with our Investor Relations team
- Partaking in industry benchmarks (eg. CDP)

2024 engagement highlights
- Investor teach-in meetings on Servomex and Particle Measuring Systems
- We ensured proactive communication around our three acquisitions
- We held three roadshows to the US with the Chief Executive and Chief Financial Officer
- We ran several investor conferences

Priorities for 2025
- Continue to proactively engage with existing shareholders
- Market to potential investors outside the UK including the US and Europe
- Communicate progress on integration activities and Profit Improvement

STAKEHOLDER
Our planet

Why it matters to Spectris
As a Group, we recognise and embrace our role to take care of our planet. It is one that we take seriously, so we engage regularly with all our stakeholders to understand where we are best positioned to create positive impact.

Why we matter to our planet
We recognise that we have an important role to play through our products and services, as we enable our customers to address issues such as tackling environmental degradation and climate change.

How we engage with it
- We have set targets to be Net Zero by 2030 in scopes 1 and 2, and by 2040 in scope 3
- We are accounting for the impacts of our operations, supply chain and products and services through our approach to materiality
- We are holding ourselves accountable with strong governance on climate-related issues

2024 engagement highlights
- We expanded our product life-cycle assessment programme to understand and improve the impact of our products
- We grew our use of renewable electricity and electric vehicles across our operations

Priorities for 2025
- Continue to extend our energy efficiency programme across key sites
- Integrate our new acquisitions into our approach for both physical and transition risks

KEY PERFORMANCE INDICATORS

Measuring our performance

We monitor progress against the delivery of our strategic goals using both financial and non-financial key performance indicators (KPIs).

Our Strategy for Sustainable Growth is centred on long-term value creation. Seven of our KPIs are directly linked to remuneration. For further details, see the Directors' Remuneration Report on pages 104 to 139.

A number of the KPIs are adjusted operating metrics, as we believe these provide a more representative view of our underlying performance because they exclude foreign exchange movements and the impact of acquisitions and disposals. See the appendix to the Consolidated Financial Statements for a reconciliation between adjusted and statutory items.

The Non-financial and sustainability information and index is available on page 78.

1. In 2022, following the divestment of the Omega business and its classification as a discontinued operation, 2022 and 2021 data has been restated to only show continuing operations.

FINANCIAL

Like-for-like sales growth (%)

2024	(7.0)
2023	10.1
2022	13.6
2021	9.7
2020	(10.7)

LFL sales growth
LFL sales growth is a measure of how our R&D and other investments help to grow our business organically, i.e. excluding the effects of currency translation and acquisitions or divestments.

Performance
In 2024, sales were £1,298.7 million, a 7% decrease on a LFL basis compared with 2023, driven from 9% volume decline, partly offset by a 2% pricing increase.

Link to strategy and objectives
We are customer focused and target attractive end markets where we are best placed to drive compound growth and profitability. Our aim is to achieve through-cycle growth of 6-7%.

Link to remuneration
30% of annual bonus opportunity.

Adjusted cash flow conversion[1] (%)

2024	88
2023	103
2022	74
2021	94
2020	141

Cash conversion
Adjusted cash conversion represents an effective measure of the quality of our earnings after investments in capital expenditure. Adjusted cash conversion is defined as adjusted cash flow as a percentage of adjusted operating profit.

Performance
Adjusted cash flow conversion was 88% in 2024, a decrease of 15pp compared to 2023. The reduction in adjusted cash flow is primarily driven by the decrease in the adjusted operating profit, as well as higher capital expenditure, reflecting phasing of spend relating to our new, state-of-the-art PMS facility in Colorado. This is in line with our medium-term target of 80-90%.

Link to strategy and objectives
We have an asset-light business model, and our strong adjusted cash generation enables us to reinvest in our businesses, and provide capital returns to our shareholders. Our aim is to deliver a high level of adjusted cash conversion every year, in the range of 80-90%.

Link to remuneration
20% of annual bonus opportunity.

Adjusted operating margin[1] (%)

2024	15.6
2023	18.1
2022	16.8
2021	16.3
2020	13.0

Adjusted operating margin
Adjusted operating margin is the primary measure of improving profitability of our business and is defined as adjusted operating profit as a percentage of sales.

Performance
In 2024, the adjusted operating margin declined to 15.6%, a decrease of 250 basis points (bps) from 18.1% in 2023. This reflected the drop-through impact of lower sales volumes.

Link to strategy and objectives
Our aim is to deliver strong operational leverage and drive operating margin expansion. As we grow, our immediate target is to achieve an adjusted operating margin of 18% in the near term and >20% in the medium term.

Link to remuneration
30% of annual bonus opportunity.

Growth in adjusted EPS[1] (%)

2024	(26)
2023	25
2022	26
2021	26
2020	(33)

Adjusted EPS growth
Adjusted EPS is the ratio of adjusted earnings for the year to the weighted average number of ordinary shares outstanding during the year, excluding certain items.

Performance
Adjusted EPS decreased 26% to 148.1p, primarily reflecting a reduction in adjusted profit before tax, partly offset by the lower share count following completion of £100 million of the £150 million share buyback programme announced on 13 December 2023.

Link to strategy and objectives
We are focused on improving profitability as we grow. Our aim is to achieve year-on-year growth in adjusted EPS.

Link to remuneration
33.3% of base LTIP award.

KEY PERFORMANCE INDICATORS continued

FINANCIAL continued

ROGCE[1] (%)

	ROGCE (%)
2024	11.6
2023	18.5
2022	16.0
2021	13.2
2020	9.9

ROGCE
ROGCE calculated as adjusted operating profit from continuing and discontinued operations for the last 12 months divided by the average opening and closing gross capital employed. Gross capital employed is calculated as net assets excluding net cash and excluding accumulated amortisation and impairment of acquisition-related intangible assets including goodwill.

Performance
ROGCE was 11.6% in 2024, a decrease from 18.5% in 2023, primarily reflecting the decrease in adjusted operating profit, as well as an increase in the Group's capital base as a result of the acquisitions completed during the year.

Link to strategy and objectives
ROGCE measures how efficiently we generate profits from investment in our businesses, both organically and via acquisition. Our aim is to improve ROGCE year-on-year.

Link to remuneration
33.3% of base LTIP award.

Link to strategy

Great businesses
Structural growth markets
Investing in growth
Customer-centricity
Operational excellence
People and culture

Link to remuneration

NON-FINANCIAL

Energy efficiency (MWh per £m revenue)

	MWh per £m revenue
2024	57.0
2023	48.9
2022	58.2
2021	73.7
2020	92.2

Energy efficiency
Energy efficiency makes a significant contribution to environmental sustainability and helps us to reduce our operating costs. This KPI measures the evolution of the energy efficiency of the Group, including the impact of portfolio changes on our efficiency and therefore we do not restate prior year emissions for divestments here.

Performance
In support of our Net Zero ambition, our scope 1 and 2 emissions were lower in 2024. However our overall energy efficiency reduced from 48.9 in 2023 to 57.0 in 2024. The reduction is attributable to the ongoing impact of energy efficiency measures put in place at material operating sites being offset by lower revenues.

Link to strategy and objectives
Our sustainability strategy sets out key commitments around the environment. We monitor our use of sources of energy with the aim of reducing our carbon emissions and improving our energy efficiency to support our Net Zero ambition – an 85% absolute reduction in scope 1 and 2 emissions and a 42% absolute reduction in scope 3 emissions by 2030.

Total recordable incident rate (TRIR)

	TRIR
2024	0.26
2023	0.34
2022	0.27
2021	0.32
2020	0.13

Total recordable incident rate
We are committed to ensuring the health, safety and wellbeing of our people. We measure our progress against the TRIR, a standardised safety calculation defined by the US Occupational Safety and Health Administration which provides a clear measure of a company's safety performance.

Performance
In 2024, the TRIR was 0.26, a significant improvement from 0.34 in 2023. This improvement reflects the continuing work to develop a safety-first culture and the strong collaboration of the Spectris Safety Council in driving proactive safety management.

Link to strategy and objectives
High safety standards protect our people and help drive sustainable growth through operational excellence. Our aim is to reduce accidents and injuries at our sites to as low a level as reasonably practical. Further details of our approach to health and safety are set out on page 69.

Employee engagement (GrandMean)

	GrandMean
2024	4.00
2023	3.92
2022	3.86

Employee engagement
An engaged workforce has a significant, positive effect on individual and team performance. We are committed to building a culture where our people feel inspired to Aim High and work together to deliver strong business performance.

Performance
We launched our first annual global engagement survey with Gallup in 2021. We have since implemented a number of high-impact initiatives to make a real difference to how our people connect with their work and with each other. This has seen our GrandMean score improve from an initial score of 3.72 out of 5.00 in 2021 to a score of 4.00 in 2024.

Link to strategy and objectives
Improving employment engagement is a strategic priority and we are committed to making Spectris a truly great place to work. Our aim is to improve our engagement score by >0.14 every year, in line with Gallup best practice.

Link to remuneration
16.67% of base LTIP award.

Scope 1 and 2 emissions (tonnes CO_2e)

	tonnes CO_2e
2024	10,895
2023	12,144
2022	17,546
2021	31,703
2020	43,111

Scope 1 and 2 emissions reduction (market-based)
We are committed to our ambition to reach Net Zero across our scope 1 and 2 emissions by 2030.

Performance
In 2021, we launched our ambition to become Net Zero across our own operations by 2030 and across our value chain by 2040. Since launching our ambition we have worked to address our own emissions through a combination of energy efficiency assessments, employee-led activities and the transition to renewable energy sources. The reduction in our emissions since 2019 reflects changes to the energy efficiency of our portfolio of businesses and the impact of our Net Zero strategy.

Link to strategy and objectives
We are committed to being a leading sustainable business. To build our relevance to all our stakeholders we must support their Net Zero ambition through the delivery of our own emission reduction targets.

Link to remuneration
16.67% of base LTIP award.

DIVISIONAL REVIEW

Spectris Scientific

Making the invisible… visible

Leader in advanced material measurement and characterisation

HIGHLIGHTS

	2024	2023	Change	LFL change
Statutory sales (£m)	**776.7**	804.6	(4%)	(6%)
Adjusted operating profit[1] (£m)	**137.5**	171.9	(20%)	(24%)
Adjusted operating margin[1] (%)	**17.7%**	21.4%	(370bps)	(410bps)
Statutory operating profit (£m)	**86.3**	140.4	(39%)	
Statutory operating margin (%)	**11.1%**	17.4%	(630bps)	

1. This is an APM. APMs are defined in full and reconciled to the reported statutory measures in the Appendix to the Consolidated Financial Statements.

"I would like to thank all my Scientific colleagues for their hard work and look forward to working closely with them again in 2025."

Derek Harding
President, Spectris Scientific

OUR BUSINESSES

Particle Measuring Systems	World leader in micro-contamination monitoring solutions for ultra-clean manufacturers
Malvern Panalytical	Leader in material measurement and characterisation for advanced material analysis
Servomex	World leader in specialist premium gas and moisture analysis solutions

Introduction

I am delighted to have been given the opportunity to lead the Spectris Scientific Division having served as Chief Financial Officer of the Group since 2019. I joined the Division as President at an important and very busy time, having gone-live in the first half with our new ERP system in Malvern Panalytical and in the second half, the acquisition of two, high-quality businesses in SciAps and Micromeritics.

While 2024 was a more challenging year from an end market perspective, we finished the year strongly with LFL demand up 5% in the second half. It was also a record year for innovation, where we introduced a number of significant new products to the market. As I look ahead to what is set to be another busy year, where our focus will be on realising the benefits from the strategic actions taken in 2024, I would like to thank all my Scientific colleagues for their hard work and look forward to working closely with them again in 2025.

Full year performance

After a strong year in 2023, where sales grew 13% on a LFL basis, Spectris Scientific sales were 4% lower at £776.7 million (2023: £804.6 million) with adjusted operating profit of £137.5 million (2023: £171.9 million). LFL sales were 6% lower after taking into account the £50.1 million (6%) impact of acquisitions net of disposals (primarily the disposal of the remaining element of CLS) and adverse foreign exchange movements of £26.5 million (4%).

Sales were lower across all end markets and regions, particularly academia and on a regional basis, Asia, driven by continuing softness in China.

Order intake on a LFL basis was 2% lower, with growth in materials and flat demand in both pharma/life sciences and semiconductors more than offset by clean-tech and academia. Regionally, an increase in order intake in both Europe and North America was more than offset by Asia, notably China. Encouragingly, we saw strong momentum in the Division in the fourth quarter (LFL orders up 9%) with a strong performance in academia, materials and pharma/life sciences. This performance reflects China government incentives starting to filter through to academic institutions and a recovery of the primary materials business in Europe.

Adjusted operating margin decreased by 370bps to 17.7% (2023: 21.4%) on the back of negative drop through from lower sales volumes and product mix. On a LFL basis, the decrease in adjusted operating margin was 410bps.

Statutory operating profit was 39% lower at £86.3 million (2023: £140.4 million) after including £17.0 million of costs (2023: £19.4 million) related to the investment in our new ERP system, amortisation of acquired intangible assets of £14.3 million (2023: £5.0 million), £12.4 million (2023: £7.1 million) of transaction-related costs and fair value adjustments and £7.5 million (2023: £nil) of restructuring costs. Statutory operating margin was 11.1% (2023: 17.4%).

Strongly positioned in high-growth end markets supported by sustainability trends

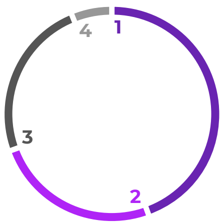
Spectris Scientific is focused on long-term, high growth end-markets: life sciences, material sciences (primary and advanced materials), semiconductors and academia. We are well positioned in high value, critical-to-quality areas where precision measurement, domain expertise and analytics are valued by our customers throughout the workflow.

Life Sciences

Our pharmaceutical/life sciences sales in the Division are derived from three core areas: ~60% is derived from drug discovery with around two thirds of that devoted to small molecule drugs and one third to biologics; and the remaining ~40% is derived from aseptic manufacturing where our particle counters are used in cleanrooms.

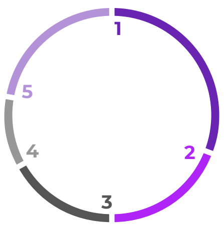
While sales were lower than the prior year in all regions, reflecting soft demand in 2023 and a large part of 2024, order intake was only slightly lower than the comparative period, driven by strong demand in the fourth quarter.

Sales by location (%)



1	Asia	44
2	North America	25
3	Europe	24
4	ROW	6

Sales by end market (%)



1	Life sciences/ Pharmaceutical	31
2	Materials	19
3	Electronics and semiconductor	17
4	Academic research	11
5	Other	22

In drug discovery, we continued to see strong demand growth in biologics in all regions driven by a number of trends including: demand associated with the production of drugs to address metabolic diseases (obesity and diabetes); and secondly, demand from generic manufacturers to support the development of more complex biologics, such as antibody drugs, cell and gene therapies and vaccines. This strong performance was more than offset by lower demand in small molecule, particularly in Europe and North America, reflecting customers refocusing their R&D and development pipelines on higher-value opportunities, after the exceptionally strong years following the pandemic. On a regional basis, demand from India was strong reflecting a trend to increase domestic drug development and production.

Demand from aseptic manufacturing saw positive growth, driven by the need for greater manufacturing capacity in Europe and North America to meet strong demand for new drugs to treat chronic diseases such as Alzheimer's and obesity.

The outlook over the medium-term remains positive, with growth in life sciences underpinned by a number of structural trends including: ageing populations; developing economies obtaining a larger middle class; innovation to treat many previously untreatable diseases; and the diversification of the supply chain through onshoring.

DIVISIONAL REVIEW continued

Materials

Primary materials

LFL sales and orders were slightly lower than the prior year, against a tough comparator. We saw strong sales growth in building materials with customers using our instruments to characterise particles in new materials as they seek to reduce carbon in their production process. We have seen strong demand for automation projects, where our unique expertise in automating sample preparation as part of a total analytical solution is in high demand. The strength in building materials was offset by lower sales in petrochemicals and mining, which was impacted by a slowdown in markets, including Australia.

Over the medium-term, we are ideally placed to support customers testing new materials as part of their carbon reduction initiatives and where our instruments and expertise are required to take more frequent measurements ie. real time analysis. This will provide us with significant opportunity for our on-line solutions, both in particle size and cross belt analysers, as well as various solutions for wet applications.

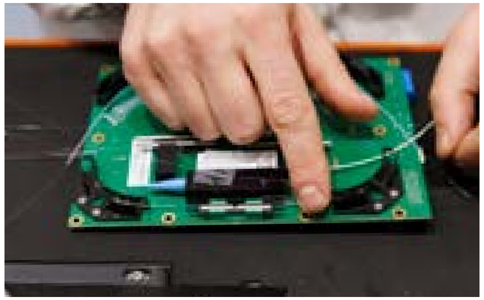
Advanced materials

LFL sales were significantly lower than the prior year, driven by weaker demand in China to support the development of batteries and battery materials, a trend linked to the wider, over supply in battery manufacturing for electric vehicles. Here our particle analysers are used by customers to assess the quality and character of particles to assess reactivity of raw materials. Demand was also lower than the prior year albeit to a lesser extent than the reduction in sales.

While it was a challenging year for advanced materials, particularly those linked to battery development and production, the medium-term outlook remains positive, driven by secular growth trends such as electrification, clean technologies and advanced manufacturing. We are developing new products and solutions to better drive innovation in emerging markets such as hydrogen production and carbon capture. These will underpin customer R&D investment and, with our strong domain knowledge and broad product offering for material characterisation, we are well placed to benefit from future innovations.

Semiconductor

LFL sales into semiconductor and electronics customers were down, driven by weakness in North America and Europe, which more than offset modest growth in Asia. Despite the softer market backdrop, we were encouraged by the new customer wins for our Chem20 Chemical Particle Counter, as well as the customer response to our market-leading NanoAir 10 Condensation Particle Counter.



"The medium-term growth outlook across our end markets remains positive, driven by a number of secular trends."

Derek Harding
President, Spectris Scientific

Sales of instruments to support the characterisation of crystal wafers into semiconductor production also grew, where the acquisition of product lines from Freiberg Instruments in 2023 has helped expand our customer offering across the value chain. Having entered the year with a strong backlog, our Servomex business also saw good sales growth into semiconductor, particularly in Asia, for its premium gas analysers.

Orders were broadly flat compared to the prior year, with strong growth in Europe offset by the US with Asia in line with the prior year.

The medium to long-term outlook remains positive, with semiconductor demand being driven by a number of secular trends including the rise of artificial intelligence, electrification, onshoring and increased penetration of software-defined vehicles.

Academia

After a very strong 2023 where sales grew well into double-digits, LFL sales were significantly lower for the year, mainly driven by China, with the prior year benefiting from government stimulus and incentives.

On the demand side, while overall order intake was lower for the full year, we saw positive momentum and very strong order growth in the final quarter which is encouraging. We saw good demand from government institutions and universities in India, North America and Latin America including strong sales for our Zetasizer particle analyser product. Towards the end of the year, we also saw early signs that the Chinese government incentives announced earlier in the year were starting to stimulate demand with growth in orders driven by our Microcal ITC, Zetasizer, and Morphologi 4-ID products. We expect government incentives to be higher in 2025 than 2024.

Academic research remains a core end market, providing an excellent reference point for commercial customers and the opportunity to build brand loyalty with researchers early on in their careers. The attractive, medium-term growth prospects are underpinned by some of the same secular themes driving our other core end markets.

Investing in growth

Research and development

In Malvern Panalytical we launched a number of exciting products during the period. The Mastersizer 3000+, is a revolutionary step in particle sizing with artificial intelligence-driven solutions for data evaluation providing robust and confident results in what is our best-selling, market leading, laser diffraction instrument. We also launched the Revontium X-ray fluorescence analyser, representing a huge step in elemental analysis, providing the same data quality as floor-standing instruments, significantly reducing operating cost in a number of applications. The Zetasizer Advance accessory, provides automated sample introduction including a range of consumables via a Co-Bot that allows user free measurements also came to market.

SPECTRIS SPOTLIGHT:

Domainex

Accelerating innovation in drug discovery

The customer

Domainex is a multi-award winning, fully integrated provider of drug discovery services and leading Contract Research Organization (CRO). Malvern Panalytical has been working with Domainex to advance drug discovery with cutting-edge biophysics technology.

Domainex uses Malvern Panalytical's WAVEsystem and PEAQ-ITC instruments to measure drug-target binding kinetics, binding affinity, and thermodynamics in real-time. Powered by Grating-Coupled Interferometry (GCI) technology, the WAVEsystem offers exceptional sensitivity for fragment screening and faster dissociation rates, providing efficient, high-quality results. The PEAQ-ITC Isothermal Titration Calorimeter provides gold-standard data using binding heat measurements to deliver key insights into binding affinity, thermodynamics, and stoichiometry.

BENEFITS TO THE CUSTOMER

Malvern Panalytical's instruments have helped to advance analytical solutions, enhancing the CRO's ability to provide fast, top-quality data, driving innovation in the life sciences and accelerating drug discovery – all helping to make the world cleaner, healthier and more productive.

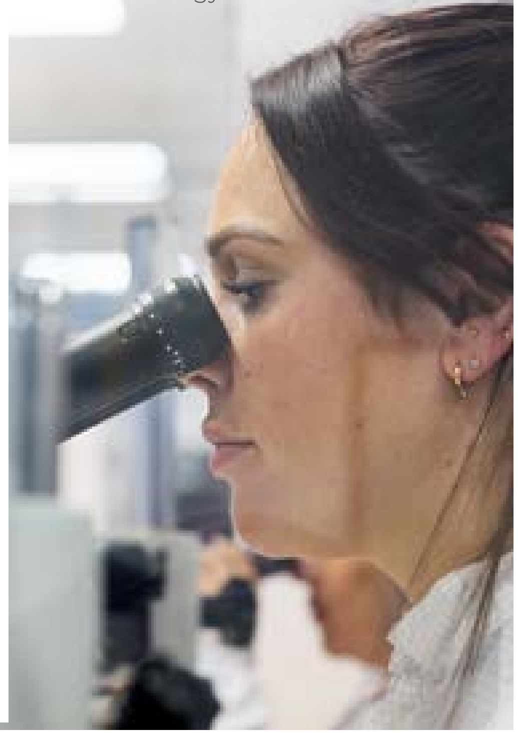
Domainex also employs a PEAQ-ITC system from Malvern Panalytical that allows them to measure binding interactions in solution. It's extremely sensitive, and the information that they get from the heat of binding allows them to measure the binding affinity, the thermodynamics of binding, and also the stoichiometry of binding.

GCI technology has a number of advantages over other techniques. It can measure faster dissociation rates than other techniques. It has disposable microfluidics so that if there's clogging of the microfluidics there are no instrument issues.

It's the only instrument where you can just use the dissociation of the molecular interaction to measure the affinity. That has the advantage of being much more efficient. GCI also has the WAVErapid method, which allows you to measure the affinity and the kinetics of an interaction just using the dissociation.

"We were able to retain really high-quality data for our client, and with Malvern Panalytical's WAVErapid technology, we also had a really fast turnaround time."

Trevor Askwith PhD
Head of Biology at Domainex



Staying with Malvern Panalytical, we also launched a number of products applying digital capabilities including enabling SMART Manager for the Mastersizer and Zetium. These enhancements enable remote monitoring and diagnostics, predictive maintenance, and real-time analytics, ensuring optimal instrument performance. And then finally, we launched the SMART Return Agrilitics Digital Asset, our digital platform that leverages analytical data to optimise agricultural productivity, sustainability, and decision-making. It integrates precision agriculture insights with Malvern Panalytical's analytical tools.

At Servomex, we launched the next generation of ultra-trace measurements for moisture, contaminants and ultra-high-purity electronic grade gases, with the Gen 7 DF-500 Series delivering crystal clear insights, powered by industry-leading sensors and setting the standard for accuracy and reliability. And with the SERVOTOUGH SpectraExact 2500F, we have brought a new level of precision to liquid measurements with its rugged design ideal for hazardous areas, able to provide the most reliable data on even the harshest of liquids.

At Particle Measuring Systems, the new BioCapt Single-Use AutoM Microbial Impactor represents the ideal choice for automated filling in sterile environments, revolutionising microbial air sampling with a plug-and-play design to enhance cost efficiency and productivity.

M&A

In August, we completed the acquisition of two of our top M&A targets in SciAps and Micromeritics. These are businesses we have known for some time that will significantly enhance our capabilities and broaden our product offering to customers. Both businesses are leaders in their respective fields and will be fully integrated within Malvern Panalytical as we look to create the world leader in particle characterisation.

The combination of Malvern Panalytical and Micromeritics allows us to support the entire customer workflow and it will also enhance our offering in the rapidly growing clean tech markets of carbon capture and hydrogen.

SciAps brings new technology in the form of laser-induced, backscatter spectroscopy technology to Malvern Panalytical's portfolio and provides access to the hand-held XRF market. The addition of SciAps handheld instruments, used in the field, complements Malvern Panalytical's range of laboratory and benchtop equipment and also significantly expands the opportunity to expand our digital offering.

The customer response to these acquisitions has been very positive, reflecting the strength of the combined offering. Integration is well underway with dedicated teams in place to ensure we maximise the benefits of the combination including the realisation of substantial synergies in 2025 and beyond.

Operational Excellence

We continue to leverage SBS to improve productivity and drive business excellence across the Division. During the year, we completed several projects delivering tangible financial benefits as well as expanding the scope of the SBS programme to include our commercial and service excellence teams.

In 2024, we delivered tangible benefits in excess of £5 million, with the greatest contribution from our commercial and service teams through our 'land and expand' initiative, the aim of which is to deepen our connection with existing customers and leverage the breadth of our product offering. Other highlights include: a substantial reduction in lead-time for one of key products in Servomex through process flow improvements; a significant reduction in the lead time to recruit talent in one of our Asian HR teams and; the adoption of new technology to reduce turnaround times on inventory within our PMS business.

We also made great progress with the Go-for-Gold programme, with five bronze sites at the end of the year. We were also delighted that our Zhuhai, China site was the first Spectris site to be awarded a silver certification. In 2025 we will continue to deploy SBS across the business in our operational and non-operational areas as well as progressing our sites through Go-for-Gold.

CASE STUDY

SPECTRIS SPOTLIGHT:

PMS

Contributing to the progress in space exploration

The challenge

The future of space is poised for growth in areas like launch, data, and communications. Both private companies and governments aim to return to the moon, start space tourism, colonise Mars, and explore beyond our solar system. The satellite industry is evolving rapidly with new technologies enabling faster design cycles, advanced payloads, and better communications systems. Over the past five years, there has been significant innovation and private investment in this field. The challenge now lies in ensuring the technology being built is as effective and efficient as possible, in a way that makes the world cleaner, healthier and more productive.

OUR CONTRIBUTION:

For over 45 years, Particle Measuring Systems (PMS) has been at the forefront of contamination monitoring in aerospace and defence. Notably, a PMS particle counter was onboard the Pioneer Venus Project in 1978 – this long history highlights our dedication to advancing technology for aerospace and defence manufacturing.

Leveraging decades of expertise, PMS is now revolutionising the development and supply of cutting-edge aerosol particle counters and monitoring systems, for space shuttles and satellite manufacturing processes, within cleanroom environments. These ultra clean production facilities prevent particles from earth being transported to, and potentially contaminating space.

Our PMS Pro series instruments – the LasairPro portable particle counters and IsoairPro remote particle counters – are at the forefront of innovation, empowering our clients to achieve unparalleled efficiency in their manufacturing cleanrooms. We have supplied more than 100 instruments to the aerospace industry in 2024.

These state-of-the-art instruments are seamlessly integrated with the FacilityPro environmental monitoring solution, which offers air sampling, comprehensive reporting, and robust data management capabilities. This system not only streamlines processes but equips our customers to be cleaner, healthier, and more productive by actively maintaining constant control and monitoring potential contamination within an industry that is expected to grow by 155% by 2035 (Source: Deloitte Insights).

DIVISIONAL REVIEW continued

Spectris Dynamic

Empowering the innovators

Leader in advanced, integrated virtual and physical test and measurement

HIGHLIGHTS

	2024	2023	Change	LFL change
Statutory sales (£m)	**501.7**	542.8	(8%)	(7%)
Adjusted operating profit[1] (£m)	**72.3**	93.0	(22%)	(20%)
Adjusted operating margin[1] (%)	**14.4%**	17.1%	(270bps)	(240bps)
Statutory operating profit (£m)	**19.5**	56.1	(65%)	
Statutory operating margin (%)	**3.9%**	10.3%	(640bps)	

1. This is an APM. APMs are defined in full and reconciled to the reported statutory measures in the Appendix to the Consolidated Financial Statements.

OUR BUSINESSES

HBK HOTTINGER BRÜEL & KJÆR

A world leader in advanced, integrated, physical and virtual testing and measurement.

"I am delighted with the acquisition of Piezocryst, a valued partner for many years, that will further enhance our premium sensor offering in the automotive and A&D sectors."

Ben Bryson
President, Spectris Dynamics

Introduction

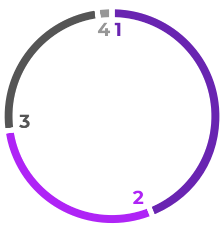
We have achieved a lot in 2024. We were operating in end markets that were adjusting to global and geopolitical challenges. From an operational perspective, we opened our new strain gauge sensing facility in Porto, completed the first phase of the rollout of our new ERP system and saw a number of our sites achieve bronze certification as part of the SBS Go-for-Gold programme.

Our focus on investing in growth is clear to see, with a record number of new technologies launched in to serve our customers with the new product launches in 2024. I am delighted with the acquisition of Piezocryst, a valued partner for many years, that will further enhance our premium sensor offering in the automotive and A&D sectors. In 2025 our focus will be on driving growth from the new products, integrating Piezocryst and completing the implementation of the new ERP system. I would like to thank all my colleagues across Spectris Dynamics for their continued support and look forward to working closely with them again in 2025 as we Empower the Innovators for a Cleaner, Healthier and more Productive world.

Full year performance

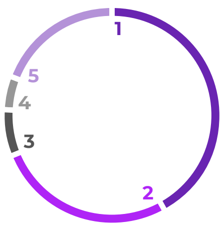
After a good performance in 2023 where LFL sales grew by 6%, Spectris Dynamics sales were 8% lower in 2024 at £501.7 million (2023: £542.8 million). On a LFL basis, sales were 7% lower after taking into account the net impact of £16.8 million (3%) of adverse foreign exchange movements, and the £11.8 million (2%) sales contribution from the acquisitions of MicroStrain in 2023 and Piezocryst in 2024. Slightly higher sales in A&D were more than offset by mid-single digit sales declines in machine manufacturing and automotive and lower sales in academia and other markets.

Sales by location (%)



1	Europe	44
2	North America	29
3	Asia	25
4	ROW	2

Sales by end market (%)



1	Technology-led industrials	42
2	Automotive	27
3	Academic research	7
4	Electronics and semiconductor	5
5	Other	19

Order intake was 4% lower on a LFL basis with double-digit growth in machine manufacturing and good growth in aerospace & defence (A&D) more than offset by softer demand in academia and other markets.

On a regional basis, the Division achieved continued demand growth in Asia, all year, supported by China (machine manufacturing) and Japan (machine manufacturing and A&D). However, Europe remained flat to slightly down, driven by continued weakness in Germany, primarily due to subdued automotive and machine manufacturing, despite growth across the rest of Europe. North American demand was soft, particularly in automotive, as a consequence of the pullback in electric vehicle programmes.

Adjusted operating profit of £72.3 million was 22% lower than the £93.0 million achieved last year, (20% on a LFL basis), with adjusted operating margin 270bps lower (240bps lower on a LFL basis) at 14.4% (2023: 17.1%). The lower margins reflect the drop through impact of lower sales and product mix effects partially offset by actions to manage the Division's overhead costs.

Statutory operating profit decreased by 65% to £19.5 million (2023: £56.1 million) after including £27.7 million (2023: £20.6 million) of costs related to the investment in our new ERP system, £10.8 million (2023: £nil) of restructuring costs, £3.6 million (2023: £3.1 million) of transaction-related costs and fair value adjustments and £10.7 million (£13.2 million) of acquired intangibles amortisation. Statutory operating margin was 3.9% (2023: 10.3%).

Well positioned in attractive markets

We are well positioned in attractive growth markets that are benefiting from a number of global trends: increased adoption of virtual test in automotive to accelerate innovation; digitisation and the increased use of software to design, test and to process data; electrification and the transformation of mobility and energy; and automation to enhance productivity in a more connected world. These four key growth trends are aligned with the Division's Purpose to Empower the Innovators for a cleaner, healthier, and more productive world and are supporting higher levels of growth within our market segments.

As a global leader in advanced virtual and physical testing, and high precision sensing solutions we are uniquely placed offering the broadest solution, with the ability to integrate both the physical and virtual worlds of test and measurement. The Division has a focused range of technical solutions, that enable customers to innovate across the whole product lifecycle: from enabling engineers that want to design in the virtual world, using our leading simulators and simulation software; to validating in the physical world, using data acquisition, software and sensors.

Our technology is the bridge between both worlds, taking the learnings from each and applying it to help engineers accelerate innovation. The backbone of Spectris Dynamics is our domain and physics expertise.

Automotive

After a flat first half, LFL sales ended the year lower albeit ahead of the wider market, with declines in all regions with strong, double-digit growth in virtual test more than offset by physical test.

Strong sales growth in our virtual test business was driven by the ongoing success of our market leading simulators and software offering, where customers continue to see the benefits of using simulation as a key part of their R&D process. Driver-in-the-loop virtual testing, combined with precision hardware-in-the-loop testing is enabling customers to halve their time to market and reduce the cost of innovation by as much as 20%. This strong performance was more than offset by softer conditions in physical test, particularly in Asia and Europe.

On the demand side, order intake was lower for the full year mainly driven by physical test, with order growth in the first half being more than offset by a decline in the second half, as sentiment softened and customers delayed investments into large capital equipment for R&D. This was particularly evident in Europe and North America and reflects the general market uncertainty surrounding the sales of electric vehicles and the growth of Chinese auto manufacturers. Physical test orders in the fourth quarter were up, indicating a stabilisation of the market and demonstrating the attractiveness of our technology solutions to new markets.

While 2024 was a more challenging year for the industry, over the medium-term, we continue to expect growing demand for automotive R&D, driven by the development of new vehicles, platforms and technologies, and the need to reduce development time. With our broad product offering across virtual test, physical test and in-process, and our global customer relationships, we are extremely well placed to benefit from this growth.

Machine manufacturing

LFL sales were lower than the prior year, with all regions seeing declines particularly North America. We experienced notable weakness in Germany, China and the US reflecting customer caution throughout 2023 and the first half of 2024, with lower levels of industrial activity during that period in those geographies.

Encouragingly, LFL order intake was strongly up in the second half, driving double-digit growth for the Division for the year, underpinned by a strong performance in Asia (including China) and growth in Europe, outweighing softness in North America. We have seen good demand for our OEM sensors into new areas including robotics, autonomous vehicles and agriculture and larger orders for our smart sensor offering. While we recognise that market uncertainty remains, this positive trend indicates demand may have bottomed after a prolonged downturn, indicating 2025 will be the start of positive growth.

We believe that over the medium to longer-term, the move towards greater levels of automation driven by the scarcity of labour and the need for greater efficiency, will continue to drive demand from machine manufacturing customers and in turn, our smart and OEM sensor offering. Sales to this sector continue to be helped by the focus on selected high value end-markets, which has driven demand for our weighing technologies to support logistics growth in e-commerce, including for smart OEM-type solutions in medical and healthcare applications, where accurate and reliable sensors are critical.

Aerospace and defence

Sales were slightly ahead of the very strong comparative period, supported by increased defence spending, continued investment in commercial space and growth in civil aerospace. LFL orders were also ahead of the comparative period driven by strong defence demand in Asia, notably Japan.

Demand continues to be strong in commercial space, where our leading sensing solutions, in particular accelerometers, are used by customers to monitor vehicle system and structural performance during the flight envelope. Our Dytran business has performed particularly well post-acquisition due to the attractiveness of its offering to commercial space customers.

Customer activity in civil aerospace remains robust, as the recovery continues and customers invest in research and development for new propulsion technologies including electrification and hydrogen.

Longer-term, continued investment in electrification and alternative fuels, as well as new technologies to improve efficiency, provides plenty of growth opportunities for our sensors and wider product portfolio. The acquisition of Piezocryst will further enhance our technological offering and there is a significant opportunity to sell their piezoelectric sensors into the aerospace and defence market.

Investing in Growth

During the year we continued to see positive results from strong strategic execution, both organically and through M&A.

Research and development

In Virtual Test, we launched four new products consisting of two simulators and two software products. The key highlight was the launch of our award-winning Driver-in-Motion Full Spectrum Dynamic Simulator and Hyperdock, which together provide a quantum leap in realism, and the first simulator that is capable of full vehicle motion, high frequency vibration, and sound for an immersive testing experience.

In Physical Test, we brought six new products to market in 2024. This included the next generation T100/T110 torque sensor, building on market leading accuracy, that offers new possibilities in demanding applications, such as powertrain development for electric vehicles. In the second half, we launched our next generation DAQ system to market, with the product focused on the sound and vibration sector with Fusion LN were also major updates to our simulation and durability/reliability software with key functionality enhancements.

In-Process launched over 100 new products in the year, including over 50 new sensor releases and 60 prototypes as well as a number of software launches. These new products and various upgrades are aimed at growing in key markets and included: AI-Driven End-of-Line (EOL) Testing and Analytics optimising machine-learning for EOL testing processes, improving product quality and manufacturing efficiency; AI-Enabled Monitoring Solutions for critical infrastructure; a number of key drone-market applications; and through partnerships to add telemetry for autonomous torque for medical applications.

We also launched the digiBOX, a compact IIoT multichannel amplifier that enables traditional sensors to become smart sensors in the heart of the customers precision process solutions, maximising efficiency of their equipment and enabling the machines to be more autonomous.

M&A

In December, we completed the acquisition of Piezocryst, a leading provider of piezoelectric, high-precision pressure sensors and accelerometers for demanding applications (highest and coldest temperature range using the Gallium Ortho Phosphate crystals). The Company’s sensors are known for their quality, durability and precision, helping optimise engines, machines and processes in the harshest of environments.

The acquisition expands our existing product range and enhance our customer offering across the automotive, aerospace & defence, energy and industrial markets. It will also reinforce our strategy to create the leading, premium pressure and vibration sensing offering for the most advanced applications, building on the acquisitions of Dytran and MicroStrain over the past two years.

Operational Excellence

We continued to leverage the SBS during the year with the focus on operations including initiatives to improve safety, efficiency, quality and indirect spend. Collectively, the Division delivered around £5 million in benefits in the year.

Highlights include optimising energy consumption for long soak precision sensor calibration, reduction in bill of materials through VAVE projects including the high-speed precision components in our EPT offering; whilst we also delivered multiple kaizen events to improve quality yields and lower the time to manufacture, with particular progress being made at our Suzhou site in China and Virum site, in Denmark.

The Division now has 5 sites at bronze certification as part of the Go-for-Gold programme. In 2025, our bronze sites will be working towards silver and recently acquired sites will start their journey towards bronze. Our focus is to have one language for SBS, a common understanding of SBS methods, with tangible improvements across the portfolio towards the Group target level and as a minimum, leveraging our continuous improvement culture to offset cost inflation year over year.

SPECTRIS SPOTLIGHT:

HBK

Solving complex engineering challenges with Artificial Intelligence

HBK are at the forefront of a new era in technology, where the fusion of advanced technologies like artificial intelligence (AI), machine learning (ML), and physics-based engineering is transforming how complex challenges are solved. By combining our deep expertise in sensors, data acquisition, and measurement with the groundbreaking capabilities of AI and ML, we can deliver faster, more precise, and cost-effective solutions for our customers.

A focus on infrastructure and innovation

As global infrastructure faces growing pressures, HBK is pioneering innovative solutions in critical areas such as structural health monitoring and infrastructure maintenance. In particular, we are making strides in the U.S. waterborne transportation sector, collaborating with key partners like the U.S. Army Corps of Engineers (USACE) to apply AI-driven technologies to solve traditionally complex engineering problems. This focus aligns with the rising global need for more resilient and sustainable infrastructure systems.

Traditional physics-based engineering models often depend on linear assumptions and time-intensive processes that can lead to noisy, unreliable predictions. This limits their scalability and effectiveness. By incorporating AI and ML into these models, HBK has pioneered a new paradigm of predictive accuracy, scalability, and efficiency. Our methods offer a transition from reactive to proactive decision-making, unlocking opportunities to optimise operations and drive innovation in infrastructure management.

Delivering measurable business value

We are delivering tangible business outcomes for our customers. Our AI-enhanced engineering solutions:

- Reduce operational downtime, saving significant time and resources.
- Optimise resource allocation, improving overall efficiency.
- Extend the lifespan of critical infrastructure assets, delivering long-term value.
- Enhance safety and sustainability, aligning with global ESG goals.

These capabilities are allowing HBK to redefine the future of engineering, not only solving technical challenges but also contributing to economic savings and strategic growth, empowering our customers to remain resilient and competitive in a rapidly evolving market.

FINANCIAL REVIEW

"I have identified four clear priorities as CFO in 2025."

Sales

£1,298.7m

(2023: £1,449.2m)
Change yoy (10%)
LFL change yoy (7%)

Adjusted operating profit

£202.6m

(2023: £262.5m)
Change yoy (23%)
LFL change yoy (20%)

Adjusted cash flow conversion

88%

(2023: 103%)
Change yoy (1500bps)

I am delighted to have joined Spectris as CFO at such an exciting time, some two and half years into our Strategy for Sustainable Growth.

2024 was a strong year for strategic execution, in particular the three new acquisitions completed in the second half. Shortly after joining, one of my first priorities as CFO was to secure longer-term financing at attractive rates in order to partially fund these acquisitions, which we achieved through a c.$400 million US Private Placement in November. The issuance was heavily oversubscribed and on investment grade terms.

Since joining last September, I have also spent time travelling around the Group, learning about our businesses, meeting customers to understand their challenges and getting to know our people. I've been impressed by what I've seen, particularly the strength of our technology and the depth of talent within the Group. I have also devoted a lot of time to understanding how I, as the new CFO, along with my colleagues and the Finance community can realise the significant opportunities available to the Group.

Looking ahead, I have four clear priorities as CFO in 2025:

1. Integration of acquisitions in both Divisions

Clearly, integration of the three acquisitions completed in 2024 is a key focus. Spectris has successfully integrated a number of acquisitions since 2019 and it is one of our core strengths. Having integrated several businesses during my career, I am well aware of the effort and drive required to realise the value that underpins any business case, including rigorous tracking of progress on benefits and costs.

We have made a good start, and I am very pleased with the progress to date. The detailed planning stage for SciAps and Micromeritics into Malvern Panalytical is complete and execution is well underway. Piezocryst will be integrated into Spectris Dynamics to create a leading, premium sensing business alongside Dytran and MicroStrain, businesses that were acquired in 2022 and 2023 respectively.

2. Realisation of benefits under the Profit Improvement Programme

In October, we introduced a Profit Improvement Programme which identifies clear actions to drive margin expansion through the delivery of acquisition cost synergies, the new ERP system and restructuring in both Divisions. The programme will deliver c.£50 million of run rate benefits by the end of 2026, £30 million of which will be realised in 2025. Alongside this, we will continue to apply a strong commercial focus through the Spectris Business System to navigate any external headwinds such as material and labour inflation.

3. Working capital optimisation

Over the last year we have put a greater focus on working capital efficiency in both Divisions. We are targeting a significant improvement in 2025, particularly in inventory, where we are aiming to deliver a material release in working capital. I believe we can make significant improvements in operating cash, building on the disciplined approach that already exists in each Division. Our new ERP system will play an important role enhancing both collections and billing with a focus on reducing debtor days.

4. Greater efficiency from ERP

The implementation of SAP 4 Hana in 2024 was a complex project, and I am pleased to say that the new system is working well. Our focus in 2025 will be on delivering the financial benefits as well as harnessing the opportunities that come with greater efficiency, transparency and control. I have significant experience of implementing ERP systems at scale and know that the business will benefit enormously over time and that this will be key to our competitiveness.

I am looking forward to working closely with Andrew and the rest of my colleagues on these priorities as we deliver a year of strong profit growth in 2025.

2024 Financial performance

After three years of strong growth, 2024 was more challenging, as softer market conditions remained for longer than anticipated, impacting our headline financial performance. Despite this, we delivered a robust second half, meeting our revised guidance for the full year. Positive order momentum in the final quarter was encouraging.

While order intake was 3% lower on a LFL basis for the year, demand gradually stabilised with order intake flat in the second half and positive growth in the final quarter. Sales of £1,298.7 million (2023: £1,449.2 million) were 10% lower, down 7% on a LFL basis, with sales lower across all regions. The combined impact of disposals, net of acquisitions, and adverse exchange movements, reduced sales by £54.6 million (3%) which together with the reduction in LFL sales resulted in the 10% reduction in reported sales.

Given the high gross margins across the Group, the negative drop through effect of lower sales and product mix had a material impact on our profitability for the full year. As a result, gross profit of £715.9 million (2023: £838.1 million) was 15% lower (12% on a LFL basis) than the prior year, with the positive impact of acquisitions only able to partially offset lower sales volumes. Gross margin of 55.1% (2023: 57.8%) were 270bps lower, reflecting lower sales and product mix effects.

As a result of the prolonged nature of lower demand across a number of our end markets, we took action to reduce costs in the second half, helping drive a reduction in adjusted overheads of £43 million on a LFL basis and partially mitigating the reduction in gross profit. Adjusted operating profit margin decreased 250bps to 15.6% (2023: 18.1%) resulted in adjusted operating profit of £202.6 million (2023: £262.5 million). Adjusted earnings per share of 148.1 pence (2023: 199.7 pence) were 26% lower than the prior year. Statutory earnings per share were 233.1 pence (2023: 140.3 pence), with most of the increase attributable to the £210.7 million profit on disposal of the Red Lion Controls business.

Adjusted operating cash generated

£177.6m

(2023: £271.1m)

Adjusted operating profit

£202.6m

(2023: £262.5m)

Adjusted cash conversion

88%

(2023: 103%)

> "Strong profit growth and robust cash generation will see Group leverage reduce over the course of 2025 and 2026."

Angela Noon
Chief Financial Officer

Capital allocation

We take a balanced and disciplined approach to capital allocation, with a clear set of priorities.

Our first priority remains investment in the growth and profitable expansion of the Group to drive shareholder returns, with capital allocated towards business development. This consists of two elements namely: (1) capital expenditure to ensure our sites and systems remain efficient, modern and safe; and (2) investing in R&D to ensure our products stay at the forefront as measured by our vitality index.

Capital Expenditure of £51.7 million was 109% higher than 2023. This was driven by investment in our new HBK site in Porto and our state-of-the-art PMS facility in Boulder, Colorado, which is on track to open in the second half of 2025. We decided to maintain R&D expenditure in absolute terms at £104.8 million or 8.1% of sales, in order to support organic growth (2023: £108.1 million). Our vitality index increased by 7pp to 29%, and 2024 was a record year for new product launches. This is testament to a more targeted approach to investment in recent years.

Our second priority is delivering attractive returns to shareholders and pursuing our progressive dividend policy, where we have a strong track record over the last 35 years. For 2024, the Board has proposed an increase in the ordinary dividend of 5% to 83.2 pence per share (2023: 79.2 pence). This means, together with share buybacks of £96.7 million during the year, we have returned £177.2 million to shareholders in 2024.

Compounding growth through M&A is a key part of our strategy. We have successfully redeployed the proceeds from our portfolio rationalisation programme – which started in 2019 – into accretive acquisitions. Last year was a pivotal year for M&A when we were able to acquire three high-quality businesses that we have known for some time, investing just under £800 million on a combined basis. These acquisitions will enhance our capabilities and broaden our customer offering while also driving growth and margin expansion.

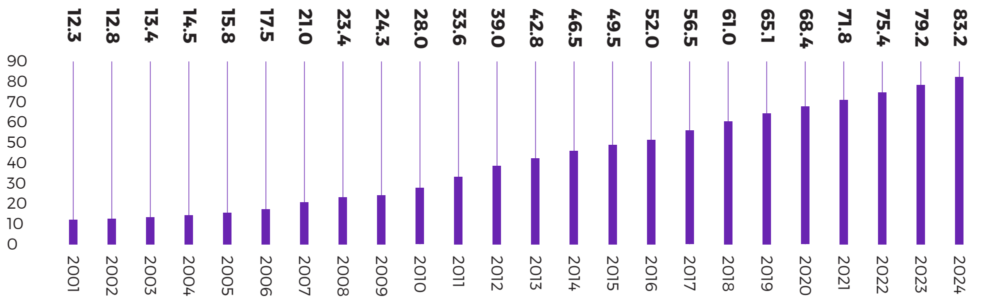
And lastly, we have also demonstrated our commitment to returning excess capital to shareholders via appropriate mechanisms. After the sale of Red Lion Controls, which we announced in December 2023 and completed in April 2024, we launched our latest £150 million buyback programme, of which £100 million has been returned to shareholders during the latter part of 2023 and throughout 2024. This means, together with dividend payments, we will have returned a total of £1.1 billion to shareholders since 2019.

The Board regularly reviews capital allocation and its distribution policy to continue to drive value for shareholders. Having deployed our balance sheet in 2024 to acquire three high-quality businesses to drive future growth, our focus in 2025 is on underlying cash generation and returning leverage to within our stated range. As such, the Board has decided not to continue with the final £50 million tranche of the previously announced share repurchase programme.

CAPITAL ALLOCATION PRIORITIES

	1 Organic growth	2 Progressive dividend	3 M&A	4 Additional shareholder returns
	invest ~7-8% of sales in R&D to drive innovation and new product development; capital expenditure at ~2-3% of sales	progressive dividend policy with a strong track record of dividend growth over several decades	compound growth through acquiring high-quality businesses to enhance and expand our offering to customers	return excess cash to shareholders not used for profitable growth
2024 update	– £104.8 million invested in R&D representing 8.1% of sales – Increase in vitality index from 22% to 29%	– 5% increase in full year dividend to 83.2 pence – Total dividend to be paid out to shareholders of £80.5 million in respect of 2024 – 35 years of successive dividend growth	– Disposal of Red Lion Controls for £280.9 million in April – £765.3 million on acquisitions	– £96.7 million returned through share buyback in 2024

Dividend per share (pence)



FINANCIAL REVIEW continued

Balance sheet and cash flow

We generated £177.6 million in adjusted operating cash in 2024 representing adjusted cash conversion of 88%. Statutory cash generated from operations was £138.5 million (2023: £245.5 million). We ended the year with net debt of £549.0 million, having entered the year with net cash of £138.8 million, reflecting a year of significant capital deployment including the three acquisitions.

These acquisitions were funded through a combination of our cash resources and debt, including the issuance in November of c.$400 million of US Private Placement (USPP) notes. The issuance, which was heavily oversubscribed, and on investment grade terms, replaced a $400m bridge facility and comprised USD and EUR tranches with maturities between 5 and 10 years, issued at average rates of 5.15% for USD and 3.66% for EUR. Further details of our debt profile and associated maturities are set out later in this report.

Our objective over the medium-term is to maintain a leverage ratio, as measured by net debt:EBITDA, of between 1x and 2x, with flexibility to temporarily exceed the upper end of that range for acquisitions. At the end of 2024, leverage stood at 2.3x on a covenant basis. We expect growth in EBITDA and good levels of cash flow generation over the next two years to bring leverage back to well within the range, subject to further deployment of capital for investment.

Business transformation through IT

We completed the initial phases of the implementation of our new ERP system during the year. This is a significant, multi-year investment in an integrated platform that will transform how we run the Group. The new system will not only deliver hard financial benefits, but also a number of other benefits including: greater operational effectiveness through a measurable reduction in manual interfaces; enhanced visibility across the Group in areas like working capital; and greater oversight of compliance and control. Our focus in 2025 will be to deliver the programme benefits as well as continuing the planned rollout across Spectris Dynamics and our recent acquisitions.

Profit Improvement Programme

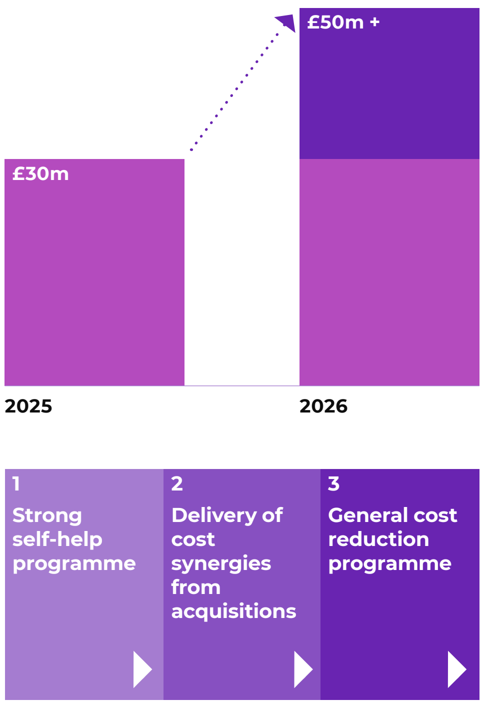
As announced in our third quarter trading update in October, we have embarked on a Profit Improvement Programme, to reduce the cost base of the Group and deliver the efficiency and synergies from the investments made in 2024. The programme will deliver c.£50 million of run rate benefits by the end of 2026, £30 million of which will be realised in 2025.

Integration benefits will be derived from reducing costs and delivering economies of scale across a number of areas including sourcing, go-to-market and back-office functions. The reduction in manual intervention and adoption of improved processes will enable us to right size headcount to the new ERP system. And these savings will be in addition to our ongoing restructuring activities across both Divisions as announced at the half year in 2024.

The programme is not limited however to the announcements we have made for 2025. The desire of our teams to continuously improve and generate ideas that contribute to our financial success will be a core ingredient for our mid-term objectives. A great performance management system must work in tandem with any programme of this nature, and we will be building our improvement ideas further in the coming months.

PROFIT IMPROVEMENT PROGRAMME DELIVERS £50 MILLION

Profit improvement



We entered the year encouraged by the strong finish in 2024, with a clear set of priorities to deliver a significant increase in profitability in 2025. I would like to thank the Finance team in particular for their hard work over the last twelve months in what was a very busy year and look forward to working with all my colleagues to deliver progress in the years ahead.

Angela Noon OBE
Chief Financial Officer
27 February 2025

Statutory results

Sales decreased by 10% or £150.5 million to £1,298.7 million (2023: £1,449.2 million). Gross profit decreased by £122.2 million driven by the lower sales volumes, partly offset by pricing.

Selling, General & Administration (SG&A) expenses decreased by £31.2 million, driven by lower employee-related costs, the sale of Red Lion Controls and foreign exchange impacts. Investment in R&D decreased by £3.3 million to £104.8 million representing 8.1% of sales (2023: £108.1 million, 7.5% of sales).

As a result, statutory operating profit was £97.6 million, a decrease of £91.0 million (2023: £188.6 million). Statutory operating margin was 7.5% (2023: 13.0%).

Statutory to adjusted operating profit

Restructuring costs of £18.3 million (2023: £nil) relates to the actions taken during the year on targeted efficiency savings and trimming the cost base in line with demand, which represents one element of the Profit Improvement Programme, with the other two elements being the realisation of synergies from the three acquisitions and the benefits associated with our new ERP system.

Net transaction-related costs (£18.4 million) and fair value adjustments (£2.2 million release) were £16.2 million (2023: £14.0 million), with the increase reflecting the higher level of M&A activity in 2024, primarily relating to the acquisitions of SciAps and Micromeritics completed in August 2024 and Piezocryst completed in December 2024.

Statutory results

	2024 £m	2023 £m
Sales	1,298.7	1,449.2
Cost of sales	(582.8)	(611.1)
Gross profit	715.9	838.1
Indirect production and engineering expenses	(112.3)	(126.9)
Sales and marketing expenses	(215.7)	(249.6)
Administrative expenses	(290.3)	(273.0)
Selling, General & Administration expenses	(618.3)	(649.5)
Statutory operating profit	97.6	188.6

Consistent with the prior year, material SaaS project costs, which represents the continuation of the implementation of the new SAP cloud-based ERP system, of £44.7 million (2023: £40.0 million) are excluded from adjusted operating profit, as is amortisation of acquisition-related intangible assets of £25.0 million (2023: £18.9 million). The slightly higher SaaS costs reflect the implementation of the entire Malvern Panalytical business in April as well as phase one of Spectris Dynamics, with 2024 expected to be the peak of costs associated with this project.

Adjusted operating profit was £202.6 million (2023: £262.5 million), a decrease of 23% (20% on a LFL basis). Statutory operating profit for the year was £97.6 million (2023: £188.6 million).

Statutory operating profit to profit before tax

The commentary below and table on page 53 sets out the items that are booked outside statutory operating profit in the Consolidated Income Statement.

On 3 April 2024, the Group disposed of its Red Lion Controls business. The consideration received was £280.9 million settled in cash, resulting in a profit on disposal of £210.7 million. Further details are provided in note 24. Red Lion Controls contributed £20.3 million of sales and operating profit of £3.7 million in 2024, up to the date of disposal (2023: £101.8 million sales and £17.3 million operating profit, reflecting a full year of contribution to Spectris' 2023 results).

Net finance costs of £2.8 million compares with net finance income of £6.9 million in 2023 and relates to debt facilities entered into during the second half to part finance the acquisitions of the SciAps, Micromeritics and Piezocryst businesses. Interest costs are expected to increase in 2025 to around £35 million, reflecting the full year cost of additional debt, further details of which are set out in the Financing and Treasury section (page 54).

Tax

The effective tax rate on adjusted profit before tax and statutory profit before tax was 22.7% (2023: 21.5%) and 23.0% (2023: 21.7%) respectively, with the increases reflecting the reduced impact of tax credits and incentives and Pillar 2 tax charges.

Earnings per share

Adjusted earnings per share were 148.1 pence (2023: 199.7 pence). This is calculated based on a weighted average number of shares of 100.2 million (2023: 103.6 million), with the lower share count resulting from the buyback programmes in 2023 and 2024. Statutory earnings per share were 233.1 pence (2023: 140.3 pence), with most of the increase attributable to the £210.7 million profit on disposal of the Red Lion Controls business.

FINANCIAL REVIEW continued

Statutory to adjusted operating profit

	2024 £m	2023 £m
Statutory operating profit	97.6	188.6
Restructuring costs	18.3	–
Net transaction-related costs and fair value adjustments	16.2	14.0
Spectris Foundation Contribution	0.8	1.0
Configuration and customisation costs carried out by third parties on material SaaS projects	44.7	40.0
Amortisation and impairment of acquisition-related intangible assets	25.0	18.9
Adjusted operating profit	202.6	262.5

Statutory operating profit to profit before tax

	2024 £m	2023 £m
Statutory operating profit	97.6	188.6
Share of post-tax results of associates	(0.4)	(0.1)
Fair value through profit and loss movements on debt instruments	(1.9)	2.8
Profit/(loss) on disposal of businesses	210.2	(12.6)
Finance income	15.0	11.0
Finance costs	(17.8)	(4.1)
Statutory profit before tax	302.7	185.6
Taxation charge	(69.5)	(40.2)
Statutory profit after tax	233.2	145.4

Earnings per share

	2024	2023
Statutory earnings per share (basic)		
Profit attributable to ordinary equity holders of the parent for basic earnings (£m)	233.6	145.4
Weighted average number of shares outstanding (millions)	100.2	103.6
Basic earnings per share (pence)	233.1	140.3
Adjusted earnings per share (basic)		
Adjusted earnings attributable to ordinary equity holders of the parent (£m)	148.4	206.9
Weighted average number of shares outstanding (millions)	100.2	103.6
Adjusted basic earnings per share (pence)	148.1	199.7

Cash flow and net debt

Adjusted operating cash flow decreased by £93.5 million to £177.6 million (2023: £271.1 million), resulting in an adjusted cash conversion rate of 88% (2023: 103%). Statutory cash generated from operations was £138.5 million (2023: £245.5 million).

The decrease in adjusted operating cash flow was largely driven by the decrease in adjusted operating profit, a slightly higher net outflow in working capital including higher receivables reflecting the strong finish to 2024, and higher levels of capital expenditure. Cash management, including a focus on reducing working capital, remains a key priority for 2025 and 2026 as we look to bring leverage to within our target range of 1x to 2x.

Capital expenditure of £51.7 million (2023: £24.7 million) equated to 4.0% of sales, compared to 1.7% in 2023, with the increase reflecting the phasing of spend relating to our new, state-of-the-art PMS facility in Colorado and our new Dynamics site in Porto. As a result, capital expenditure was 143% of adjusted depreciation and software amortisation (2023: 64%).

Restructuring costs paid of £8.1 million (2023: £1.4 million) are lower than the £18.3 million charge in the Consolidated Income Statement, with the remainder of the cash costs expected to be incurred in 2025.

During the second half of the year, the Group completed the acquisitions of SciAps, Micromeritics and Piezocryst. This resulted in a cash outflow of £728.9 million, with an additional £2.3 million cash outflow relating to deferred and contingent consideration for prior years' acquisition. The majority of the transaction-related costs paid of £34.1 million relates to the three acquisitions made during the second half of the year. Proceeds from disposals was £225.7 million and reflects the sale of Red Lion Controls business in April net of tax paid of £48.1 million.

During the year ended 31 December 2024, 3,099,667 ordinary shares were repurchased by the Group as part of the first and second tranches of the £150 million share buyback announced on 11 December 2023. Of those shares repurchased, 1,313,979 were cancelled and 1,785,688 were transferred to Treasury shares in relation to the first and second tranches respectively. This resulted in a cash outflow of £96.7 million, including transaction fees of £0.4 million.

The foreign exchange retranslation of £25.8 million primarily relates to the Group's US Dollar and Euro-denominated new debt facilities, with GBP Sterling weakening against both currencies since the facilities were put in place. Further details of these facilities are set out below.

As a result, net debt at the end of the year was £549.0 million (2023: net cash £138.8 million).

Adjusted cash flow

	2024 £m	2023 £m
Adjusted operating cash flow		
Adjusted operating profit	202.6	262.5
Adjusted depreciation and software amortisation[1]	36.1	38.8
Working capital and other non-cash movements	(9.4)	(5.5)
Capital expenditure	(51.7)	(24.7)
Adjusted operating cash flow	177.6	271.1
Non-operating activities		
Restructuring costs paid	(8.1)	(1.4)
Spectris Foundation Contribution paid	(1.8)	–
Tax paid	(45.3)	(50.3)
Total non-operating activities	(55.2)	(51.7)
Adjusted investing activities		
Acquisition of businesses, net of cash acquired	(731.2)	(49.5)
Acquisition of investment in associates	–	(7.8)
Transaction-related costs paid	(34.1)	(5.8)
Proceeds from disposal of businesses, net of tax paid of £48.1 million (2023: £5.9 million)	225.7	3.3
SaaS-related cash expenditure	(44.7)	(40.0)
Total adjusted investing activities	(584.3)	(99.8)
Adjusted financing activities		
Dividends paid	(80.5)	(79.7)
Share buyback	(96.7)	(114.9)
Net proceeds from exercise of share options	0.5	0.6
Net interest (paid)/received on cash and borrowings	(8.2)	4.4
Lease payments and associated interest	(15.2)	(15.6)
Total adjusted financing activities	(200.1)	(205.2)
Net flow of funds	(662.0)	(85.6)
Foreign exchange	(25.8)	(3.6)
Movement in net (debt)/cash	(687.8)	(89.2)
Net cash at start of year	138.8	228.0
Net (debt)/cash at end of year	(549.0)	138.8
Adjusted cash flow conversion	88%	103%

1. Adjusted depreciation and software amortisation represent depreciation of property, plant and equipment, software and internal development amortisation.

Financing and treasury

The Group finances its operations from retained earnings and, where appropriate, from third-party borrowings. Total borrowings as at 31 December 2024 were £654.7 million (2023: £nil). On 7 May 2024, the $500 million multi-currency facility (RCF) due to expire in July 2025 was replaced by a £400 million multi-currency facility, to reflect the base currency of the Group.

On 2 August 2024, the Group entered into a $400 million bridge facility and $250 million 3-year term loan (the latter drawn equally in USD and EUR), with four of its relationship banks (Bank of America, BNP Paribas, HSBC and NatWest). These facilities, along with surplus cash on Balance Sheet, were used to fund the acquisitions of SciAps and Micromeritics on 21 and 23 August respectively.

On 6 November 2024, the Group entered into a Note Purchase Agreement and issued US Private Placement (USPP) loan notes totalling $300 million and €92 million, which were used, along with RCF drawings, to repay and cancel the bridge and to fund the acquisition of Piezocryst on 2 December 2024. The maturities of the loan notes range from five to ten years. As at 31 December 2024, the following committed debt was outstanding:

The Group regularly monitors its financial position to ensure that it remains within the terms of its financial covenants[1]. The minimum permitted interest cover under the Group's external debt facilities is 3.75x with the covenant result of 29x for the year ended 31 December 2024 (31 December 2023: N/A due to net interest income during the year). The maximum permitted leverage is 3.5x, with leverage 2.3x as at 31 December 2024 (31 December 2023: less than zero).

The Group has prepared and reviewed cash flow forecasts for the period to 31 December 2029, which reflect forecasted changes in revenue across its business and compared these to a reverse stress test of the forecasts to determine the extent of downturn which would result in a breach of covenants. The reverse stress test does not take into account any mitigating actions which the Group would implement in the event of a severe and extended revenue decline, which would increase the headroom further.

The Group has, during 2024, secured committed funding with an average maturity of 7.2 years and with staggered maturities from three to ten years. This assessment indicates that the Group can operate within the level of its current facilities, as set out above, without the need to obtain any new facilities for a period of not less than 12 months from the date of this report.

1. Interest cover: covenant defined earnings before interest, tax and amortisation divided by net finance charges
Leverage: covenant-defined net debt / EBITDA.

Committed debt

Type of Debt	Maturity	Facility size	Drawn – GBP
USPP Loan Notes – fixed			
USPP – 5.03%	2029	$100.0m	£79.8m
USPP – 5.13%	2030	$75.0m	£59.9m
USPP – 5.21%	2031	$75.0m	£59.9m
USPP – 5.31%	2034	$50.0m	£39.9m
USPP – 3.56%	2029	€42.0m	£38.2m
USPP – 3.76%	2031	€42.0m	£38.2m
			£315.9m
Bank Term Loans			
USD Term Loan – SOFR + 1%	2027	$125.0m	£99.8m
EUR Term Loan – Euribor + 0.75%	2027	€113.8m	£94.4m
			£194.2m
Revolving Credit Facility			
RCF – RFR / Euribor + margin	2029	£400.0m	£131.3m
			£131.3m
Total Committed Debt			£641.4m
Bank overdrafts			£13.3m
Total Drawn Debt			£654.7m

Currency

	2024 (average)	2023 (average)	Change	2024 (closing)	2023 (closing)	Change
US Dollar (USD)	1.28	1.24	3%	1.25	1.27	(2%)
Euro (EUR)	1.18	1.15	3%	1.21	1.15	5%
Chinese Yuan Renminbi (CNY)	9.20	8.81	4%	9.14	9.03	1%

In addition, when assessing going concern, the Directors considered a 'severe but plausible' downside scenario that reflects a combination of events that results in an outcome that is negative to our base case but is still considered possible. In this scenario the Group still operates within its covenant restrictions and with sufficient liquidity headroom.

Following this assessment, the Board of Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, it continues to adopt the going concern basis in relation to this conclusion and preparing the Consolidated Financial Statements.

Currency

The Group has both translational and transactional currency exposures. Translational exposures arise on the consolidation of overseas company results into Sterling. Transactional exposures arise where the currency of sale or purchase invoices differs from the functional currency in which each company prepares its local accounts. The transactional exposures include situations where foreign currency denominated trade receivables, trade payables and cash balances are held.

After matching the currency of revenue with the currency of costs, wherever practical, forward exchange contracts are used to hedge a proportion of the remaining forecast net transaction cash flows where there is reasonable certainty of an exposure. At 31 December 2024, approximately 64% of the estimated transactional exposures of £232.8 million for the next 18 months were hedged using forward exchange contracts, mainly against the Euro, US Dollar, Chinese Yuan Renminbi and Japanese Yen.

The largest translational exposures during the year were to the US Dollar, Euro and Chinese Yuan Renminbi. Translational exposures are not hedged. The table below shows the average and closing key exchange rates compared to Sterling

During the period, currency translation effects resulted in adjusted operating profit being £5.6 million lower (2023: £1.9 million lower) than it would have been if calculated using prior year exchange rates.

Transactional foreign exchange losses of £0.8 million (2023: £5.8 million loss) were included in administrative expenses, whilst sales include a gain of £6.2 million (2023: £4.5 million gain) arising on forward exchange contracts taken out to hedge transactional exposures in respect of sales.

RISK MANAGEMENT

Our approach

We recognise that effective management of risk is essential to the successful delivery of our strategic objectives. As such, risk management is built into our day-to-day activities and forms an integral part of how we operate.

The Group has a well-established process, which delivers visibility and accountability for risk management across our businesses. This process forms part of the Group's overall internal control framework.

Risk management process

Our approach to risk management combines a granular bottom-up assessment of day-to-day operational risk (managed by the businesses) with a top-down assessment of those risks that are most significant at the Group level (managed by the Executive Risk Committee and reviewed by the Audit and Risk Committee).

Business unit risk management

Each business undertakes a detailed assessment of risk across their markets, processes and operations, including a consolidation of any emerging risks that should be formally evaluated. We operate Audit and Risk Committees for each of our businesses. These Committees, which meet quarterly, represent a key component of the second line of risk management (see page 57) in respect of internal and external audit matters, internal control, risk management, and other areas of compliance.

A formal risk register is reviewed and finalised in each respective business Audit and Risk Committee and submitted to the Group, with each risk assessed in terms of gross and net impact and likelihood. Key mitigations, both planned and existing, have formal owners and are subject to regular operational review as well as independent assurance where appropriate.

Group risk management

Group oversight of risk management is conducted through the Executive Risk Committee whose purpose is to ensure appropriate management of the Group Principal Risks and to oversee the operation of the Group's Enterprise Risk Management framework. The Executive Risk Committee is supported by the Risk and Control function, who enable the risk management process and act as a centre of excellence as part of the Group's second line activities, consistent with the four lines of risk management model described on the following page.

The Executive Risk Committee, together with the Audit and Risk Committee, performs a continuous top-down assessment of risk throughout the year, informed by the approach established at each of the businesses. The aim of this process is to identify those Group Principal Risks that represent the most significant threat to the achievement of the Group's performance against its strategic objectives and/or those risks that are more suitably assessed, monitored and mitigated centrally. In addition, the Board carries out a robust assessment of the Group's principal and emerging risks on an annual basis.

An owner is assigned to each Group Principal Risk, which is formally assessed in terms of its gross and net severity, a risk appetite is defined, and mitigations are identified within the four lines of defence framework. Each risk is subject to a formal assessment by the Executive Risk Committee during the year and the suite of Group Principal Risks is reviewed twice yearly by the Audit and Risk Committee.

Our risk management approach includes the consideration of emerging risks, whether they be operation-specific or broader in scope, such as climate change and environmental matters or developments in artificial intelligence. Further details on how climate-related risks are managed are provided on page 145.

In 2023, we saw the level of gross risk remain heightened across our Principal Risks, with a further increase in respect of market/financial shock as a result of greater uncertainty in external markets. After taking into account existing controls the Board concluded that no changes to the net risk ratings were required in 2023.

In 2024, we continue to believe that the level of gross risk remains heightened, and we have seen changes in gross and net risk in a number of areas:

- Gross risk in respect of strategic transformation has increased as a result of the significant acquisitions made during the course of the year. However, existing controls and specific mitigating actions in relation to integration of those acquisitions and in respect of ongoing business transformation projects means that there is no increase in net risk.
- Gross compliance risk increased because of the increased volume of regulation including in relation to cyber and export control. Net compliance risk has increased as a result although actions are in place to continue to improve our compliance programmes.
- We consider the gross and net risk in respect of market/financial shock to have decreased as economic indicators continue to reflect a more favourable and stable environment and as result of controls enhancement.
- Gross climate risk increased as a result of the continued emergence of external reporting requirements and the trend towards ESG-based tariffs. Notwithstanding the increased gross risk, the net risk rating has been reassessed from moderate to low in view of the increased clarity on the transition impacts on the Group and the strengthening of our controls framework, particularly in relation to the monitoring of physical risk to our business.

All of these risks are subject to Executive oversight and formal assessment, and we continue to review the effectiveness of existing controls over those risks and to identify and execute further actions where appropriate in order to manage our net exposure.

FOUR LINES OF RISK MANAGEMENT

The Group has in place a four lines risk management model

Board
Audit and Risk Committee
External Audit

Group Principal Risks

Fourth line
External/Non-executive oversight

Executive Risk Committee
Internal audit/other assurance

Third line
Independent assurance

Oversight and independent assurance

Business Audit and Risk Committees/ Group Corporate Functions

Second line
Risk management framework, policies, processes and controls

Employees and managers in each business

First line
Risk identification and control execution

Operational Risks

Ownership and control

First line
The first line is responsible for the identification of all risks in the 'risk universe' of each business unit. This risk awareness informs the control environment (the first line is primarily responsible for the execution of key controls), specific mitigations and is a key consideration in driving business decisions.

Second line
The second line is responsible for the risk management framework that the first line operates within. This includes the development of a standardised approach to identifying and reporting risk, an internal control framework aligned to those risks, and a suite of policies to ensure the consistent application of business processes and controls. The second line is also responsible for monitoring the performance of first line activities and for taking a holistic view of risk, to determine which risks are of principal importance to the Group.

Third line
The third line is responsible for providing assurance over the effectiveness of the Group's risk management and internal control framework. This is most commonly undertaken by internal audit on behalf of the Audit and Risk Committee and Board of Directors.

Fourth line
The fourth line is the Audit and Risk Committee, Board of Directors and external audit, providing independent, external, and/or non-executive oversight across the entire risk management framework, holding accountable those responsible for all activities within the three lines of defence.

PRINCIPAL RISKS AND UNCERTAINTIES

Our principal risks

Risk assessment scale[1]
– Very low
– Low
– Moderate
– High
– Very high

Risk appetite
– Highly cautious
– Cautious
– Balanced
– Opportunistic
– Highly opportunistic

Change in rating
- Increase
- No change
- Decrease
- New risk

1. The combined impact and likelihood of a risk occurring, net of mitigation activities.

STRATEGIC TRANSFORMATION

Definition
Failure to successfully deliver the Group Strategy for Sustainable Growth.

Link to strategy
– Great businesses
– Aligned to structural growth markets
– Customer centricity
– Investing in growth
– Operational excellence

Risk assessment
High

Change in rating
No change

Risk appetite
Balanced

Impact

Our day-to-day activities are inherently aligned to the successful achievement of the Group's strategic objectives. Nevertheless, we recognise the importance of specifically managing some of the more transformative elements of strategic execution as a Principal Risk. These elements include mergers and acquisitions, business transformation programmes and other growth initiatives, R&D, technology and digitising our offering.

Mitigation

– Remuneration Policy aligned to incentivise delivery of the strategy
– Deployment of SBS
– Continued review of acquisition/merger pipeline, integration, processes and capability
– Structured implementation plans for business transformation projects
– Regular reviews to track strategy execution and business transformation projects
– Vitality Index tracking R&D effectiveness
– Structured approach to delivering business transformation
– Business Audit and Risk Committees
– Global employee engagement programme

CYBER THREAT

Definition
Failure to appropriately protect critical information and other assets from cyber threats, including external hacking, cyber fraud, demands for ransom payments and inadvertent/intentional electronic leakage of critical data.

Link to strategy
– Customer centricity
– Operational excellence

Risk assessment
High

Change in rating
No change

Risk appetite
Cautious

Impact

Our businesses face an ever-evolving landscape of information security threats, both internal and external, that are continuously growing in sophistication and unpredictability. In light of the persistence of high-profile information security breaches occurring across a wide range of businesses, the Group takes a necessarily proactive and cautious approach to safeguarding its information assets. Geopolitical tensions, the ever-changing regulatory landscape and technology advances such as generative AI introduce new and evolving risks that necessitate constant vigilance.

Mitigation

– Information security and data privacy policies and a well-defined security controls framework
– Cyber risk assurance undertaken by internal audit
– Continued focus on 'cyber fitness' training across the Group
– Regular Board, and Audit and Risk Committee reviews
– Continued strengthening of IT systems
– Regular cyber-attack simulation exercises and penetration tests
– Systems in place to immediately isolate identified threats
– Cyber threat intelligence services and brand monitoring

COMPLIANCE

Definition
Failure to comply with laws and regulations, leading to reputational damage, substantial fines and potential market exclusion.

Link to strategy
– Customer centricity
– Operational excellence

Risk assessment
High

Change in rating

Risk appetite
Cautious

Impact

We operate in many jurisdictions and, as a consequence, are subject to wide-ranging laws and regulations, including export controls, data privacy, fair competition and anti-bribery and corruption. Any compliance failure by the Group or its representatives could result in civil or criminal liabilities, leading to significant fines and penalties or the disqualification of the Group from participation in government-related contracts or entire markets.

Mitigation

– Strong cultural alignment to the Spectris Value of 'Be True'
– Embedded Code of Business Ethics with annual training
– Access to global 'Speak-up' channels
– Formal compliance programme including policies, procedures and training
– Contract review and approval processes
– Investment in experienced compliance professionals

GEOPOLITICAL

Definition
Material adverse changes in the geopolitical environment putting at risk our ability to execute our strategy. Includes trade protectionism, punitive tax/regulatory regimes, and general heightened tension between trading parties or blocs.

Link to strategy
– Aligned to structural growth markets
– Customer centricity
– Investing in growth

Risk assessment
High

Change in rating

Risk appetite
Balanced

Impact

We operate in a range of end markets around the world and may be affected by political or regulatory developments in any of these countries. Material adverse changes in the political environment in the countries in which we operate have the potential to put at risk our ability to execute our strategy. We continually monitor the geopolitical landscape, de-risk our strategies and develop response plans accordingly.

Mitigation

– Event monitoring and horizon scanning
– Working groups and sub-committees to limit the impact of materialising risks, including Executive Export Controls Committee
– Business Audit and Risk Committees
– Operate in a broad spread of geographical markets and end users
– Response planning
– Maintain a strong balance sheet

MARKET/FINANCIAL SHOCK

Definition
Material adverse changes in market conditions, such as economic recession, inflation, increased interest rates, sudden negative investor sentiment and currency fluctuation.

Link to strategy
– Great businesses
– Aligned to structural growth markets
– Customer centricity
– Investing in growth

Risk assessment
Moderate

Change in rating

Risk appetite
Balanced

Impact

As a public company, and one that conducts business in a large number of markets, we recognise the global or local impact that a recession or period of instability could have on the Group. As with political risk, we are limited in our ability to reduce the likelihood of such events, but with careful monitoring and response planning we can ensure that the potential impact is restricted.

Mitigation

– Funding and capital structure policy
– Hedging of FX exposures
– Cash flow reporting and sensitivity analysis
– Event monitoring and horizon scanning
– Maintain a strong balance sheet
– Operate in a broad spread of geographical markets and end users
– Response planning
– Cost saving opportunities identified by SBS and regular review of pricing to mitigate impacts of cost inflation

TALENT AND CAPABILITIES

Definition
Failure to attract, retain, and deploy the necessary talent to deliver Group strategy.

Link to strategy
- Great businesses
- Customer centricity
- Investing in growth
- Operational excellence

Risk assessment
Moderate

Change in rating

Risk appetite
Balanced

Impact
The Group needs to attract, develop, motivate and retain the right people to achieve our operational and strategic targets. Effective talent management is essential to successfully delivering our current business requirements and strategic goals, and to realising the full potential of our businesses. Therefore, failure to leverage talent and capabilities could significantly impact the successful execution of our strategy. The three broad areas of focus are leadership, engineering and entry level roles.

Mitigation
- Structured recruitment and succession processes for senior Group talent
- Full deployment of Workday HR system with recruitment, performance and talent management processes
- Annual organisation capability review process
- Appropriate incentives with benchmarking at all levels
- Global employee engagement programme
- Leadership development programmes to ensure development of talent pipeline

BUSINESS DISRUPTION

Definition
Failure to appropriately prepare for and respond to a crisis or major disruption to key operations either across the Group, in a key region/location, or via a critical supplier.

Link to strategy
- Operational excellence

Risk assessment
Low

Change in rating

Risk appetite
Cautious

Impact
The nature of our geographically diverse and segmented businesses provides a degree of natural hedging from Group-wide disruption arising from a major event, be it a physical disaster at a major site, or a global external event, such as the COVID-19 pandemic. However, we acknowledge the importance of proactively ensuring a consistent and effective business continuity management process across the Group.

Mitigation
- Common policy and enhanced standard for business continuity planning across the Group in progress
- IT disaster recovery plans
- Testing plans
- Risk identification and monitoring
- Effective internal and external communications

CLIMATE CHANGE

Definition
Failure to respond appropriately, and sufficiently, to climate change risks or failure to identify the associated potential opportunities in assisting others to manage their climate agendas.

Link to strategy
- Aligned to structural growth markets
- Customer centricity
- Investing in growth
- Operational excellence

Risk assessment
Low

Change in rating

Risk appetite
Balanced

Impact
The transition and physical risks present in climate change have the potential to impact the medium- and long-term success of our business through market regulation and additional taxes, the changing macro-economic landscape and the potential physical impact on our operations. We see the potential for additional sales opportunities as well as increased costs and investment.

Mitigation
- Strategy built around sustainable growth
- Agreed action plan to meet Net Zero targets validated by the Science Based Targets initiative
- Board and Executive oversight of sustainability performance as well as progress against Net Zero roadmap
- Geographical diversity of businesses and supply chain
- Climate physical risks monitored and reported by each business
- Aligning strategy with current and emerging sustainability thematics

VIABILITY STATEMENT

Longer-term viability of the Group

In accordance with section 4, provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the viability of the Company over a five-year period, taking into account the Group's current position and the assessment of the Principal Risks and Uncertainties as set out on pages 58 to 60. The assessment considers both the Company's long-term prospects and also the viability of the Company over that period.

Analysis of business prospects

The Board has considered the prospects of the Company over the assessment period based on the strategy, markets and business model as outlined previously within this report. In the strategic review of the Company, the Board highlights a number of factors that underpin its prospects and viability over this period. These include:

- Alignment with structural, sustainable growth markets with high barriers to entry;
- Leading, differentiated solutions for solving customer challenges and continued investment in R&D; and
- Our financial model which is asset light, highly cash generative and with a clear capital allocation process and access to funding.

Assessment of viability

In determining the appropriate period over which to assess viability the Board has considered budgeting, forecasting and strategic planning cycles, the timeframe within which we assess our risks, the maturation of the Group's credit facilities and the approach taken by our peers. The assumptions and forecasts used throughout the viability period is consistent with those used in other areas involving future forecast. Taking into account all these factors the Board continues to be of the view that a five-year period is appropriate.

The Directors carried out a robust assessment of the Principal Risks facing the Group, considering those that could threaten its business model, future performance, solvency or liquidity. In assessing the viability of the Group, the Board has reviewed the future prospects of the business as outlined by the Group's strategy and considered the financial/liquidity impact that a number of scenarios might have on those prospects. The Board has also considered the Group's Revolving Credit Facility, as part of their assessment.

As part of their assessment, the Directors have considered the natural hedging that occurs across the broad spread of markets, products and customers maintained by the Group. Assumptions have also been made in terms of the Group's ongoing ability to raise finance, deploy capital, and re-finance debt in order to maintain sufficient headroom. In certain instances, the Directors have included mitigation actions as part of the assessment, including cost reduction, reduced capital expenditure, and tactical recovery processes following from a major disruption.

Reverse stress testing has also been applied to determine the level of fall in sales that would be required before the Group would be at risk of breaching its existing financial covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that mitigating actions would be undertaken to reduce overheads during the period as sales declined and, on that basis, a fall in forecast sales of 15% in each year would be required before a breach of the maximum permitted leverage ratio of 3.5x occurred. The Board considers the possibility of such a scenario to be remote and further mitigation, such as suspension of dividend payments or a reduction in planned capital expenditure, should be available if future trading conditions indicated that such an outcome were possible. In addition, the Board considered a combined downside scenario that reflects a combination of events that results in a an outcome that is negative to our base case but is still considered possible. In this scenario the Group still operates within its covenants restrictions and with sufficient liquidity headroom.

Viability Statement

Based on the outcomes of the viability assessment, the Board has a reasonable expectation that the Group would be able to withstand the impact of each of these scenarios, in isolation and in a number of plausible combinations, should they occur in the course of the five-year assessment period. In each event the Group would continue to operate and meet its obligations and liabilities as they fall due over the period to 31 December 2029.

SCENARIO MODELLED	LINK TO PRINCIPAL RISKS
Scenario 1: Reduction in sales The Board considered a number of events that could notably impact planned sales performance, either in a specific country or across the entire Group. This included global disruption events. The level of severity tested ranged from a c.1% to c.10% decline in sales to a 50% decline in a specific country.	– Strategic transformation – Geopolitical – Market/financial shock – Compliance – Cyber threat – Climate change
Scenario 2: Significant costs or expenses Large, one-time or recurring costs or expenses were considered, including the impact of inflation where cost increases cannot be passed on to customers, a significant acquisition which fails to deliver anticipated benefits, or fines arising from a breach of export control or data privacy laws and regulations or climate impacts. The level of severity tested ranged from c.6% of cost increases, as well as further 3% of cost inflation, and also a scenario of c.£13 million to £25 million of extra costs from unrealised benefits from integration of acquisitions.	– Strategic transformation – Compliance – Geopolitical – Market/financial shock – Cyber threat – Talent and capabilities – Business disruption – Climate change
Scenario 3: Trading disruption/exclusion from market The Board considered certain instances in which the Group or its operating companies might be debarred from or otherwise excluded from a particular market, as well as a major disruption in a critical operation caused by, for example, a critical system outage. The level of severity tested ranged from c.£21 million to £61 million costs of resolving the issues to a decline in annual sales of c.£10 million to £41 million.	– Compliance – Cyber threat – Geopolitical

SUSTAINABILITY

Pioneering sustainable growth

We are creating a strong foundation for our future based on our stakeholders' needs and expectations. We are making significant progress towards our ambition to become a leading sustainable business.

"Our sharp focus on progressing a sustainability strategy that is material to our Group is allowing us to make strong and meaningful progress in delivering on our ambitions."

Andrew Heath
Chief Executive

Our approach to doing business is designed to meet the demands of a changing world.

We have made strong progress on all areas identified for action in the initial Group sustainability strategy, that we set in 2020. Today, sustainability sits at the heart of our Strategy for Sustainable Growth and aligns with our Purpose of making the world cleaner, healthier and more productive. The knowledge we have gained, during the past four years, is allowing us to cut through the plethora of ESG topics targeted at listed companies. We are prioritising and developing the elements of sustainability that we consider to be intrinsic to our Purpose and strategy. We have grouped these elements under our three sustainability aims:

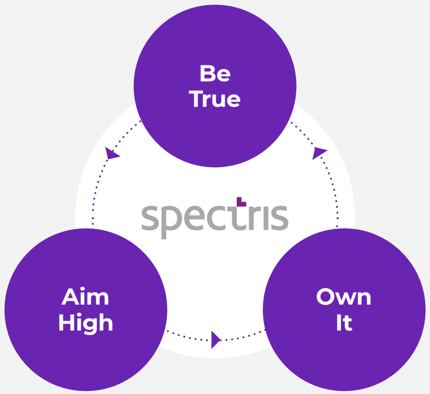
- Fostering a healthy high-performance culture;
- Delivering a low carbon future; and
- Engineering bright futures.

See more about the Group's role in developing green steel production on **page 17**

OUR CULTURE

Our culture is the underpin that is driving the success of our sustainability ambitions. We are driving progress by delivering against our Values.

OUR VALUES



Be True
We believe in absolute integrity. It's how we win for stakeholders, the environment and each other.

Own It
We believe in teamwork and keeping our promises. It's how we build our brands and businesses.

Aim High
We believe in being bold and positive. It's how we perform at our best and achieve greater success.

Fostering a healthy, high-performance culture

The long-term success and sustainability of our Group relies on the engagement, ambition and expertise of our people.

We are committed to creating an engaged and empowered workforce, who are supported and motivated to succeed and to providing a safe and healthy working environment.

Gender diversity in leadership
33.5%
2023: 28.7% / 2022: 20.3% / 2021: 18.6%

Total Recordable Incident Rate
0.26
2023: 0.31 / 2022: 0.27 / 2021: 0.32

Safety observations
10,373
2023: 9,528 / 2022: 8,900 / 2021: 5,243

Access to employee assistance programme
100%
2023: 86% / 2022: 82.2% / 2021: >75%

Number of helpline reports
76
2023: 84 / 2022: 44 / 2021: 40

Find out more about how we are fostering a healthy high-performance culture on **pages 66 to 69**

Delivering a low carbon future

We are playing an essential role in delivering a low carbon future. We are supporting our customers to accelerate the development of green energy and materials and facilitating process improvements to use less and reuse more. We are also actively reducing our own impact, making strong progress towards our ambition to become Net Zero across our own operations by 2030.

Total carbon emissions
10,895 tonnes CO_2e
2023: 12,144 / 2022: 17,546 / 2021: 31,703

Group supplier spend assured via EcoVadis
51.1%
2023: 26.9% / 2022: 13.9%

Energy efficiency
57.0 MWh per £m revenue
2023: 48.9 / 2022: 58.2 / 2021: 73.7

Total use of renewable electricity
80.7%
2023: 62.3% / 2022: 49.8% / 2021: 19.6%

Our total carbon emissions and energy efficiency metrics are absolute figures which include acquisitions in 2024. Supplier spend and renewable electricity figures do not include the impact of 2024 acquisitions.

Find out more about how we are delivering a low carbon future on **pages 70 to 75**

Engineering bright futures

We recognise our opportunity to influence the world of Science, Technology, Engineering and Mathematics (STEM) education, to build opportunities for young people and to make a wider difference to society. The Spectris Foundation was established in 2021 and is a registered charity working across the globe, with the belief that all should have an equal right to quality STEM education.

Students reached by the Spectris Foundation since launch
54,498
2023: 43,099 / 2022: 21,698

Donations by the Spectris Foundation since launch
£1.85m
2023: £1.37m / 2022: £0.5m

Find out more about the work of the Spectris Foundation on **pages 76 to 77**

Materiality

A strategy underpinned by materiality

Materiality guides our approach to sustainability.

By focusing on what is material to our business and to our stakeholders, we are ensuring that we are acting on the topics that will have the biggest impact on the future of our business and where we can have the greatest influence for the benefit of our stakeholders.

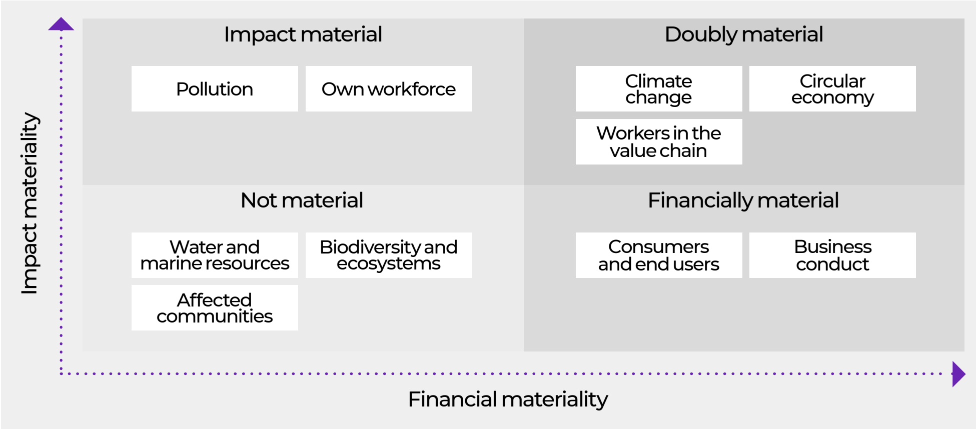
In 2024, we refreshed our materiality assessment using a double materiality approach, in preparation for the Corporate Sustainability Reporting Directive (CSRD).

The process followed considered the views of internal and external stakeholders: including, our people, our customers, our suppliers and our shareholders, and was guided by external sustainability advisory experts, ERM.

The materiality assessment that resulted from this detailed process, demonstrates that the range of topics considered material has remained broadly consistent with the Group's previous materiality assessment, with very few changes to consider despite our newly applied double materiality approach. Following this assessment, we are confident that our sustainability strategy remains appropriate and continues to support the Group to deliver value for all stakeholders.

Whilst some topics raised by the European Sustainability Reporting Standards (ESRS) are not considered material to the Group, such as water and biodiversity, this does not negate their global importance and our desire to positively influence where we can and should. The one significant change is the addition of circular economy to our materiality matrix. We are committed to conserving the world's valuable resources, and we are currently reviewing how and where we participate in the circular economy.

DETERMINING WHAT IS MATERIAL[1]



1. The topics in this chart align with the European Sustainability Reporting Standards (ESRS) topics. On the opposite page, we have provided definitions for how we have interpreted the ESRS topics for the Group.

OUR PROCESS

1 **Identify and define general sustainability topics:** Through workshops and interviews held with employees, customers, suppliers representing all our businesses and the Group's shareholders, we determined likely priority topics across the full range of topics, guided by the European Sustainability Reporting Standards (ESRS).

2 **Refine a longlist of relevant impacts, risks and opportunities:** The sustainability topics served as a guide for identifying a longlist of more specific impacts, risks and opportunities against each topic, considering our whole value chain. These were mapped to the ESRS topic list.

3 **Analyse the impacts, risks and opportunities:** Taking into account the feedback from relevant stakeholders for each impact, risk and opportunity, we considered the available qualitative and quantitative data with support from subject matter experts, and defined our threshold for materiality. We were then able to shortlist our material impacts, risks and opportunities and their relevant ESRS aligned topics, sub-topics, and sub-sub-topics.

4 **Senior management validation and Executive Committee signoff:** The results of the impact, risks and opportunity assessment were shared with senior management (including finance and legal) to validate the results. These results were then signed off by the Executive Committee.

5 **Board approval:** The materiality assessment was approved by the Board in December 2024.

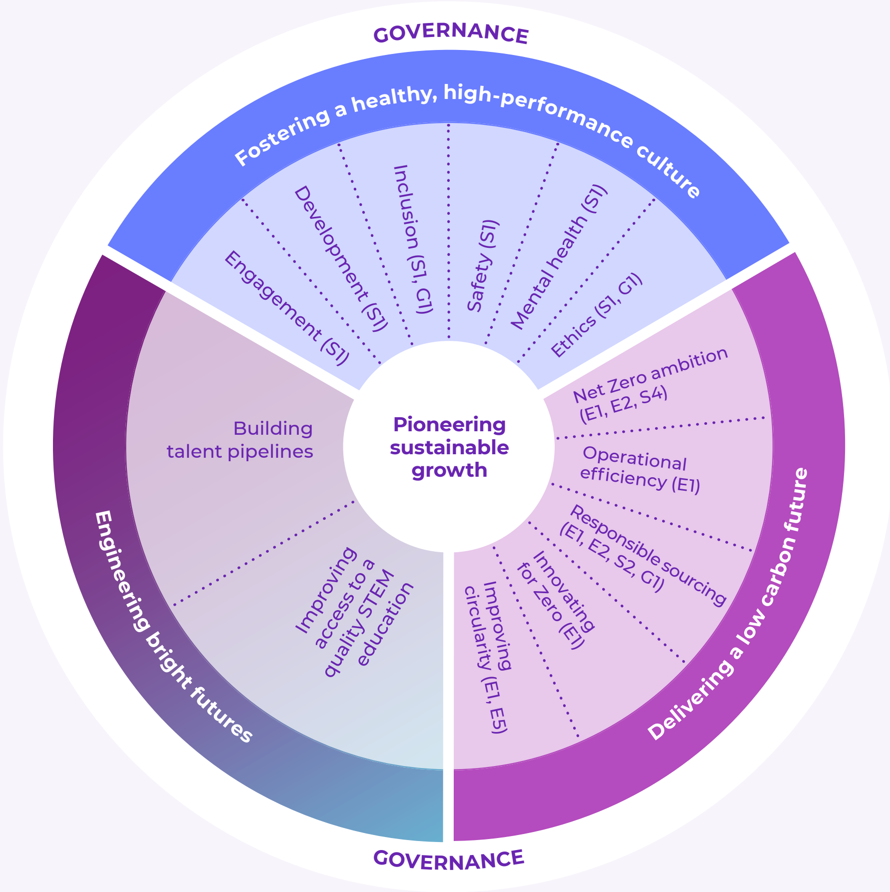
WHAT IT COULD MEAN TO THE GROUP

The examples provided below are illustrative of what might be relevant to the Group. The materiality of climate-related risks and opportunities identified through CFD will be incorporated in line with future CSRD-aligned reporting when ready.

ESRS	Title (set under CSRD)	Is it material?	What it could mean to the Group
E1	**Climate change**	**Yes**	GHG emissions and performance in our operations and supply chain, low-emission products and markets, automation and digitalisation, and exposure in our operations to physical climate risks.
E2	**Pollution**	**Yes**	The impact of product and packaging waste on the environment and potentially hazardous substances in some products (e.g. beryllium).
E3	Water and marine resources	No	Water use in our operations and in our products is not material due to our negligible reliance on water to manufacture our products. Any possible links to pollution are captured under 'Pollution'.
E4	Biodiversity and ecosystems	No	Relevant biodiversity impacts can be linked to the extraction of materials upstream in our value chain. However, these impacts are immaterial due to our very low scope of contribution to extraction limiting potential impacts on affected stakeholders.
E5	**Resource use and circular economy**	**Yes**	Opportunities for circularity in our products and approach to manufacturing, demand for critical raw materials and generation of e-waste in our operations.
S1	**Own workforce**	**Yes**	Impacts on our workforce associated with employment opportunities, benefits and employee rights (e.g. Gender Pay Gap).
S2	**Workers in the value chain**	**Yes**	Impacts relate to potential risk of human rights and labour practice infringements in our supply chain, and the rights for all workers to be treated fairly.
S3	Affected communities	No	Relevant due to our engagement with STEM students, providing local job opportunities, and philanthropic initiatives. Whilst still important to our strategy, none are considered financially material, or to have material direct consequences to those affected communities.
S4	**Consumers and end-users**	**Yes**	Impacts, risks and opportunities associated with our customers, particularly around product quality, transparency and safety.
G1	**Business conduct**	**Yes**	Due diligence around effective whistleblowing protection, corruption and bribery, and conflict of interest.

Materiality underpins our sustainability strategy

Our materiality assessment underpins our sustainability strategy. By listening to our stakeholders, we can best understand how to make an impact



Read more about Fostering a healthy, high-performance culture: **pages 66 to 69**

Read more about Delivering a low carbon future: **pages 70 to 75**

Read more about Engineering bright futures: **pages 76 to 77**

SUSTAINABILITY continued

Fostering a healthy, high-performance culture

Our culture of healthy high performance empowers and supports our people to perform at their best every day.

Engagement

We partner with Gallup to monitor global employee engagement to ensure that we continue to provide an inspiring workplace.

We continue to make positive progress on our journey to creating a high engagement culture. By constantly striving to create a working environment where people are inspired by what they do every day, we saw our global engagement GrandMean score rise for the fourth year running.

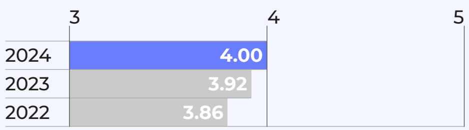
Our people managers are the catalyst for engagement. We are committed to helping our managers be the best they can be through high impact training, and coaching. We are ensuring that every manager in the Group has a personal objective linked to their team's engagement – hardwiring employee engagement into what it means to be a successful manager. Our people managers are taking active accountability for action-planning based on their survey results. Every manager is expected to have open and honest discussions about what's working well in their teams, and what could be better. We are recognising and celebrating managers who have built highly engaged teams, while providing targeted coaching and support to those who need help to improve engagement.

Employee turnover

2024	2023	2022	2021	2020
10.7%[1]	10.6%	13.5%	15.6%	13.6%

1. Of the total labour turnover, 50% of leavers were resignations, 11% were retirements and 19% were redundancies with the remaining 20% leaving for a variety of other reasons.

Employee engagement (GrandMean)



Development

We understand the vital importance of nurturing a culture of continuous improvement, through ongoing and impactful development opportunities.

We have created the Spectris Way of Development, to ensure a consistent approach to employee development through a series of simple steps and enabling employees to be responsible for their own careers.

This involves every employee having structured, meaningful development discussions with their manager and agreeing a plan of action that is tailored to their individual needs. Through this commitment to employee development, we enable pathways to rewarding careers whilst building the strategic capabilities we need now and for the future.

We are continuously enhancing our capability to identify the best talent in the organisation, ensuring we have the right people ready for the right role at the right time. Using sophisticated analytics and rigorous talent evaluation processes underpinned by our Workday system, we benefit from robust talent data that informs swift decision making and helps us identify the stars of the future across the Group.

With accurate talent evaluations on every member of our extended leadership population, we are able to facilitate the best careers for our leaders and secure our succession pipeline for the long term.

Inclusion

Creating a leading inclusive company where everyone can thrive and achieve a fulfilling career is critical to our successful attraction, retention and empowerment of the world class talent necessary to achieve our growth ambitions.

We are committed to attracting, inspiring and engaging a talented and diverse workforce. In doing so, we ensure that Spectris is a place where everyone feels they belong and that they're free to bring their whole selves to work. We are working towards making Spectris a truly inclusive place to work that will benefit from a fully diverse blend of people, skills

KEY PROGRESS DURING 2024

- The active development of inclusion groups across both Divisions, with groups now active on a diverse range of topics, including late careers, LGBTQIA+, workplace accessibility, fathers at work, women and neurodiversity.
- Developing the Group's recruitment practices to include safeguards and flags to avoid unconscious bias.
- Embedding diversity considerations in the Group's Organisation Capability Review process which is reviewed annually by the Group Executive and Board.
- Rolling out Group-wide policies to support gender-neutral parental leave and caregiver leave and developing a flexible bank holiday policy.
- Launching the Group's Count Me In campaign in the UK and the US to encourage all employees to voluntarily share their ethnicity to allow us to better understand the diversity of our workforce and to allow us to design appropriate steps to ensure that we truly reflect the diversity of the communities in which we operate.

and ideas. We are making good progress in delivering on our ambition, achieving progress against our targets and taking steps across the Group to create a sense of inclusion and belonging.

Our ambition to build a more diverse company and a more inclusive culture is underpinned by the commitments set out in our Code of Business Ethics. We have a zero-tolerance policy in place for any form of discrimination or harassment and we are committed to embracing all forms of diversity and inclusion across the Group. We aim to provide equal opportunities in recruitment, career development, promotion, training and reward for all employees – regardless of ethnicity, national origin, religion, gender, age, sexual orientation, marital status, disability, or any other characteristic protected by applicable laws. Where existing employees become disabled, our policy is to engage and use reasonable accommodations or adjustments to enable continued employment.

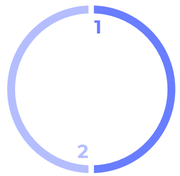
Mental health

By collectively prioritising positive mental health, we are building stronger, more resilient, and more compassionate teams.

It is crucial that we cultivate an environment where mental health is a continuous and open topic of discussion, where seeking support is encouraged, and where there is always a network of individuals and programmes that are ready to provide help and guidance. This focus underpins the development of our healthy, high-performance culture.

OUR GENDER DIVERSITY as at 31 December 2024

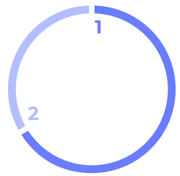
Board



1	Male	50%
2	Female	50%

2023:
Male: 66.7%,
Female: 44.3%

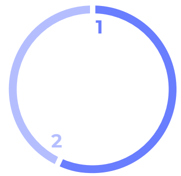
Leadership community



1	Male	66.5%
2	Female	33.5%

2023:
Male: 71.3%,
Female: 28.7%

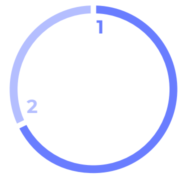
Executive Committee



1	Male	57.1%
2	Female	42.9%

2023:
Male: 71.4%
Female: 28.6%

Wider employee population

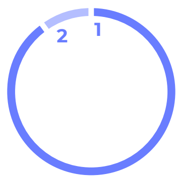


1	Male	67.99%
2	Female	32.01%

2023:
Male: 67.14%,
Female: 32.86%

OUR ETHNIC DIVERSITY as at 31 December 2024

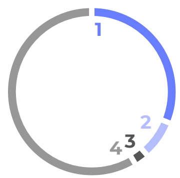
Board



1	White	90%
2	Ethnically diverse	10%

2023:
White: 89%
Ethnically diverse: 11%

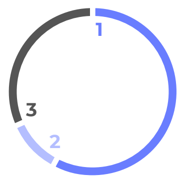
Leadership Community



1	White	31.2%
2	Ethnically diverse	7.5%
3	Prefer not to disclose	2.9%
4	Data not collected[1]	58.4%

This is our first year of reporting and therefore no comparable data exists.

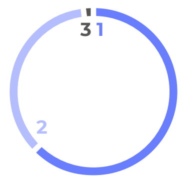
UK Workforce



1	White	57.9%
2	Ethnically diverse	10.57%
3	Prefer not to say	31.53%

This is our first year of reporting and therefore no comparable data exists.

US Workforce



1	White	62.58%
2	Ethnically diverse	35.70%
3	Prefer not to disclose	1.72%

This is our first year of reporting and therefore no comparable data exists.

1. It is not permissable under local laws and regulations to request or collect ethnicity data in all countries.

Data required under the UK Listing Rules on gender and ethnic diversity can be found on: **page 141**

SUSTAINABILITY continued

Fostering a healthy, high-performance culture continued

The Group's culture is formed by the behaviour of our leaders. At our leadership event in 2024, we devoted time to speaking with a psychologist on how to support resilience in times of change, focusing on how leaders could support their own mental health and the mental health of their teams. It has been our ambition for all employees to have direct access to an employee assistance programme. In 2024, we achieved this ambition and in 2025 it is intended to extend access to all employees who have joined the Group this year through acquisitions.

Ethics

Our Code of Business Ethics sets out the expectations and responsibilities for all employees to act with absolute integrity.

These expectations and responsibilities are embedded through annual Code of Business Ethics refresher training, with 96% of employees completing this refresher training in 2024. We are committed to maintaining high ethical standards in all our global operations, and we expect our suppliers and other business partners to adhere to the same principles.

We are dedicated to fostering a culture of 'speak up', encouraging individuals to freely voice their concerns and to call out behaviours that do not align with our Values. We acknowledge the significance of ensuring that those who speak up feel supported and at ease and provide assurance through tone from the top and our network of business ethics officers. We offer multiple routes to speak up including an independent helpline (www.spectrishelpline.com) that employees, stakeholders and third parties can use to raise ethics and compliance questions and concerns. Our Spectris helpline cases are reviewed and triaged appropriately to ensure sufficient investigation, reporting and remediation activities are carried out. The Audit and Risk Committee receives regular updates on helpline cases with the Board undertaking an annual review.

During 2024, the total number of reports received by the Spectris helpline was 76 (2023: 84). The total number of reports is a slight decrease from the case numbers reported in 2023 but reflects a significant increase on prior years, recognising the emphasis placed on encouraging employees to raise concerns and the heightened awareness and willingness among employees to speak up.

GENDER PAY GAP REPORTING

for the year ended 31 December 2024

Bonus pay gap: Mean

2.8%

(2023: 11.7%)

Bonus pay gap: Median

(10.9)%

(2023: 11.2%)

Gender pay gap: Mean

6.1%

(2023: 11.5%)

Gender pay gap: Median

16.3%

(2023: 15%)

KEY CROSS GROUP ROLE MOVES THIS YEAR

In March 2024, **Andy Cowan**, President Servomex, became President, Particle Measuring Systems.

In December 2024, **Matt Morton**, Site Director and Operations Lead at Malvern Panalytical, became Head of Operations at Particle Measuring Systems.

In December 2024, **Dr. Nic Davidson**, R&D Director for the Bio-Physical and Thermal Centre of Excellence at Malvern Panalytical became Technical Director for Servomex.

SUSTAINABILITY continued
Fostering a healthy, high-performance culture continued

A focus on safety

We adhere to all laws and regulations governing safe working practices. We often go beyond local legal requirements to ensure that the policies and practices at our sites, and the behaviours of our people, are driving towards a zero-accident safety culture.

The Group is committed to the highest standards of health and safety and maintaining a proactive safety culture.

Total recordable incidents

There were no work-related fatalities of employees or contractors in 2024 (2023: nil). Our key performance indicator is our Total Recordable Incident Rate (TRIR) as defined by the US Occupational Safety and Health Administration. The TRIR reduced in 2024 to 0.26 (2023: 0.34). All events were thoroughly investigated at a site level, and corrective actions shared and implemented across the Group.

The Group's Safety Council has taken time to review and assess the increase in recordable incidents. In 2024, 10 of the recordable events (or 59% of total) were slips trips and falls and other non-routine tasks. This highlights the need to continue to embed safety in everything we do through the Spectris behavioural safety system. The development of a clear and consistent approach to reporting health and safety incidents is also considered by the Council to be a contributory factor to the rise in recordable incidents. We are committed to creating a culture in which our people are empowered and encouraged to challenge their environment and take action for improvement and as we build awareness. We expect that this trend will be reversed as we challenge the root causes of these incidents through the continued reinforcement of our safety principles.

Safety observations

The Group continues to also measure the leading indicator of safety observations as a core value driver across the Group. Creating a culture where everyone is responsible for their own safety and the safety of those around them aligns with our Values and is the foundation of a safety-first culture. In 2024, our safety observations increased to 10,373 (2023: 9,528).

To further support the development of the Group's safety-first culture, the Council leveraged the experience of members and the findings from incident investigations to create a guide of best practice that has been shared across the Group. A further key success was the introduction and endorsement of a suite of online training modules focused on specific needs at key sites with the intention of addressing localised safety gaps and placing health and safety at the centre of daily decision making.

Safety observations

10,373
(2023: 9,528)

Total recordable incident rate

2024	0.26
2023	0.34
2022	0.27
2021	0.32
2020	0.13

SPECTRIS SPOTLIGHT:

A healthy high-performance culture in action

In November 2024, colleagues in every part of Spectris took time out to focus on safety during our first Group-wide Stop for Safety Day.

Led by our Group Safety Council, teams made the event relevant to their workplaces through safety talks and gemba walks, identifying opportunities for improvements. Working in cross-functional teams allowed many people to look at things from a different perspective in each area.

Activities ranged from problem solving around handling heavy loads, holding fire evacuation drills, focusing on staircase safety, discussing how to avoid distractions while driving and improving safety for home workers. Many colleagues shared their own personal stories and safety commitments.

There was a big increase in the number of new safety observations reported, with all observations added into our Benchmark safety tool. Teams also used the time to take action to resolve unsafe situations, including simple steps such as tidying away items that could become trip hazards.

SUSTAINABILITY continued

Delivering a low carbon future

Climate change represents one of our planet's biggest risks. We assess the ways in which our business could be impacted and whether they represent a risk to our long-term growth ambitions. As such, we're taking a proactive role in building our resilience to a changing climate and changing climate regulation.

Our approach is simple:
– Ensure our operating sites take the right action to protect against the physical risks of climate change to ensure business resilience and continuity;
– Develop our operational footprint and global supply chain flows to protect against the physical and transition risks of climate change; and
– Deliver against our Net Zero ambition to align with our customers and protect our business from legislation and regulation relating to climate change.

Our progress to date

To support our ambition, we have created an effective governance structure and Group-wide workplans to deliver consistent progress. These include:
– The use of the Jupiter Intelligence platform to map the physical risks from climate change relevant to each site to support proactive mitigation;
– The consistent use of Schneider Electric-led energy audits to determine the most impactful energy abatement opportunities available at each of our manufacturing sites;
– The launch of our Product Life Cycle Assessment (LCA) programme across each business to understand and improve the environmental impact of our products;
– The launch of our Group Supplier Code of Conduct in 2024;
– The Group-wide mandate of supplier assessment via EcoVadis; and
– The alignment of the remuneration of our senior leadership with our Net Zero ambition.

Our key next steps in 2025 will include:
– Mapping our freight routes to look for further efficiencies in the routing of our products to avoid potential disruption due to climate change;
– Considering the physical risks attached to the new facilities acquired as part of the acquisition of Micromeritics, SciAps and Piezocryst in 2024; and,
– Progressing the LCA programme and undertaking diagnostic work to understand how best to extend this programme to our new acquisitions.

Physical Risk

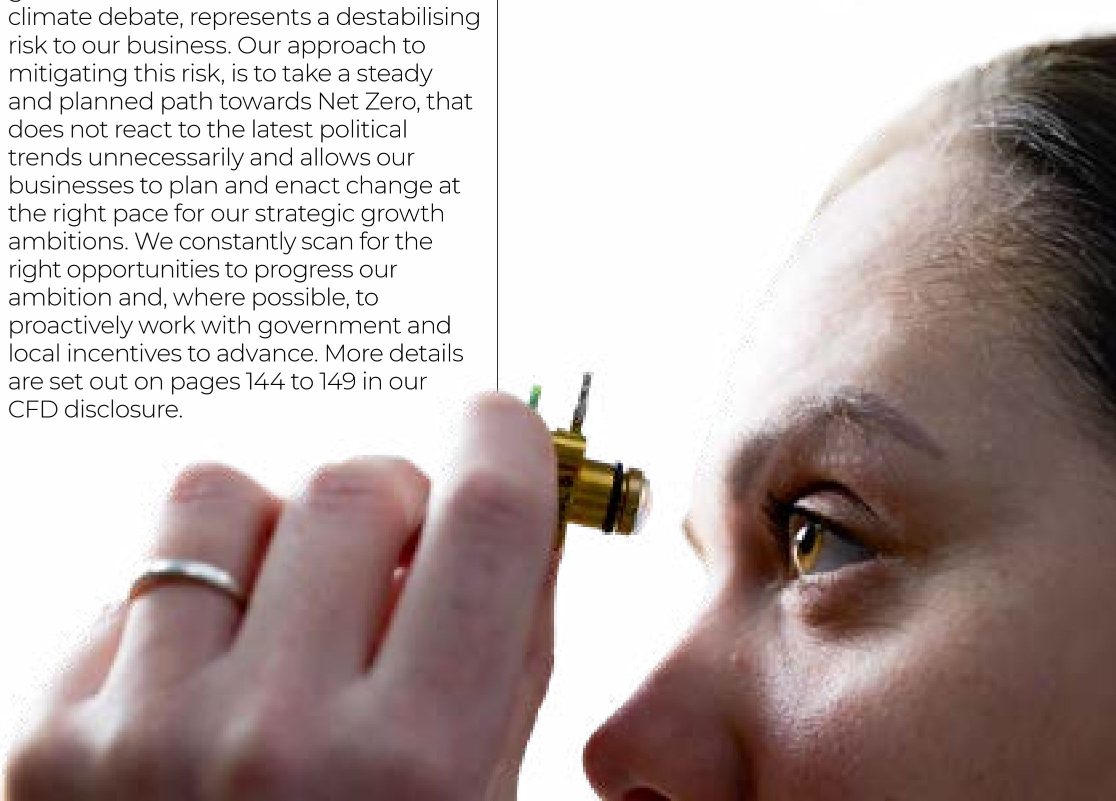
Without active management, the physical risks attached to climate change could represent business continuity challenges for our operations. Our bespoke climate risk dashboard by Jupiter Intelligence identifies the physical risks present at our sites, and at any prospective sites. We run an active programme through our business Audit & Risk Committees to mitigate the risks identified – more details are set out on pages 144 to 149 in our Climate-related financial (CFD) disclosure.

Transition Risk

The deceleration and acceleration of legislation, regulation and tariffs, relating to climate change, by successive global governments on different sides of the climate debate, represents a destabilising risk to our business. Our approach to mitigating this risk, is to take a steady and planned path towards Net Zero, that does not react to the latest political trends unnecessarily and allows our businesses to plan and enact change at the right pace for our strategic growth ambitions. We constantly scan for the right opportunities to progress our ambition and, where possible, to proactively work with government and local incentives to advance. More details are set out on pages 144 to 149 in our CFD disclosure.

"Our focus on a steady and consistent path to Net Zero provides clear mitigation against the risks present in different political ideologies braking and then accelerating environmental regulation."

Rebecca Dunn
Head of Corporate Affairs



SUSTAINABILITY continued

Delivering a low carbon future continued

Our Net Zero ambition

Our technology and innovations are enabling our customers to build a low carbon future. As we move towards our ambition to become Net Zero across our own operations (scope 1 and 2) by 2030 and across our value chain (scope 3) by 2040, we continue to realise the wider benefits of our Net Zero ambition by reducing our operating costs and protecting our business from the impact of ESG-related tariffs and regulation. At the same time we are building our relevance to our customers by aligning with their Net Zero goals; and engaging our employees to accelerate our journey to Net Zero.

We published our ambition in July 2021. At the time, and indeed today, the pathways to Net Zero were not well understood. Furthermore, government action on policy and the development of new technologies were and still remain of fundamental importance to create the conditions for success. Without good progress on these issues, achieving our climate ambitions will become increasingly challenging. We recognise that while we have control over our own operations and influence on our supply chain, when it comes to decarbonising the economy in which we operate we are one part of a far larger global ecosystem.

We have learnt a lot, and the complexities and challenges are coming into sharper focus. We expect there to continue to be difficulties over measurement and data reliability, in particular relating to scope 3 emissions reporting. However, we are making excellent progress in moving from a spend-based method to a supplier-specific method.

This progress is not only improving the accuracy of our reporting, it is also supporting us to pinpoint the material opportunities available to us to reduce the environmental impact of our value chain – allowing clarity of focus, spend and effort. Despite the global challenges in reaching Net Zero, we are focused on our role and committed to playing our part to enable the global transition.

Based on figures assured by Deloitte LLP for 2024, since 2020, we have reduced our scope 1 and 2 emissions by 54.4% if we remove the impact of divestments. On an absolute basis (including all portfolio changes), we have reduced our scope 1 and 2 emissions by 74.7% since 2020. An overview of our progress towards our Net Zero ambition is set out on pages 70 to 75.

A strong culture of accountability

To ensure high quality and credibility of delivery, we have set ourselves key principles for our plan:

- Strong governance of our ambition with key lines of accountability defined from the Board, Executive, Senior Management and subject matter experts. (see CFD on pages 144 to 149);
- Strong risk management processes (see pages 56 to 60);
- Best practice TCFD-aligned climate scenario analysis (see pages 146 to 147);
- Integration across our business for example into M&A due diligence (see CFD on pages 145 to 147);
- Applying our Values (see our Values on page 18); and
- A strong focus on data integrity and assurance (see our latest assured figures on pages 74 to 75).

SPECTRIS SPOTLIGHT:

Responsible Sourcing

ecovadis

We are committed to monitoring and improving the environmental, social, and ethical performance of our supply chain. We manage this through the EcoVadis platform, which provides us with granular datapoints on our suppliers' performance across a range of sustainability metrics, including their carbon emissions. The annual external verification of our supplier data, provided by sustainability experts and reporting dashboards through EcoVadis, allows us to take informed decisions on the use of suppliers. It also allows us to build an ongoing dialogue to ensure our sustainability ambitions, including our Net Zero ambition, are reflected in our supply chain.

In 2024, we continued to make good headway in expanding our use of EcoVadis across the Group, with Particle Measuring Systems and Servomex joining Malvern Panalytical and HBK in onboarding their supplier base. As of the end of 2024, we now have 51.1% (2023: 26.9%) of supplier spend across the Group rated in EcoVadis.

The Group's Global Supplier Code of Conduct sets out our expectations for the conduct of our suppliers across a wide range of environmental, social and ethical topics. All new and existing suppliers are required to sign up to the Code. The Group is currently working to expand our third-party risk processes and to consider how we best assure the risk attached to the environmental, social and ethical practices of our supply chain.

"By collaborating with our suppliers, we can amplify our efforts to generate positive environmental and social impacts."

Helena Pitman-King
Head of Sustainability

How we're holding ourselves accountable on climate resilience.
We are aiming high in our ambition to be Net Zero across our own operations (scope 1 and 2) by 2030 and across our value chain (scope 3) by 2040.

This ambition is not only mitigating many of the risks attached to climate change, it is also supporting our alignment with our existing customers and providing new and exciting opportunities for growth.

Alongside the benefits we are delivering for our stakeholders, the energy saving measures we have introduced at four of our most advanced sites (HBK Darmstadt, Suzhou and Royston, and Servomex, Crowborough) are now generating annual cost savings of £0.4 million. We look forward to growing this saving as we extend our energy efficiency programme across other key sites.

Innovate

We are delivering products and services that allow our customers to make the world cleaner, healthier and more productive

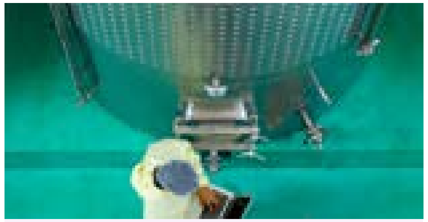
CLEANER

Our technology is driving progress in the development of electric vehicle testing, battery development, water purity and carbon capture technologies.

Measuring microplastics
Particle Measuring Systems' Liquilaz II liquid particle counter allows our customers to accurately and reliably count microplastics to 2.0 micron particles in wastewater produced during the manufacturing process. Microplastic pollution is a significant challenge faced by the whole planet due to the rapid escalation of plastic consumption and production. But through use of Particle Measuring Systems' technology, responsible manufacturing companies are able to take steps to mitigate and reduce their own output of microplastics to reduce their negative impacts on society and the planet.

HEALTHIER

We are supporting the acceleration of drug and food development using less resources and the development of clean room technology, building more efficient environments.



Innovation in fermentation
Malvern Panalytical has successfully supported development of precision fermentation for the food sector, ensuring quality in production through characterisation of thermal stability and protein size. Precision fermentation methods have typically been used by the pharmaceutical sector, and rely on microorganisms rather than animal products. But this new method has potential to support production of protein rich foods without animal products. The impact of Malvern Panalytical's work therefore has potential to contribute to future food security and dietary challenges.

MORE PRODUCTIVE

Our technological advances support our customers to be more precise, using fewer of the earth's resources and re-using more.

Optimised container shipping
HBK FiberSensing is supporting the container shipping industry to be more productive in their operations. Our advanced sensors allow our customers to create a system to very accurately, quickly and safely measure the weight and weight distribution of individual containers using the cranes' twistlocks, so that boat operators are able to develop optimised storage plans. Optimised storage allows the boat operators to ensure stability of their ships, requiring reduced use of stabilising ballast water and lower associated fuel consumption, saving costs and reducing carbon emissions.

Inspire

By achieving Net Zero across our own operations and our Value Chain, we are inspiring change across our customers, suppliers and peers.

ACHIEVING NET ZERO ACROSS OUR OWN OPERATIONS (SCOPE 1 AND 2) BY 2030

Reducing the energy used in our operations

– Supported by Schneider Electric, we are identifying and implementing energy efficiency opportunities at all sites

Improvement in energy efficiency since 2020

10.3%

Transitioning to renewable electricity sources

– We are transitioning to cleaner energy sources and targeting 100% renewable electricity

– We are installing onsite solar generation capacity at our large manufacturing sites

Percentage of Group powered by electricity

67.3%

Percentage of global electricity now from renewable sources

80.7%

Transitioning to an electric/hybrid vehicle fleet

– Through our membership of EV100 we are transitioning our fleet to electric where infrastructure allows and hybrid where it does not

Percentage of Group's fleet now electric or hybrid

27.7%

REDUCING EMISSIONS IN OUR VALUE CHAIN (SCOPE 3) BY 42% BY 2030

Building a supplier base aligned to our Net Zero goals

– We are assessing the sustainability ambitions of our supplier base, supported by our global Supplier Code of Conduct, through EcoVadis

Percentage of Group-wide spend now assessed via EcoVadis

51.1%

Reducing the impact of our products

– We are improving the circularity of our products

– We are understanding the emissions of our product range through our life cycle assessment (LCA) programme

% of product-related emissions that have a completed externally accredited LCA

5.6%

% of Servomex product-related emissions that have a completed externally accredited LCA

88.6%

Reducing freight emissions

– Streamlining our approach to freight using SBS and moving from air to ocean freight where possible

PMS and Servomex's combined reduction in freight emissions this year

(18)%

% of PMS and Servomex's shipping made by ocean rather than air this year

22%

Figures provided here are like-for-like and do not yet include our new businesses Micromeritics, SciAps and Piezocryst. Please see more information under 'Environmental Reporting' (pages 74 to 75).

SUSTAINABILITY continued
Delivering a low carbon future continued

Environmental reporting

We are committed to transparent reporting of our carbon footprint and our transition towards Net Zero.

Restatement of comparative environmental data

Comparative data disclosed on page 75 has been restated to reflect the following changes:

- Our assured 2024 figures (marked * in the tables on page 75) include our new acquisitions (Micromeritics, SciAps and Piezocryst). Due to reasonable data availability in the available timeframe, we will include them in our 2020-2023 reporting in 2025. Meanwhile, we are also reporting like-for-like data for 2024 excluding the new businesses to support a fair comparison of the Group's in-year environmental performance
- Removal of data relating to the divestment of Red Lion Controls on 11 December 2023
- Replacing estimated data with actual data where available for prior years.

Energy efficiency

The Group's energy efficiency decreased in 2024, due to the combined impact of new acquisitions and lower total Group sales versus 2023.

Scope 1 emissions

Scope 1 emissions have decreased by 1.4% on a like-for-like basis during 2024. The reduction in building-related emissions was driven by lower use of natural gas. While fleet emissions have increased largely due to more comprehensive coverage of our vehicle use, in 2025 we will be working to improve the quality of our fleet data.

Scope 2 emissions

Market-based scope 2 emissions have decreased during 2024 by 33.2% on a like-for-like basis. This was primarily driven by the switch to renewable electricity at the Almelo, Eindhoven, and Malvern sites. Energy efficiency improvements, including installing modernised HVAC at Servomex UK have further contributed to reducing our emissions from electricity.

ENVIRONMENTAL PERFORMANCE SUMMARY (ABSOLUTE)[1]

Energy consumption (MWh)

74,048

(2023: 70,878)
(2022: 77,194)

Greenhouse gas emissions (tonnes CO_2e)[2]

10,895

(2023: 12,144)
(2022: 17,546)

Energy efficiency (MWh per £m revenue)

57.0

(2023: 48.9)
(2022: 58.2)

Total carbon emissions (tonnes CO_2e per £m revenue)[2]

8.4

(2023: 8.4)
(2022: 13.2)

1. Numbers stated reflect in-year reported emissions to measure the evolution of the energy efficiency of the Group, including the impact of portfolio changes on our efficiency.
2. Scope 1 and 2 (market-based) absolute emissions.

Scope 3 emissions

The Group has reported against all relevant scope 3 categories since 2020. In 2024, like-for-like scope 3 emissions reduced 10.4% in the last year. In 2024, we continued to improve scope 3 data quality in categories 1, 2, 11 and 12, using EcoVadis as our primary tool to obtain accurate supplier emissions data and life cycle assessments (LCAs) for our products. Our coverage of suppliers by spend being rated in EcoVadis is now 51.1% (2023: 26.9%), with PMS and Servomex joining the programme in 2024.

LCAs at Servomex and PMS have been included into our category 11 and 12 data so that 5.6% of our product-related scope 3 emissions are now calculated using LCAs, including 88.6% of Servomex's products. We are continuing to progress this programme at Malvern Panalytical and HBK.

Emissions from freight (categories 4 and 9) have increased 34.6% in the last year driven largely by reduced availability of actual data in 2024. In 2025, we will be working with our Divisions to improve actual data coverage and mapping our freight routes to identify efficiencies.

Streamlined Energy and Carbon Reporting (SECR)

This is our fifth year of reporting in compliance with the SECR regulations which are designed to increase awareness of energy costs and provide data to inform the adoption of energy efficiency measures. In 2024, 3.1% of our scope 1 and 2 (market-based) emissions were generated in the UK.

SUSTAINABILITY continued

Delivering a low-carbon future continued

ENVIRONMENTAL PERFORMANCE SUMMARY (ABSOLUTE)[1]

	2024	2023	Base year 2020
Energy consumption (absolute) (MWh)	74,047.5*	70,877.6	123,205.0
Energy efficiency (MWh per £m revenue)	57.0	48.9	92.2
Greenhouse gas emissions (tonnes CO_2e)[2]	10,894.6*	12,144.1	43,111.0
Total carbon emissions (tonnes CO_2e per £m revenue)[2]	8.4	8.4	32.3

1. Numbers stated reflect in-year reported emissions, to measure the evolution of the energy efficiency of the Group, including the impact of portfolio changes on our efficiency.
2. Scope 1 and 2 (market-based) emissions.

ENERGY CONSUMPTION (MWH) (LIKE-FOR-LIKE)[3,4]

	2024 (incl. acquisitions)[5]	Change (like-for-like)	2024 (like-for-like)	2023	Base year 2020
Electricity	41,385.4	-1.8%	36,388.7	37,055.7	39,126.6
– of which renewable	29,363.3	27.3%	29,363.3	23,070.9	2,957.7
Natural gas	5,705.0	-9.6%	5,014.5	5,548.0	5,936.8
Fuel oil	17.8	0.4%	17.8	17.7	28.4
Steam and other imported energy	12,616.0	-3.5%	12,616.0	13,068.2	13,930.2
Other fuels	37.4	-48.6%	37.4	72.8	37.1
Vehicle energy	14,285.9	4.5%	13,722.6	13,134.2	19,045.1
Total energy	74,047.5*	-1.6%	67,797.1	68,896.5	78,104.3
– of which UK	4,878.3	-19.1%	4,819.3	5,954.0	5,699.9

3. All like-for-like numbers have been restated to reflect the divestment of Red Lion Controls during 2023.
4. 15.1% of scope 1 & 2 (location-based) emissions and 15.1% of total energy data has been accrued or estimated as per the methodology detailed in the basis of reporting document available at www.spectris.com/environment. Both figures include the impact of the three new acquisitions.
5. Only figures in first 2024 column include emissions for the new businesses acquired in late 2024, Micromeritics, SciAps and Piezocryst. Their impact has not yet been included in prior-year analysis. To support fair comparison of performance, we have included a second column of 2024 data which excludes the new businesses and is used for all like-for-like year-on-year analysis.

WASTE DATA (LIKE-FOR-LIKE)[9]

	Change	2024	2023	Base year 2020
Total waste captured (tonnes)	5.3%	4,214.0	4,003.1	4,824.6
– of which landfill	49.4%	345.7	231.5	3,447.9
Waste recycling rate[6,7]	-1.1%	84.2%	85.1%	25.9%
Waste diversion rate[6,8]	-1.6%	84.7%	86.1%	25.9%

6. All like-for-like numbers have been restated to reflect the divestment of Red Lion Controls during 2023.
7. Proportion of waste recycled, including that of composted organic matter.
8. Proportion of waste diverted from landfill via recycling, composting or incineration.
9. Waste data is not yet available for our new businesses, Micromeritics, SciAps and Piezocryst so one column of data for 2024 is provided.

GREENHOUSE GAS EMISSIONS (TONNES CO_2e) (LIKE-FOR-LIKE)[10,12,13,14]

	2024 (incl. acquisitions)[11]	Change (like-for-like)	2024 (like-for-like)	2023	Base year 2020
Scope 1	4,326.6*	-1.4%	4,069.8	4,126.2	6,594.1
Scope 2 – Location-based	16,497.7*	-4.5%	14,757.1	15,457.5	17,726.7
Scope 2 – Market-based	6,568.0*	-33.2%	4,827.3	7,230.3	17,310.6
Scope 1 & 2 (Location) total	20,824.3	-3.9%	18,826.8	19,583.7	24,320.7
– of which UK	964.1	-14.5%	952.4	1,114.4	1,380.1
Scope 1 & 2 (Market) total[7]	10,894.6	-21.7%	8,897.1	11,356.5	23,904.7
– of which UK	339.5	-22.5%	327.8	422.9	1,355.7

GREENHOUSE GAS EMISSIONS (TONNES CO_2e) (LIKE-FOR-LIKE)[10,12,13,14]

	2024 (incl. acquisitions)[11]	Change (like-for-like)	2024 (like-for-like)	2023	Base year 2020
Category 1 – Purchased goods and services	170,395.4	-3.5%	151,662.7	157,227.5	228,703.8
Category 2 – Capital goods			(Included in Category 1)		
Category 3 – Fuel & energy related activities[9]	1,804.4*	1.5%	1,728.2	1,702.2	2,218.2
Category 4 – Upstream transportation/ distribution[9,10]	33,724.3*	34.6%	28,031.5	20,825.3	13,565.0
Category 5 – Waste	243.8	-5.7%	186.3	197.6	1,177.4
Category 6 – Business travel[9]	8,122.9*	-22.5%	7,340.0	9,469.8	3,479.4
Category 7 – Employee commuting	19,074.4	49.8%	17,139.1	11,437.7	5,965.0
Category 9 – Downstream transportation/ distribution			(Included in Category 4)		
Category 11 – Use of sold products	187,374.6	-23.2%	151,523.2	197,203.4	185,783.0
Category 12 – End-of-life treatment	110.9	-28.2%	98.7	137.4	41.5
Category 15 – Investments	2,635.6	-33.2%	2,635.6	3,946.6	69.0
Total scope 3[3]	423,486.2	-10.4%	360,345.3	402,147.5	441,002.3
Total gross emissions (Market-based)	434,380.8	-10.7%	369,242.4	413,504.0	464,906.9

10. 15.1% of scope 1 & 2 (location-based) emissions and 15.1% of total energy data has been accrued or estimated as per the methodology detailed in the basis of reporting document available at www.spectris.com/environment. Both figures include the impact of the three new acquisitions.
11. Only figures in first 2024 column include emissions for the new businesses acquired in late 2024, Micromeritics, SciAps and Piezocryst. Their impact has not yet been included in prior-year analysis. To support fair comparison of performance, we have included a second column of 2024 data which excludes the new businesses and is used for all like-for-like year-on-year analysis.
12. All like-for-like numbers have been restated to reflect the divestment of Red Lion Controls during 2023.
13. Scope 3 categories 8, 10, 13, 14 are not included as they are not relevant to the Group's business model.
14. In 2023, Deloitte provided independent third-party limited assurance against scope 1 and 2 emissions and scope 3 (categories 3, 4 and 6). Those assured figures have been restated to reflect the divestment of Red Lion Controls in 2023 and have not been subject to further assurance in 2024.

***Data assurance and methodology**

Deloitte has provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 (ISAE 3000) and Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board (IAASB) over selected metrics, identified with *, within Spectris' energy consumption and greenhouse gas (GHG) emission disclosure. Deloitte's full unqualified assurance opinion, which includes details of the metrics assured, can be found at www.spectris.com/environment.

Engineering bright futures

Providing equal access to STEM globally

The Spectris Foundation was established in July 2021, with the mission of providing equal opportunities and global access to a quality STEM education. Our grants champion diversity and inclusion and we are actively addressing the gender and socioeconomic gap in science, technology, engineering and mathematics. In addition, the Foundation supports charities and communities that are important to Spectris employees, with a proportion of funding set aside to aid these projects.

spectris FOUNDATION

This mission has remained core to the work of the Spectris Foundation in 2024 and it has been the driving force behind the grants made in the STEM sector. We are proud to have funded multiple partners globally who are actively working to provide a quality STEM education for future generations. Through the work of our funding partners, we recognise the importance of supporting diverse and inclusive engagement in STEM subjects to broaden access.

In addition, the Spectris Foundation has continued to support charities and organisations nominated by Spectris employees, in many cases supporting local volunteering programmes. Some further details of the funding partnerships we have engaged with in 2024 are set out on the following pages.

WORLD ASSOCIATION OF GIRL GUIDES AND GIRL SCOUTS

The World Association of Girl Guides and Girl Scouts (WAGGGS) is the largest voluntary movement dedicated to girls and young women in the world. Their diverse movement represents 10.8 million girls and young women from 153 countries and territories. The Spectris Foundation was pleased to have awarded a grant of £150,000 over 18 months.

STEM (Science, Technology, Engineering and Maths) has become a key strategic theme for WAGGGS' global programmes. STEM skills have become increasingly important for participation in the modern workforce, for successfully navigating daily life, and in tackling many of the world's most significant challenges.

We are delighted to be partnering with WAGGGS to deliver an 18-month project in Sri Lanka and Nepal, countries where girls are particularly underrepresented in the take-up of STEM subjects and careers.

The project aims to inspire and engage girls and young women with STEM and to strengthen the STEM capacity and confidence of adult volunteer Girl Guiding and Girl Scouting leaders in the region.

Volunteer leaders from Sri Lanka Girl Guides Association and Nepal Scouts, will be trained in the newly developed non-formal education STEM curriculum. The programme will be rolled out to Girl Guides and Girl Scouts in both countries. By building the capacity of adult leaders they become essential supportive role models in championing greater participation for girls and young women in STEM.

The programme will build the girls' and young women's knowledge of STEM, help them develop the mindsets and confidence to pursue STEM education and employment opportunities. It will also develop their skills and confidence to pass their learning on to create change in their own communities.

"Through our partnership we will encourage the next generation of girls and young women in Nepal and Sri Lanka, to explore STEM and be inspired by the opportunities it presents for them. We will spark their curiosity, and support them to break down barriers and advocate for change."

Guy Holloway
Interim Chief Executive, WAGGGS

SUSTAINABILITY continued
Engineering bright futures continued

Our culture and values underpin our strategic approach to sustainability.

2024 HIGHLIGHTS

Total grants awarded
35

STEM grants given
6 totalling £694,000

Hours volunteered in 2024
848 **(2023: 645 hours)**

SPECTRIS SPOTLIGHT:

Employee nomination for Matchsticks NGO

By empowering organisations like Matchsticks NGO, the Spectris Foundation is contributing to supporting students in underserved locations having access to quality education that prepares them for future success.

Through our employee nominated grant programme, we were thrilled to support MatchSticks NGO, a non-profit project that connects Chinese rural teachers with the training and resources they need.

The grant from the Spectris Foundation helped to support a number of different activities for the organisation. Teachers attended a five-day camp where they were able to take part in sessions focused on AI (artificial intelligence) and its application in education, adolescent mental health, action planning, coaching and much more.

Camp attendees were eligible to access an e-learning platform to provide more training and achieve credits.

A rural education network was also created through new relationships built at the camp.

In addition, 17 employees from the Spectris businesses based in Shanghai were able to add significant value to the grant by:
- Hosting an interactive laboratory visit for 30 principals from rural locations
- Volunteering at the camp and sharing their expertise with rural educators

The Spectris Foundation is proud to support employee nominated initiatives like this and deeply grateful to the dedicated team of Spectris employees in Shanghai who made such a difference through their volunteering efforts.

Amount funded
£5,000

Total number of Spectris Volunteers
17

Total number of volunteering hours
113

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT AND INDEX

This statement is made in compliance with the Companies Act 2006 and is intended to provide an understanding of our development, performance and position on key non-financial matters. The table below sets out where information relating to non-financial matters can be located.

Reporting requirement	Some of our relevant policies and standards	Where to find out more information	Page reference
Anti-bribery and corruption	Code of Business Ethics	Ethics and Values standards	18, 63, 86, 101
		Culture, integrity and commitment to our Values	6 to 7, 18 to 19, 63 to 69, 86
		Speak Up and Spectris helpline	68, 85 to 86, 101
		Ethical leadership	66 to 68, 86
		Principal Risk – Compliance	59
Business model		Our business model	4 to 5
Environmental matters	Environment Policy	Environmental management	35, 63, 64 to 65, 70 to 75
	ISO 14001	Energy performance	63, 70 to 75
		Streamlined Energy and Carbon disclosures	74 to 75
		Climate-related Financial Disclosures	144 to 149
		KPI – Energy efficiency	37
Employees	Code of Business Ethics	Fair employment and diversity	64 to 65, 66 to 68, 84, 86
	Health and Safety Policy	Board diversity	66 to 67, 84
	OHSAS 18001	Employee engagement and Workforce Engagement Director	34, 37, 66 to 68, 86 to 88, 91
	SA 8000 Social Accountability	Gender pay	67 to 68, 139
		Health, safety and wellbeing at work	63, 64 to 65, 66 to 69, 86
		KPI – Accident incidence rate	37
		Principal Risks – Compliance, Talent and capabilities	59 to 60
Human rights	Human Rights Policy	Legal and regulatory compliance	35, 65, 71, 91
	Code of Business Ethics	Principal Risk – Compliance	59
Non-financial KPIs		Energy efficiency	37, 70 to 75
		Total recordable incident rate	37, 69
Managing our Principal Risks		Risk Management	56 to 57
		Principal risks and uncertainties	58 to 60
		TCFD (Climate-related Financial Disclosures)	144 to 149
		Viability Statement	61
Social matters		Community involvement	35, 63, 76 to 77

The Strategic Report was approved by the Board on 27 February 2025.

Rebecca Dunn
Head of Corporate Affairs and Company Secretary
27 February 2025

Governance

BOARD EVOLUTION

Planned and carefully managed changes to the Board to further support the oversight and delivery of the Group's strategic aims

Key Activity

- Derek Harding appointed as President, Spectris Scientific
- Angela Noon joined as Chief Financial Officer
- Nick Anderson joined as Non-executive Director
- Mandy Gradden elected as Audit and Risk Committee Chair

Find out more about the composition of the Board on **page 84**

STRONG STRATEGIC PROGRESS

Oversight of significant and transformative acquisitions in both Divisions aligned to the Group's Strategy for Sustainable Growth

Key Activity

- Acquisition of Micromeritics and SciAps to be integrated with Malvern Panalytical in Spectris Scientific
- Acquisition of Piezocryst to be integrated with HBK in Spectris Dynamics

Find out more about the Board's oversight of the Group's strategic progress on **page 85**

DIRECT STAKEHOLDER ENGAGEMENT

Direct and ongoing engagement with the Group's stakeholders is key to the effective oversight of the Group's culture and strategy

Key Activity

- Whole Board visit to China and Japan, incorporating six employee sites and six customer site visits
- Mark Williamson and Derek Harding visited employees in Korea
- Workforce engagement programme led by Kjersti Wiklund

Find out more about the Board's interactions with stakeholders on **pages 87 to 88**

CONTINUOUS IMPROVEMENT

Annual evaluation supports the continuous improvement of Board decision making and interactions

Key Activity

- Internally-facilitated evaluation led by the Chairman and facilitated by the Company Secretary
- Direct customer insights across both Divisions
- Expert speakers on geopolitics, cyber security and the macro-economic environment

Find out more about the Board's approach to its performance evaluation on **page 89**

CORPORATE GOVERNANCE REPORT continued

CHAIR'S INTRODUCTION TO GOVERNANCE

Continuing our strategic progress

"Hearing the direct perspectives of our employees and customers is critical to the Board's oversight of the Group and is instrumental to Board discussions."

Mark Williamson
Chair

As a Board, our key focus in 2024 has been the oversight of strategic and operational progress. We have also continued to fulfil our other core duties to oversee the Group's governance, culture, financial controls, risk and change management. The Governance section that follows outlines our key activities and focus.

Board activity

The Board's primary focus during the year has been the oversight of the continued delivery of the Group's Strategy for Sustainable Growth. This oversight has included the review of the progress of our organic growth strategy, and the impact realised from our increased R&D spend, together with approving the progression of our inorganic growth agenda through the successful acquisitions of Micromeritics and SciAps into the Spectris Scientific Division and Piezocryst into the Spectris Dynamics Division.

A key element of the Board's role is to ensure the effective deployment of capital. In considering each acquisition, the Board met with the Group's brokers to ensure that appropriate consideration was given to the balance between investment in the long-term growth of the Group and delivering capital returns to shareholders. The strength of the Group's balance sheet as we entered 2024 afforded significant optionality to progress both these aims. Following the successful divestment of Red Lion Controls, the Board was pleased to commence a further share buyback, with over £600 million now returned to investors since 2019, and to approve the increase in the Group's full year dividend by 5%, marking 35 consecutive years of dividend increases.

I am very confident that our investment in the long-term growth of the business through the development of our products and services and the acquisition of attractive high growth companies will benefit all our stakeholders.

Stakeholder engagement

In October, the Board held an in-depth visit to our businesses in China and Japan. Meeting with customers, leaders and employees across Tokyo, Osaka, Kobe, Shanghai and Suzhou allowed Directors to see first hand the strength of our customer relationships and the dedication of our talented team.

Hearing the direct perspectives of our employees and customers is critical to the Board's oversight of the Group and is instrumental to Board discussions. Further details of the visit are set out on page 88.

Board changes and succession planning

Bill Seeger and Ulf Quellmann retired from the Board during 2024 following their nine years' service, and I thank them for their significant contribution to the Board. In June 2024, we welcomed Nick Anderson to the Board. In June 2024, we also announced that Derek Harding would take on a new Board role of President, Spectris Scientific and that Angela Noon would join the Group from September 2024 as Chief Financial Officer.

I am very pleased with the orderly and measured approach we have taken with the Board changes and I would like to particularly thank Cathy Turner in her role as Senior Independent Director and Mandy Gradden in her new role as Chair

CORPORATE GOVERNANCE REPORT continued

GOVERNANCE AT A GLANCE

of the Audit and Risk Committee for their support in managing these significant transitions.

We continue to develop our succession plans for the medium and long term, including succession planning for my role ahead of my retirement from the Board at the 2026 Annual General Meeting, more details of which are contained within the Nomination and Governance Committee report on page 93.

Angela Noon and Nick Anderson will stand for election and all other current Directors will stand for re-election at the 2025 Annual General Meeting (AGM) and we look forward to the continued support of our shareholders.

2025 AGM

We look forward to meeting some of our shareholders at the AGM which will be held in person at 6th Floor, The Block, Space House, 12 Keeley Street, London WC2B 4BA on Thursday 22 May 2025 at 9.00 am.

I would also like to remind all stakeholders that the Board and I are available throughout the year to answer questions or engage on topics of interest to you. You can contact us via the Company Secretary. I would also encourage you to sign up for Spectris news alerts and access to our webcasts at: www.spectris.com.

Mark Williamson
Chair
27 February 2025

STATEMENT OF COMPLIANCE

As a UK ESCC-listed company, Spectris plc is expected to comply or explain any non-compliance with the UK Corporate Governance Code 2018 (Code). The Code can be found in full on the Financial Reporting Council's (FRC) website at: www.frc.org.uk.

The Board considers that the Company complied fully with the provisions and principles as set out in the Code throughout the year ended 31 December 2024.

UK Corporate Governance Code 2024
In January 2024, the FRC published an updated Code which will largely apply for financial years starting on or after 1 January 2025, with certain provisions regarding internal controls coming into effect from 1 January 2026. The Company's practices and procedures are currently being reviewed to ensure timely alignment with the new Code.

KEY GOVERNANCE STATEMENTS WITHIN THE ANNUAL REPORT AND ACCOUNTS

Section 172 statement
The Company's section 172 statement and detail about the Group's key stakeholders are on pages 34 to 35.

Going concern
The Company's going concern statement is available on page 142.

Viability Statement
The Viability Statement is available on page 61.

Principal Risks and uncertainties
The Company's approach to risk management and its Principal Risks and uncertainties are on pages 56 to 60.

UK CORPORATE GOVERNANCE CODE 2018

CORPORATE GOVERNANCE REPORT continued

BOARD OF DIRECTORS

Diversity in experience

We draw upon the expertise, knowledge and varied backgrounds of our Board to create long-term value for our stakeholders.

Please scan QR code to read the Notice of AGM

Mark Williamson
Chair

Appointed: May 2017
Nationality: British

Skills and expertise
Mark is a qualified accountant with a strong financial background combined with considerable managerial experience. He was CFO of International Power plc until 2012 and is experienced in managing relationships with the investor and financial communities.

Until December 2021, he was senior independent director of National Grid plc. Mark also served as chairman of Imperial Brands plc until January 2020 and as senior independent non-executive director and chairman of the audit committee of Alent plc until its sale in 2015.

Other appointments
None

Andrew Heath
Chief Executive

Appointed: September 2018
Nationality: British

Skills and expertise
Andrew joined the Group as Chief Executive in September 2018, bringing a wide range of executive and leadership expertise to Spectris, with proven experience in technology-enabled businesses and a track record of delivering shareholder value. Andrew became chair of the Spectris Foundation in December 2024. He previously served as CEO of Imagination Technologies Group plc from 2016 to 2018 and before that was CEO of Alent plc.

Prior to this, Andrew had a 30-year career with Rolls-Royce where he held a number of international and senior management roles, latterly serving as the president of energy from 2010 to 2015. Andrew has a BSc in engineering from Imperial College London and an MBA from Loughborough University.

Other appointments
Senior independent director and chair of the safety and sustainability committee of Rotork plc

Angela Noon OBE
Chief Financial Officer

Appointed: September 2024
Nationality: British

Skills and expertise
Angela joined the Group as Chief Financial Officer in September 2024 and has more than 25 years of finance and commercial experience, with proven and highly relevant industrial end-market expertise. In addition to being responsible for Group finance operations, she also leads the operational management of Group Risk, Legal, Investor Relations, IT and the Capital Allocation process. Angela became a trustee of the Spectris Foundation in December 2024. Angela was previously CFO at Royal Mail. Prior to this, Angela spent over 20 years in various international leadership roles at Siemens AG in industrial software and business development, including as CFO for Siemens UK & Ireland.

Angela has a Bachelor of Accounting (BAcc), is a fellow of the Chartered Institute of Management Accountants and is a chartered manager.

In 2022, Angela was awarded an OBE (Officer of the Most Excellent Order of the British Empire) for services to Education.

Other appointments
Member of the supervisory board and chair of the audit committee of Just Eat Takeaway.com N.V.

Derek Harding
President, Spectris Scientific

Appointed: March 2019
Nationality: British

Skills and expertise
Derek has served as an Executive Director since March 2019, originally joining the Group as CFO. In September 2024, Derek became President of the enlarged Spectris Scientific Division. Derek was chair of the Spectris Foundation from July 2021 to December 2024.

Prior to joining Spectris, Derek most recently served as group finance director at Shop Direct. Derek was CFO at Senior plc from 2013 to 2017 and before that he was at Wolseley plc for 11 years in a number of financial leadership roles, most recently as finance director of Wolseley UK. He previously held a number of group roles, including group financial controller, director of group strategy and investor relations and head of mergers and acquisitions. Derek qualified as a chartered accountant with PwC.

Other appointments
Non-executive director of The Sage Group plc

Committee membership key

A	Audit and Risk	E	Executive
N	Nomination and Governance		Committee Chair
D	Disclosure		

CORPORATE GOVERNANCE REPORT continued
BOARD OF DIRECTORS continued

Cathy Turner
Senior Independent Director

Appointed: September 2019
Nationality: British

Skills and expertise
Cathy is an experienced non-executive director with significant business leadership experience plus a deep knowledge of HR and remuneration matters. Her executive career at executive committee level at Barclays PLC has included responsibility for strategy, investor relations, HR, corporate affairs, legal, internal audit, brand and marketing.

Other appointments
Non-executive director and chair of the remuneration committee at Rentokil Initial plc, senior independent director and chair of the remuneration committee at Lloyds Banking Group plc and partner at the senior advisory organisation, Manchester Square Partners

Mandy Gradden
Independent Non-executive Director

Appointed: October 2023
Nationality: British

Skills and expertise
Mandy brings to the Board significant experience in finance, investor relations, strategy, digital and software and is currently CFO of Ascential Limited (formerly Ascential plc listed on London Stock Exchange until October 2024).

Before joining Ascential in 2013 as CFO, Mandy held a variety of financial roles, including CFO at the FTSE 250 technology business, Detica Group plc, CFO at Torex, the private equity-owned retail technology firm, director of corporate development at Telewest and group financial controller at Dalgety plc. In addition to her executive career, Mandy was also previously a non-executive director and chair of the audit committee at SDL plc. She began her career at Price Waterhouse, where she spent eight years and where she qualified as a chartered accountant.

Other appointments
CFO of Ascential Limited and chair of the UK Financial Conduct Authority's Listing Authority Advisory Panel

Kjersti Wiklund
Independent Non-executive Director and Workforce Engagement Director

Appointed: January 2017
Nationality: Norwegian

Skills and expertise
Kjersti has held a series of senior global positions, leading technology enterprises and managing varied international business environments effectively. She is an experienced non-executive director with deep technology and software experience.

Kjersti has held a variety of executive roles including; director, global technology operations at Vodafone; chief operating officer of VimpelCom Russia; deputy chief executive officer and chief technology officer of Kyivstar in Ukraine; executive vice-president and chief technology officer of Digi Telecommunications in Malaysia; and executive vice-president and chief information officer at Telenor in Norway. Kjersti was previously a non-executive director of Zegona Communications plc, Babcock International Group plc, Trainline plc, Laird plc, Cxense ASA and Fast Search & Transfer ASA (Norway) and Telescience Inc (USA) as well as Chair at Saga Robotics (Norway).

Other appointments
Non-executive director and chair of the Board Operations and Sustainability Committee of Nordea Bank Apb (Finland) and non-executive director of AutoStore Holdings (Norway) and Evelyn Partners (UK)

Nick Anderson
Independent Non-executive Director

Appointed: June 2024
Nationality: British and American

Skills and expertise
Having joined Spirax Group plc (previously Spirax-Sarco Engineering plc) in September 2011 as Director EMEA for the Group's Steam Specialties Business, Nick was appointed to the Board in March 2012 and became Group Chief Executive in January 2014, retiring from that role in January 2024.

Prior to joining the Spirax Group, Nick gained broad international experience with industrial engineering companies, working for Smiths Group plc as Vice President John Crane Asia Pacific (based in Singapore) and President John Crane Latin America (based in the US), also working for Alcoa Aluminio SA in Brazil and Argentina. Nick started his professional career in Brazil with British engineering firm Foseco Minsep Group plc.

Nick studied at the Escola Politécnica of the University of Sao Paulo (Brazil) obtaining a BSc in Civil Engineering and later gained an MBA from Fundação Getúlio Vargas (Brazil). Nick also completed the Advanced Management Program (AMP) at the Harvard Business School (US).

Other appointments
Non-executive director of BAE Systems plc and The Weir Group plc

Dr Ravi Gopinath
Independent Non-executive Director

Appointed: June 2021
Nationality: Singaporean

Skills and expertise
Ravi is a highly experienced business leader, with over 25 years of diverse, global engineering and software experience, with a proven track record in setting up, scaling and transforming high-growth and profitable technology businesses. Ravi's last executive role was with AVEVA plc where he held the roles of chief product and strategy officer and chief operating officer in the period from 2018 to 2022. Prior to that he was the executive vice president of Schneider Electric Software which was merged with AVEVA in 2018. He previously held roles at Invensys plc as president, software and president, Asia Pacific from 2009 to 2014 when Invensys was acquired by Schneider Electric. Ravi started his career in India with Tata Consultancy Services and subsequently was CEO and MD at Geometric Ltd. He holds a PhD in chemical engineering from Rensselaer Polytechnic Institute and a masters in chemical engineering from the Indian Institute of Technology Bombay.

Other appointments
Strategic advisor at Schneider Electric and non-executive director at Thermax Ltd

Alison Henwood
Independent Non-executive Director

Appointed: September 2021
Nationality: British

Skills and expertise
Alison has broad technical experience in key finance areas including treasury, risk management, internal control and audit across regional, divisional and global functional roles. Until June 2022, Alison was executive vice president of finance, trading and supply at Shell plc (Shell), leading finance for the largest energy-trading business in the world. She has held a wide variety of roles across Shell throughout her career, contributing to finance transformation, culture change, digitisation and Shell's move towards zero carbon.

Other appointments
Member of the supervisory board and chair of the audit committee at Umicore

Retirements during the year

Ulf Quellmann, Independent Non-executive Director stepped down from the Board on 31 August 2024

Bill Seeger, Independent Non-executive Director stepped down from the Board on 23 May 2024

CORPORATE GOVERNANCE REPORT continued

BOARD COMPOSITION

OUR DIVERSITY GOALS

We are committed to externally set goals on diversity. Beyond this, we recognise the importance of all forms of diversity and are striving for further progress.

FTSE Women Leaders Review (%)

50%

Spectris	50
Target	40

Target: 40% women by 2025

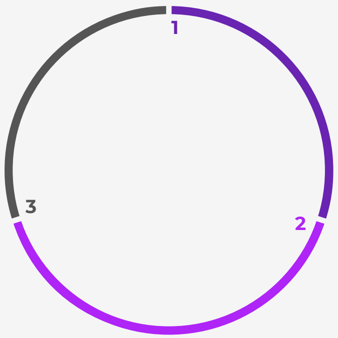
Parker Review

1

Spectris	1
Target	1

Target: One Board member from an ethnic minority background by 2024

BOARD TENURE (%)



1	1–3 years	30%
2	3–6 years	40%
3	6+ years	30%

OUR GOVERNANCE FRAMEWORK

The Board

Responsible for defining the Company's purpose, setting a strategy to deliver long-term value to shareholders and other stakeholders and overseeing values and behaviours that shape the Group's culture and the way it conducts business.

Provides challenge to management on the execution of strategy and responsible for the Group's risk management and internal controls.

Board Committees

Audit and Risk Committee
Responsible for overseeing the financial reporting process, significant accounting judgements and estimates, the Group's ethics and compliance programme, financial and compliance controls and risk management.

Nomination and Governance Committee
Responsible for advising on talent management and succession for the Board, Executive Committee and senior management. Provides oversight of the Board's governance structures.

Remuneration Committee
Responsible for recommending the policy for the remuneration of the Chairman, the Executive Directors and the Executive Committee members, in the context of considering the pay and conditions of the wider workforce.

Executive Directors

The Board delegates the execution of the Company's strategy and the day-to-day management of the business to the Executive Directors, assisted by other members of the Executive Committee.

Management Committees

Executive Committee
Responsible for the day-to-day management of the Group's operations with support from specific forums on SBS, Health and Safety, Risk Management, Export Controls and Sustainability.

Disclosure Committee
Responsible for the identification and disclosure of inside information and for ensuring that announcements comply with applicable laws and regulations.

2024 BOARD AND COMMITTEE ATTENDANCE

	Board (scheduled)	Board (ad hoc)	Audit and Risk Committee	Nomination and Governance Committee	Remuneration Committee	AGM
Mark Williamson	8/8	5/5	–	4/4	–	1/1
Andrew Heath	8/8	5/5	–	–	–	1/1
Angela Noon[1]	3/3	–	–	–	–	–
Derek Harding	8/8	5/5	–	–	–	1/1
Cathy Turner	8/8	5/5	–	4/4	4/4	1/1
Mandy Gradden[2]	8/8	5/5	4/4	4/4	1/1	1/1
Kjersti Wiklund[3]	8/8	4/5	1/1	4/4	4/4	1/1
Nick Anderson[4]	4/4	3/3	2/2	2/2	–	–
Ravi Gopinath[5]	7/8	3/5	3/3	4/4	4/4	1/1
Alison Henwood	8/8	5/5	4/4	4/4	–	1/1
Former directors						
Ulf Quellmann[6]	5/5	5/5	1/1	2/2	2/2	1/1
Bill Seeger[7]	4/4	2/2	1/1	2/2	–	1/1

The ad hoc meetings were arranged at short notice. Directors unable to attend meetings continue to receive the papers in advance of the meeting and have the opportunity to discuss with the relevant Chair or the Company Secretary. Feedback is provided on the decisions taken at the meeting.

1. Appointed to the Board on 1 September 2024
2. Joined the Remuneration Committee on 1 September 2024
3. Stepped down from the Audit and Risk Committee on 23 May 2024
4. Appointed to the Board and Nomination and Governance Committee on 1 June 2024 and the Audit and Risk Committee on 1 September 2024
5. Joined the Audit and Risk Committee on 23 May 2024
6. Stepped down from the Board on 31 August 2024 and the Board Committees on 23 May 2024
7. Stepped down from the Board on 23 May 2024

CORPORATE GOVERNANCE REPORT continued

BOARD ACTIVITIES

The Board is responsible for the overall leadership of the Group and throughout the year, Board activities and discussion have continued to focus on the Company's Strategy for Sustainable Growth.

Key stakeholders are considered in our decision making in accordance with section 172 of the Companies Act 2006: **pages 34 to 35**

Our key stakeholders

- Our people
- Our customers
- Our value chain
- Our society
- Our shareholders
- Our planet

Strategy

Stakeholders considered

2024 activities

- Conducted the second review of the Group's Strategy for Sustainable Growth, considering the progress towards the financial and non-financial targets that accompanied the strategy
- Received updates from the Group's brokers and economists on the developing geopolitical and macro-economic environment in which the Group was delivering against its strategy
- Reviewed progress against the 2022–27 Financial Plan
- Carried out detailed strategy reviews of the Divisions
- Oversaw deep-dive reviews into the Group's Business Transformation Programme, the project to implement the Group's ERP system in HBK and Malvern Panalytical
- Received a detailed update on the progression of the Group's sustainability strategy.

M&A

Stakeholders considered

2024 activities

- Active Board dialogue during the acquisitions of Micromeritics, SciAps and Piezocryst receiving regular updates on the proposed integration plan and synergies
- During the acquisition process, considered the Group's stakeholders, receiving regular reports on engagement with them, including people and culture
- Following acquisition, received updates from the Project Leads on the integration of Micromeritics and SciAps into Malvern Panalytical
- Considered the actual performance of the Group's acquisitions since 2018 against their pre-acquisition plan.

Operations and risk

Stakeholders considered

2024 activities

- Received regular reports from the Chief Executive, Chief Financial Officer and the Presidents of Scientific and Dynamics on operational and financial performance
- Received presentations from members of the leadership team on health and safety, cyber security, climate risk and the ethics and compliance programme
- Carried out deep-dive reviews of the Group's risks at its meetings to ensure continued alignment with the strategy, including geopolitical risks, market/financial shock and compliance
- Reviewed the Group's takeover defence approach as part of a planned annual review
- Carried out in-depth sessions with each Division to discuss strategic direction and risks and opportunities.

Leadership and people

Stakeholders considered

2024 activities

- Approved the appointment of Derek Harding as President, Spectris Scientific, Angela Noon as Chief Financial Officer and Nick Anderson as Non-executive Director
- Continued to focus on employee wellbeing, mental health, health and safety, and received updates from the Group and Divisions
- Undertook reviews of the people strategies including culture and engagement, talent and leadership and organisation effectiveness and received updates from the Workforce Engagement Director
- Reviewed the results of the Group's annual employee engagement surveys and key trends underpinning the results
- Confirmed the Board Diversity Policy remained appropriate and reviewed progress against the FTSE Women Leaders Review and Parker Review.

Finance

Stakeholders considered

2024 activities

- Considered and approved the 2025 budget following review of progress against the Group's performance in 2024
- Considered and assessed the efficacy of the Group's capital allocation model, including approving the $400 million issue of US Private Placement (USPP) and the second tranche of the £150 million share buyback approved in December 2023, together with planned M&A expenditure
- Approved the Full and Half Year Results and associated presentations, trading statements and the Annual Report and Accounts
- Approved the Group's going concern and viability statements.

Governance and ethics

Stakeholders considered

2024 activities

- Monitored progress against the actions from the 2023 Board evaluation and approved the 2024 Board evaluation process
- Received updates on the Ethics and Compliance programme including detail on the Speak Up process, trade compliance and data privacy
- Received updates on ongoing litigation matters, corporate governance and key legal and regulatory topics including a presentation from Slaughter and May on the UK Market Abuse Regulation and Listing Rules
- Approved the Committee Terms of Reference, the Matters Reserved to the Board and Board Role Profiles.

CORPORATE GOVERNANCE REPORT continued

EMBEDDING AND MONITORING CULTURE

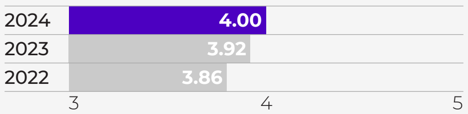
Monitoring the Group's culture

Our purpose is to harness the power of precision measurement to make the world cleaner, healthier and more productive.

The Board sets the Group's purpose and Values and is committed to the continued development of a healthy high-performance culture. The Board believes that this is pivotal to the future success of the Group.

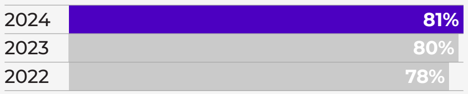
Employee engagement (GrandMean)

4.00



Employees taking part in the survey

81%



OUR VALUES

Our Values drive the right behaviours to support our Purpose. For our employees this means creating a great place to work. For our suppliers and customers this also means shared ethical business practices and a joint commitment to making the world cleaner, healthier and more productive.

The Board is focused on embedding the Group's Values through leading by example.

Be True
The Chair facilitates honest and transparent dialogue during Board interactions, while also enabling constructive debate and challenge. Employees are encouraged to be open and candid in their conversations with the Board and through the workforce engagement programme. The Board regularly meets with employees without management present. The Board reviews the Group's speak up process as part of its regular agenda.

Own It
The Board reviews the Group's performance using financial and non-financial KPIs, qualitative data and stakeholder feedback. The Board celebrates successes and actively monitors the progress of key strategic projects to ensure their long-term success.

Aim High
The Board sets stretching annual targets aligned to the Group's Strategy for Sustainable Growth and actively holds management to account for delivery against these targets. Each Board member uses their particular expertise and experience to deepen and broaden Board oversight.

HOW OUR BOARD MONITORS CULTURE

Culture dashboard
The Board receives regular updates from the Chief Executive on the development of the Group's culture, that reflect the impact of the Group on all stakeholders. The Nomination and Governance Committee receives a culture dashboard at each scheduled meeting which provides an overview of the progress of the key metrics that are considered to provide a consistent and measurable overview of the development of the Group's culture.

Employee engagement
The Board undertakes a detailed review of the results of the annual Gallup employee engagement survey, at a Group, Division and country level. This review is undertaken in conjunction with the Group HR strategy review, which focuses on talent and leadership, organisational effectiveness and diversity and inclusion.

Diversity and inclusion
The Board is focused on developing diversity across the Group and building an inclusive culture. Regular updates were provided to the Nomination and Governance Committee on the Group's progress toward its diversity targets and the wider workstreams supporting the development and understanding of inclusive work practices.

Workforce Engagement Director
Kjersti Wiklund was joined by other Board members in a series of workforce engagement meetings during the Board's visit to China and Japan. Earlier in 2024, Kjersti also visited the Malvern Panalytical digital team in the UK for a deep dive discussion on their experiences and perspectives in the Group. These sessions are structured around: Engagement, Leadership, Sustainability and Diversity, Inclusion and Belonging, with open discussions covering a much wider range of topics.

Health and Safety
The safety of our employees is of paramount importance to the Board. The Board receives monthly updates on the safety performance within each business and an annual review of trends and key mitigation steps.

The Board also receives regular updates on the Group's approach to supporting the mental health of employees.

CODE OF BUSINESS ETHICS

Our Code of Business Ethics sets out the high ethical standards expected of all our people in their daily work to enable us to act with absolute integrity and to do business the right way, every day

The Code of Business Ethics covers various policies on a wide range of activities. The Board actively encourages employees to Speak Up and be the Voice of Integrity. Any breaches of the Code of Business Ethics are thoroughly investigated with appropriate action taken. The Board receives regular reports on compliance against the Code of Business Ethics, which includes the Company's policy on Speak Up, which sets out the procedure by which our people and any third parties can use a confidential external service to raise concerns.

The Audit and Risk Committee is responsible for ensuring that appropriate controls are in place for Speak Up anti-bribery, compliance and fraud. See page 101.

CORPORATE GOVERNANCE REPORT continued

SUPPORTING OUR SECTION 172(1) STATEMENT

Understanding the Group's stakeholders

The Company's stakeholders are at the heart of our purpose and Values. The Board and senior management engage directly with stakeholders to ensure that they understand their perspectives and reflect their interests in the development of the Group's strategy and operational delivery.

Consideration of stakeholders in the Board's meetings and decision making, is illustrated below:

Strategic acquisitions
During 2024, the Board approved and oversaw the successful acquisitions of Micromeritics, SciAps and Piezocryst. When making any acquisitions, the Board carefully considers the impact to employees, customers and shareholders. This included ensuring that the acquisition was aligned with the Board's commitment to generate long-term shareholder value through disciplined use of capital and realisation of synergies. Alongside this, the Board considered cultural alignment, employee interests and sustainability matters.

The Board concluded the acquisitions were in the best interest of the Group's stakeholders as a whole.

Executive Director changes
During the year, Derek Harding was appointed to a new Board role as President, Spectris Scientific and Angela Noon joined the Board as Chief Financial Officer. The Board oversaw these changes as part of a carefully managed succession process, considering the impact of the change on the business, investors and the dynamics of the Board and senior leadership team.

Members of the Board have played an instrumental role in overseeing the transition and Angela's induction and in supporting both Angela and Derek in their new roles.

Insight events – Particle Measuring Systems and Servomex
The Board recognises the importance of engagement opportunities for investors and future investors to gain a better understanding of the Group and the strength of its investment case. During 2024, online insight events were held for the Group's shareholders to provide them with a greater understanding of the outlook and prospects for the Particle Measuring Systems and Servomex businesses. The events were hosted by Andrew Heath and the Presidents of each business and provided detail on recent innovations, markets and growth opportunities.

ENGAGING WITH OUR STAKEHOLDERS

Our people
Our society
Our customers
Our shareholders
Our value chain
Our planet

Further information on the ways in which section 172 has become embedded in how the Company operates can be found throughout the report, some of which are indicated below:

s172 factor	Page reference	Relevant section of the report
The long term	4 to 5	Business Model
	6 to 19	Our strategy
	24 to 33	Chief Executive's Review
Employees	6 to 19	Our strategy
	34 to 35	Stakeholder engagement
	66 to 69	Sustainability
	86	Monitoring the Group's culture
	90 to 93	Nomination and Governance Report
Business relationships – suppliers and customers	24 to 33	Chief Executive's review
	6 to 19	Our Strategy
	17, 31, 41, 43, 47	Case studies
	34 to 35	Stakeholder engagement
Community and environment	34 to 35	Stakeholder engagement
	62 to 78	Sustainability
	144 to 149	TCFD report
High standards of business conduct	62 to 78	Sustainability
	86	Monitoring the Group's culture
	101	Audit and Risk Committee Report – Ethics and Compliance
	144 to 149	TCFD report
Shareholders	4 to 5	Business Model
	20 to 23	Chair's statement
	87	Engaging with our shareholders

ENGAGING WITH OUR SHAREHOLDERS

Shareholder engagement

The Board is committed to engaging proactively and constructively with the Group's shareholders. The Chairman meets regularly with shareholders to discuss governance and strategic matters.

Committee Chairs are available to engage with shareholders on significant matters related to their area of responsibility.

AGM

All Directors, including the Chairs of the Committees, attend the AGM and are available to answer shareholder questions. The notice of each AGM and related information are circulated to all shareholders at least 20 business days before the meeting. Directors are also invited to attend the results presentations following the announcement of Full and Half Year Results.

Investor Relations

The Chief Executive and Chief Financial Officer are the principal contacts for institutional shareholders and sell-side analysts. They manage and develop the Group's external relationships with shareholders and follow a comprehensive programme of investor interactions. Feedback from these interactions is discussed regularly with the Board. During 2024, there was an enhanced level of engagement regarding the acquisitions of Micromeritics, SciAps and Piezocryst.

Find out more about our stakeholders: **pages 34 to 35**

HOW OUR BOARD MONITORS CULTURE

Board Visit to China and Japan

In October 2024, the Board spent a week in China and Japan. This immersive visit allowed the Board to spend time with a variety of stakeholders across both countries, with customer meetings, townhalls, leadership dinners and employee engagement sessions. The insights and experience gained during the visit has had an immediate impact on the Board's understanding of the needs of their stakeholders in both countries and is already proving instrumental in Board discussions and decision making.

Engaging with our customers

During the visit, the Board met customers from each Group business.

Highlights from the visit, included seeing how the In-Process, Physical Test and Virtual Test segments come together to support NIO in their Shanghai facility, and the signing of a long-term partnership with Crystal Clear Electronic Material Co., Ltd. (formerly known as Jingrui Pharmaceuticals) in China.

Further visits to Air Liquide, JAXA, AIST and Osaka University demonstrated the breadth and depth of the Group's customer offering and the importance of customer centricity to our business model.

Engaging with our workforce

During the visit, the Board met employees at six sites across Tokyo, Kobe, Shanghai and Suzhou and attended townhalls at each site.

All Directors received the opportunity to participate in workforce engagement sessions led by Kjersti Wiklund, Workforce Engagement Director. These small group sessions, without management present, provided opportunities for employees to share their views on the developing culture of the Group and key areas of excitement and challenge.

The Directors found the candour and openness of employees incredibly helpful in really understanding the Group from the perspective of the teams based in China and Japan.

Many of the perspectives raised have been brought back to the Boardroom for further discussion and review.

CORPORATE GOVERNANCE REPORT continued

BOARD EVALUATION AND EFFECTIVENESS

INFORMED DECISION MAKING

The Chairman is supported by the Company Secretary in ensuring the dissemination of accurate, timely and clear information to the Board, allowing it to function effectively and efficiently. The Company Secretary is responsible for ensuring compliance with appropriate laws and regulations and is available to support all the Directors. Directors may solicit independent, professional advice at the Company's expense where specific expertise may be required to effectively discharge their duties.

ACCESS TO THE BUSINESS

The Board undertakes a deep-dive review with the leadership of each Division at least annually. Additionally, each year the Board meets on-site at one Division. Board visits include a tour of the relevant facility, overviews of key products with their developers, a deep-dive review of the business with the wider leadership team and the opportunity to meet informally with employees. During 2024, the Board visited China and Japan, as set out on the previous page.

TRAINING AND DEVELOPMENT

New Directors receive a formal, tailored and comprehensive induction programme on joining the Board, and further training and development needs are reviewed by the Chairman and agreed at least annually. The Board receives regular corporate governance and legal and regulatory updates. An external speaker programme brings thought leadership to Board discussions on a variety of emerging themes and topics. In 2024, the Board received updates from external speakers on geopolitics, cyber security, the macro-economic environment and the Market Abuse Regulation and Listing Rules.

THE EFFECTIVENESS OF THE BOARD IS REVIEWED THROUGH AN ANNUAL PERFORMANCE REVIEW

In accordance with the Code, the Board undertakes a formal and rigorous evaluation annually. The evaluation process is externally facilitated every three years.

2022
Externally-facilitated evaluation carried out by Lisa Thomas from Independent Board Evaluation. Neither Lisa Thomas nor Independent Board Evaluation have any connection with the Group.

2023
Internally-facilitated evaluation led by the Chairman and facilitated by the Company Secretary.

2024
Internally-facilitated evaluation led by the Chairman and facilitated by the Company Secretary.

2023 Board performance evaluation and outcomes

The 2023 Board performance evaluation built on the outcomes of the externally-facilitated evaluation in 2022. It considered the Board's composition, diversity, experience and dynamics, alongside the consideration of the Board's approach to strategy, risk and decision making. Each Board Committee was also reviewed as part of the evaluation process and the Senior Independent Director led the Chairman's performance review.

The Board considered the feedback from the evaluation at its meeting in February 2024 and recommended actions were agreed. These actions were reviewed during 2024. Key activities undertaken in response to the outcomes of the Board evaluation process included:

- Development of thought leadership programme to build the Board's understanding on new and emerging topics and principal teach-ins with external speakers and specific deep-dives and training
- Improvement of visibility of the Group's talent processes and the Board has been provided further detail on talent within the Group and Divisions at the Board's Strategy Review meeting
- Continued enhancement of the Group's risk appetite and integration within the strategy. There has been an organisation review with enhanced investment in talent and capability within this area
- The Board to continue to build on the work to improve the Group's culture, and the Board and the Nomination and Governance Committee have continued to receive regular updates, reviewing qualitative and quantitative performance.

2024 Board performance evaluation process

The 2024 evaluation process commenced in October 2024 and has been conducted and overseen by the Company Secretary.

The Directors completed a tailored questionnaire in a similar form to 2023 which enabled year-on-year comparison of performance. The Board and its Committees agreed the form of questions. In addition, the Chairman has met separately with each of the Non-executive Directors.

The outcomes and responses were collated and discussed by the Board at its meetings in February 2025 and it was concluded that the Board and its Committees continue to operate effectively. The Senior Independent Director led the review of the performance of the Chairman.

Details of the outcome of the evaluation and the progress of actions agreed will be reported in the 2025 Annual Report and Accounts.

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Nomination and Governance Committee Report

"Our Group benefits from the diversity of experience and perspective present on our Board and in our senior leadership team."

Mark Williamson
Chair of the Nomination and Governance Committee

During 2024, the Committee oversaw the transition of Derek Harding to the role of President, Spectris Scientific and the selection process for a new Chief Financial Officer that led to the Board's appointment of Angela Noon. The Committee's primary focus was on managing an orderly succession process and selecting a high quality candidate in Angela who would complement and add to the existing skills and experience on the Board and Executive management team.

A focus on succession planning

In 2024, the Committee was heavily focused on Executive and Non-executive succession.

As reported last year, the Committee reviewed the skills and capabilities of the current Board, identifying areas of focus for future Non-executive Director recruitment, reflecting that Bill Seeger and Ulf Quellmann had served nine years on the Board.

Following the planned retirement of Bill Seeger at the May 2024 Annual General Meeting, the Committee recommended to the Board the appointment of Mandy Gradden as Chair of the Audit and Risk Committee, recognising her strong knowledge and deep experience in the current financial reporting and regulatory landscape.

The Committee also oversaw the timing of Ulf Quellmann's retirement from the Board on 31 August 2024, following a rigorous and successful selection process, which culminated in the Board's appointment of Nick Anderson as Non-executive Director. Nick brings a wealth of experience to the Board having recently retired as Chief Executive of the FTSE 100 industrial engineering company Spirax Group plc.

A significant proportion of the Committee's time in 2024 was spent overseeing changes to the Executive leadership structure. The Committee oversaw and recommended to the Board Derek Harding's appointment as President, Spectris Scientific. In doing so, the Committee spent considerable time with management, reviewing the Group's long-term succession plans, the existing executive and senior leadership talent pipeline and business performance. All Committee members took an active role in the search and selection process that led to the appointment of Angela Noon as Chief Financial Officer. In recommending this appointment, care was taken to ensure that a candidate was selected with a strong cultural fit and complementary knowledge and experience.

Developing our talent pipeline

The Committee continued to receive regular updates from the Chief Executive and the Group HR Director on the wider talent pipeline and senior leadership succession planning processes. Committee members enjoyed spending time with the Group's leadership teams in China and Japan during our visit in October and the interactions there, combined with wider workforce engagement activities, have served to enrich our discussions on development and the talent pipeline.

Progressing our commitment to diversity and inclusion

Our Group benefits from the diversity of experience and perspective present on our Board and in our senior leadership team. In 2024, we reached the important milestone of 50% women on our Board and the Committee receives regular updates on our wider progress to improve diversity and inclusion within the Group, including progress towards targets and wider initiatives to build inclusion. Further detail is set out on pages 66 to 68.

Engaging with our workforce

The Committee continues to receive regular updates from Kjersti Wiklund in her capacity as Workforce Engagement Director. In 2024, all Committee members also took part in workforce engagement meetings as part of the Board visit to China and Japan which has proved invaluable in shaping the Committee's understanding of the developing culture of the Group. Further detail on the Board's workforce engagement activities during 2024, can be found on pages 86 and 88.

A focus on governance

The Committee's remit includes oversight of the evolving governance landscape, including the development of ESG regulation. In this regard the Committee has continued to receive insightful input from Alison Henwood in her capacity as Non-executive Director responsible for sustainability matters, as well as briefings from the Company Secretary on key regulatory developments.

Mark Williamson
Chair of the Nomination and Governance Committee
27 February 2025

Role of the Committee

The Committee leads the process for Board appointments and makes recommendations to the Board in this regard. In fulfilling this role, the Committee evaluates the balance of skills, experience, diversity, independence and knowledge on the Board.

The Committee's remit includes the review of the Group's governance structures and processes, which includes those structures put in place to support the Board's oversight of the Group's sustainability strategy and approach to workforce engagement.

Membership and attendees

Throughout 2024, all Non-executive Directors were members of the Committee, other than Ulf Quellmann who was a member of the Committee until 23 May 2024, when he stepped down from the Committee in recognition of his completion of nine years' service on the Board. The biographies of the members of the Committee can be found on pages 82 to 83 and attendance at Committee meetings on page 84.

Regular attendees at the meetings include the Chief Executive, Group HR Director and the Company Secretary.

Full terms of reference for the Committee can be found at **www.spectris.com/our-approach/corporate-governance/**

Activities during 2024

During the year, the Committee's key activities included:

- a deep-dive review of the Group's talent pipeline;
- oversight of the Non-executive Director and Executive Director succession, selection and appointment process;
- receiving regular updates summarising the Group's culture and reviewing the output of the Group's annual employee engagement survey;
- considering the independence of each of the Non-executive Directors and their time commitments and reviewing the external commitments of the Executive Directors;
- receiving regular updates from Kjersti Wiklund as Workforce Engagement Director;
- considering the Group's sustainability governance arrangements and the input from Alison Henwood, as the Non-executive Director responsible for sustainability oversight;
- reviewing relevant legal and regulatory requirements and the Company's compliance;
- reviewing the Board's performance against diversity targets including the FTSE Women Leaders and the Parker Review; and
- the annual review of the Board's skills and capabilities matrix and succession.

Committee effectiveness

The Committee's performance was assessed as part of the internally conducted Board evaluation and is considered to be operating effectively. Further details on the evaluation process are set out on page 89.

External appointments and time commitments

External directorships and conflicts of interest are declared by Directors on appointment and are reviewed at least annually by the Committee. Any external appointments are carefully considered, including the impact on the individual Director's ability to meet the necessary time commitments. Conflicts of interest are recorded and reviewed together with any evidence of situational or transactional conflicts, as well as each Director's shareholding in the Company. This helps to ensure that the judgement of the Board remains uncompromised and independent. The Board considers all Directors have sufficient time to meet their Board responsibilities. Details of the Directors external appointments can be found on pages 82 and 83.

Independence, election and re-election to the Board

The Committee reviews the effectiveness and commitment of all Directors before recommending their election or re-election to shareholders at the AGM. These include: the results of the individual evaluation process; the tenure and independence of each of the Directors; and the other external appointments held by the Directors. Any potential conflicts of interest are also considered. This review allows the Board to consider any circumstances that are likely to, or could, impair a Non-executive Director's independence. The Committee is satisfied with the contributions and time commitment of all the Directors during the year. The Board is considered independent. Angela Noon and Nick Anderson are standing for election, with all other Directors standing for re-election by shareholders at the AGM in May 2025 with the support of the Board.

NOMINATION AND GOVERNANCE COMMITTEE REPORT continued

BOARD OVERVIEW

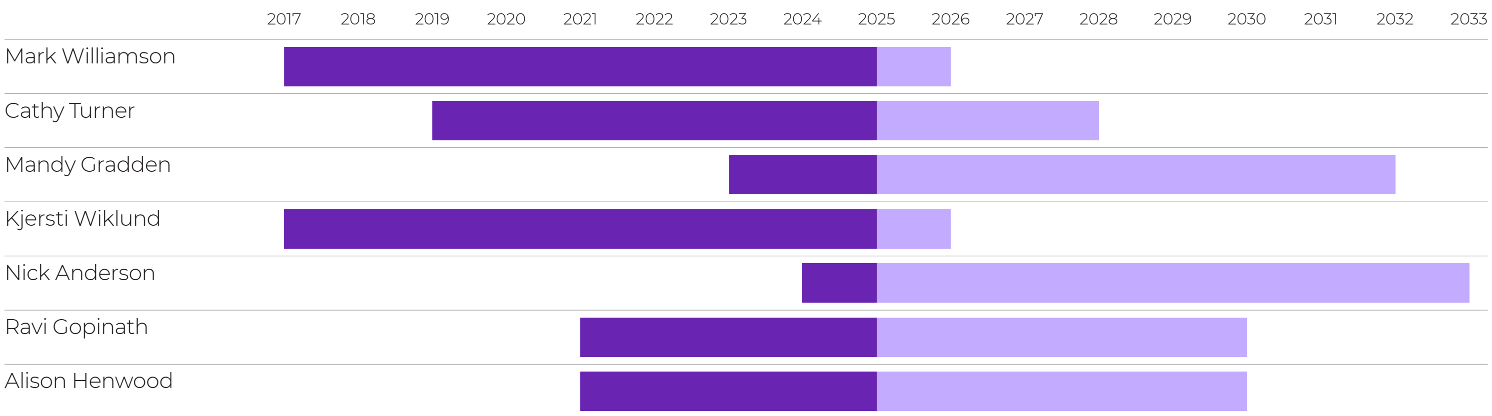
THE BOARD'S SKILLS AND EXPERIENCE

■ Very experienced
□ Experienced

	Mark Williamson	Andrew Heath	Angela Noon	Derek Harding	Cathy Turner	Mandy Gradden	Kjersti Wiklund	Nick Anderson	Ravi Gopinath	Alison Henwood
Strategy and M&A	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced
Finance and accounting	Very experienced	Experienced	Very experienced	Very experienced	Very experienced	Very experienced	Experienced	Experienced	Experienced	Very experienced
Risk management, regulation and governance	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced
Digital and technology (including cyber and AI)	Experienced	Experienced	Very experienced	Very experienced	Experienced	Experienced	Very experienced	Experienced	Very experienced	Experienced
Science and engineering	Experienced	Very experienced	Experienced	Experienced	Experienced	Experienced	Very experienced	Very experienced	Very experienced	Very experienced
Sustainability	Experienced	Very experienced	Experienced	Experienced	Very experienced		Very experienced	Very experienced	Experienced	Very experienced
Operating model or change management	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced
Talent and remuneration	Very experienced	Very experienced	Experienced	Very experienced	Very experienced	Experienced	Very experienced	Very experienced	Experienced	Experienced
International business experience	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced	Very experienced
Listed CEO or CFO	Very experienced	Very experienced	Experienced	Very experienced		Very experienced		Very experienced		

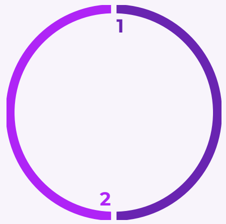
NON-EXECUTIVE DIRECTORS' TENURE

The Committee monitors a schedule of the Non-executive Directors' tenure and reviews potential departure dates assuming the relevant Directors are not permitted to serve more than three, three-year, terms (nine years) from their appointment date, unless in exceptional circumstances:



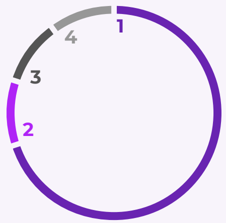
BOARD OVERVIEW

Board gender



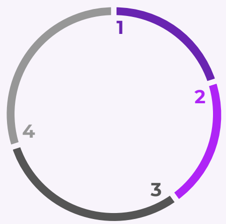
1	Male	5
2	Female	5

Nationality of Directors



1	British	7
2	British/American	1
3	Norwegian	1
4	Singaporean	1

Overboarding scores[1]



1	1 mandate Directors	2
2	2 mandate Directors	2
3	3 mandate Directors	3
4	4 mandate Directors	3

1. Based on 2025 ISS Guidance, which classifies any person with more than five mandates at a listed company as overboarded. A Non-executive Directorship counts as one, a Non-executive chairmanship counts as two and an Executive Director position (or comparable role) counts as three.

NOMINATION AND GOVERNANCE COMMITTEE REPORT continued

BOARD APPOINTMENT PROCESS

Board appointment process

During the year, the Committee was responsible for the oversight of the selection process for a new Chief Financial Officer and a new Non-executive Director.

The Committee approved detailed role descriptions having considered the particular skills, experience required, mindful of both the Group's strategic and operational needs and compliance with the Code. All members of the Committee took part in the selection process, giving specific consideration to the culture of the Board and the importance of selecting candidates who would provide complementary diversity of thought and experience.

The search process for the Chief Financial Officer and Non-executive Director were supported by Egon Zehnder. Egon Zehnder are signatories to The Standard Voluntary Code of Conduct for Executive Search Firms and have no connection with the Company.

Egon Zehnder worked closely with the Chairman and Senior Independent Director to create suitable short lists, with candidates meeting with all members of the Committee as part of the interview process.

The Committee closely oversaw both selection processes, ensuring the independence of both successful candidates and in the case of Nick Anderson that he had appropriate time to fully commit to the role alongside his other non-executive roles.

LOOKING FORWARD – SUCCESSION PLANNING FOR MARK WILLIAMSON

In May 2026, Mark Williamson will retire from the Board, having served on the Board and as Chair for nine years. Mark has added immeasurable value to the Group, having led its successful transformation since 2017. A search and selection process to identify Mark's successor is being led by Cathy Turner, Senior Independent Director and she is being supported by the Committee.

Egon Zehnder has been instructed to support the search and selection process, with the intention of an appointment being made late in 2025 to support a thorough and tailored induction programme and an effective and orderly handover taking place. The process and outcome will be reported in detail in the 2025 Annual Report and Accounts.

ANGELA NOON'S INDUCTION

Angela's induction specifically related to:

- Voice of the Executive Committee – with one-to-one meetings with all members of the Executive Committee to understand their culture and ways of working
- Introduction to Group Finance – welcome meeting with all Angela's direct reports, with focus on financial reporting and controls, risk management, capital markets and cyber security
- External stakeholder engagement – meeting with a number of external stakeholders, including the external auditor, internal auditor and corporate brokers
- Understanding operations – including meeting the Divisional finance teams to undertake their focus and challenges
- Getting to know the business – visiting a number of sites across the UK, Europe, Asia and US.

"The induction I received has been comprehensive and informative. It has provided me with a clear overview of the Spectris strategy and culture."

Angela Noon

NICK ANDERSON'S INDUCTION

Nick's induction has followed our set approach for the induction of all new Non-executive Directors. This approach aims to provide those joining the Board with a cross section of information and views tailored to support their immediate impact in their role on the Board and any Committees that they will join.

This approach starts with meetings with all members of the Executive Committee and other key leaders to support an understanding of the Group structure, operating model, growth opportunities and challenges. Nick also met with the Group's brokers and key advisors to receive direct feedback on both market perception and shareholder value creation.

Nick also visited a number of key sites, meeting directly with local teams and also met with customers and employees during the Board visit to China and Japan.

"The quality of conversations with leaders, employees and customers has helped me to get up to speed really quickly in the boardroom."

Nick Anderson

AUDIT AND RISK COMMITTEE REPORT

Audit and Risk Committee Report

"It is an exciting and critical time to be part of the Spectris Group, as we integrate new businesses and support management with consolidating our approach to risk and internal controls."

Mandy Gradden
Chair of the Audit and Risk Committee

On behalf of the Audit and Risk Committee, I am pleased to present my first report to you since being appointed Chair of the Committee, succeeding Bill Seeger in May 2024.

I am excited to be part of the Spectris Group; in my role I am focused on supporting management to continue developing robust risk and internal controls as they integrate the acquisitions made in 2024, continue to embed the new enterprise resource planning (ERP) system and consolidate their risks and internal controls approach in response to an ever-changing external environment.

During my induction, after I joined the Board in October 2023, I spent time with the Spectris Dynamics and Spectris Scientific Presidents, the Director of Investor Relations, key members within the Group Finance team, as well as the Group General Counsel and the Head of Risk. I have also worked closely with our lead external audit partner at Deloitte and our Internal Audit co-source partner at PwC. In addition, the Committee was pleased to welcome Angela Noon as the new Group Chief Financial Officer in September 2024 and we look forward to working with her during 2025.

Alongside long-serving Committee member, Alison Henwood, I was delighted to be joined on the Committee by Non-executive Directors Ravi Gopinath and Nick Anderson. We would like to thank Kjersti Wiklund, as well as Bill Seeger and Ulf Quellmann for their contributions to the Committee over many years.

Our core duties remained largely unchanged during 2024 and the Committee has maintained a consistent focus on financial reporting, risk assurance and internal controls. The fourth standing meeting, formally introduced to our yearly calendar in 2023, remains an important session for the Committee to allow enough time and space across the year to consider topics in adequate breadth and depth.

Some of the additional matters we have considered during 2024 include:

- receiving regular updates and reports from management on the ERP implementation and assurance of the programme;
- considering the accounting judgements made in respect of the ERP and acquisitions, more details on page 97;
- reviewing the Group Principal Risks, (set out in full on pages 58 to 60) and further details of the Committee's consideration of these are on page 100; and
- deep dive sessions into the risks and strategy of the Group Treasury and Group Tax functions.

The Board as a whole undertook a very informative visit to several of the Group's sites and customers in China and Japan. The Committee values the opportunity that visits like these offer, where it is possible to gain a deeper understanding of the operations across the Group and to have the chance to discuss more specific topics local to these geographies. Further details of our visit can be found on page 88.

Internal controls enhancements will remain a core focus in 2025, as we move towards the additional reporting the Board will be required to make under the revised UK Corporate Governance Code. In the coming year, the Committee will work closely with the Chief Financial Officer, the Head of Risk, Internal Audit and External Audit to identify and understand the material controls and existing levels of assurance in place.

Alison Henwood, Committee member, has continued to support the Board in the oversight of climate-related risks and opportunities, working closely with the Head of Corporate Affairs and Company Secretary, and Head of Sustainability. The assurance of ESG data within the Annual Report, and how we prepare for additional regulations such as the Corporate Sustainability Reporting Directive (CSRD), has also featured on the Committee agenda during 2024. We expect that the Committee will continue to play an important part in ensuring and maintaining the quality of ESG data we report externally.

I hope that you find this a useful summary of the Committee's activities during 2024 and I would like to thank all of our Committee members for their involvement during the year.

Mandy Gradden
Chair of the Audit and Risk Committee
27 February 2025

Full terms of reference for the Committee can be found at **www.spectris.com/our-approach/corporate-governance/**

Role of the Committee

The Committee supports the Board in fulfilling its responsibilities in respect of:

- overseeing the Company's financial and narrative reporting processes, including advising the Board on whether the information provided is fair, balanced and understandable;
- reviewing, challenging and approving significant accounting judgements (see pages 98 and 99) proposed by management;
- reviewing and monitoring the way in which management ensures and oversees the adequacy of financial, risk management and internal controls;
- managing the appointment, remuneration, independence and performance of the Group's external auditor;
- managing the independence and performance of the Group's internal auditor;
- ensuring that relevant and significant areas of risk management are appropriately considered and addressed; and
- ensuring that additional consideration is given to relevant regulatory developments and emerging best practice.

Membership and attendees

The current Committee membership is:

- Mandy Gradden (Chair);
- Nick Anderson;
- Ravi Gopinath; and
- Alison Henwood.

Bill Seeger retired as Chair of the Committee in May 2024 at the AGM. Ulf Quellmann ceased to be a member of the Committee at the AGM, before retiring as a Non-executive Director at the end of August 2024. Kjersti Wiklund was also a member of the Committee until July 2024. Ravi Gopinath joined the Committee in May 2024 and Nick Anderson joined the Committee in September 2024.

Mandy Gradden and Alison Henwood are determined, by the Committee, to have 'recent and relevant financial experience' as required by the Code. All members of the Committee are considered to have competencies that the Board deems relevant to the Committee and to the sectors in which the Company operates.

Attendees at meetings also normally include the Chair of the Board, the Chief Executive, the Chief Financial Officer, and the Head of Corporate Affairs and Company Secretary. The Head of Risk and representatives from the external auditor, Deloitte, and the internal auditor, PwC, also attend meetings on a regular basis. Other senior functional leaders attend as required for the topics on the agenda.

Read more about the current members of the Committee on **pages 82 and 83**

Details of attendance at Committee meetings is set out on **page 84**

Committee meetings

During 2024, the Committee held four scheduled meetings. Regular agenda items included considering the work of the external auditor, Deloitte, the internal auditor, PwC and the Group's risk and controls framework. Informal discussions and meetings were also held between the Chair of the Committee and key members from the external and internal audit teams, as well as the Group Finance team. The Committee formally scheduled separate sessions with the internal and external auditor without management present and encouraged regular informal feedback from the external audit partner and the internal audit co-source partner in their catch-ups with the Chair of the Audit and Risk Committee.

In accordance with the Code, the Committee considers that the most significant matters it addressed during 2024 were:

- the implementation and assurance of the new ERP system in Malvern Panalytical which started in April 2024 and the commencement in September 2024 of the implementation in HBK;
- the accounting for the SciAps, Micromeritics and Piezocryst acquisitions which took place in the second half of 2024;
- planning and adapting to various personnel changes, including the onboarding of a new Chair of the Committee and the Group CFO; and
- continuing to support preparations for planned UK regulatory changes on internal control provisions.

Annual performance evaluation

During 2024, the Committee's performance was assessed as part of the Board's internally conducted annual effectiveness review. The Committee is considered to be operating effectively. The evaluation feedback set out suggestions for improvement regarding meeting frequency, additional information around risk appetite and the risk framework to be incorporated into induction materials and including more detail within papers to the Committee to shorten verbal updates.

Activities during 2024

The Committee has an annual forward agenda developed from its Terms of Reference.

The forward agenda is maintained and updated with any specific matters arising and topical business or financial items on which the Committee has chosen to focus. The work of the Committee is predominantly split into four key areas: accounting, tax and financial reporting; risk management and internal controls; internal audit; and external audit. The topics we have considered in each of these categories are set out throughout rest of this report.

ACCOUNTING, TAX AND FINANCIAL REPORTING

The Committee plays an integral role in providing assurance to the Board around the integrity of the Half Year Results and annual financial statements and the associated significant financial reporting judgements, estimates and disclosures. During 2024, and the early part of 2025, as part of its review of the 2024 Half Year Results and annual financial statements, the Committee has:

Reviewed and challenged	Recommended for Board approval	Recommended for shareholder approval
– accounting judgements including: • the methods, assumptions and benchmarks used to calculate the position of the retirement benefit schemes; • acquisition accounting for SciAps, Micromeritics and Piezocryst; • segmental reporting; • the appropriateness and consistency of alternative performance measures reporting including the categorisation of significant costs on restructuring and ERP implementation; and • the Group's ongoing litigation matters and any associated provisions – the overall drafting and review processes that underpins the integrity of the Annual Report and Accounts – the base case and risk scenarios used for the viability assessment, liquidity risk planning and the basis for preparing the half-year and annual Financial Statements on a going concern basis – the related disclosures in the Annual Report and Accounts and the provisions of the Code regarding going concern and viability statements and reviewed best practice – the process designed to ensure Deloitte is aware of all 'relevant audit information', as required by the Companies Act 2006 – the disclosures in the 2024 Annual Report and Accounts in relation to internal controls and the work of the Committee	– the management representation letter to Deloitte, including the findings and opinions of the external auditor, and recommended it for Board approval – the key accounting the Half Year and Full Year Results before recommending them for Board approval – the Group's tax strategy and recommended it for approval by the Board	– following the effectiveness review, the reappointment of the external auditor for shareholder consideration at the 2025 AGM

Fair, balanced and understandable assessment

In addition to the above, the Committee considered whether the Group's 2024 Annual Report and Accounts were, taken as a whole, fair, balanced and understandable. In carrying out its review, the Committee received a paper from management setting out the rigorous drafting, review and verification exercise that the 2024 Annual Report and Accounts had undergone. Further thought was given to the language used within the report, whether explanations were simple, clear, and precise and whether there was a consistent tone throughout. Specific considerations for the Committee in respect of the 2024 Annual Report and Accounts included the consideration of statutory and adjusted (alternative performance) metrics.

Having reviewed and considered these key areas, and following their review of the process undertaken to ensure that the 2024 Annual Report and Accounts adhered to relevant legal and regulatory requirements, the Committee was able to recommend to the Board that, when taken as a whole, the 2024 Annual Report and Accounts is fair, balanced and understandable and contains the relevant information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The accounting policies are included in the relevant notes to the Consolidated Financial Statements. These are presented on pages 165 to 176. With the support of Deloitte, as external auditor, the Committee has reviewed the suitability of the accounting policies which have been adopted and whether management has made appropriate estimates and judgements.

CONSIDERATION OF THE ERP IMPLEMENTATION

The Committee ensured that there were regular updates included on the agenda to consider and discuss the progress of the ERP implementation, and how the initial stages of the multi-year project had been assured.

Additional reports were received from the Division Presidents and the external assurance provider, as well as feedback from Deloitte, and updates from the Executive Directors as part of the reports made to the Committee and to the Board as a whole.

In addition, as part of its audit plan for the year, Deloitte reviewed the general IT controls in the system following the implementation at Malvern Panalytical. This review had identified a small number of control findings, in line with expectations for the size and scale of the ERP transition.

Updates received considered the areas that needed further improvement, and the areas that had gone well. This provided comfort to the Committee on the progress being made with the implementation, and assurance that the lessons learned were being effectively reflected in further stages of the project planning. Despite some of the challenges faced, the Committee received assurance that there was adequate oversight of the project. In particular that the ERP implementation was being adapted to respond to any challenges and implementing different approaches where necessary in response to lessons learned.

A further independent review of lessons learned has been commissioned in early 2025 to provide additional assurance that the ERP is optimised in all businesses in which it is operated, and to provide further guidance for future roll-outs.

KEY AREAS OF FOCUS IN RELATION TO THE FINANCIAL STATEMENTS

The Committee has reviewed the key judgements applied to the following significant issues in the preparation of the Financial Statements. The table below sets out the issue, its significance, how the Committee considered it and any comments and conclusions reached.

Post-retirement benefits

Issues and significance	The role of the Committee	Comments and conclusions
The Group's sole key source of estimation uncertainty disclosed in the Group's 2024 Financial Statements is in relation to the assumptions applied in the calculation of retirement benefit plan assets and liabilities (note 19). Accounting for retirement benefit plans under IAS 19 (revised) requires an assessment of the future benefits payable in accordance with actuarial assumptions. The discount rate and rate of inflation assumptions applied in the calculation of plan liabilities, alongside the potential impact of the Virgin Media case investigation, details of which are set out in note 19, represent the Group's key source of estimation uncertainty.	The Committee reviewed the methods, assumptions and benchmarks used by the actuaries to calculate the position of the retirement benefit schemes.	The Committee reviewed the appropriateness of disclosures and sensitivities and, following consultation with the external auditor, the Committee is satisfied that the discount rate and rate of retail price inflation (RPI) assumptions applied in the calculation of plan liabilities are appropriate.

M&A activity

Issues and significance	The role of the Committee	Comments and conclusions
The Group completed four acquisitions during the year: – Dimer Instruments Inc. on 25 April 2024; – SciAps Incorporated on 21 August 2024; – Micromeritics Instruments Corporation on 23 August 2024; and – Piezocryst Advanced Sensorics GmbH on 2 December 2024. The accounting implications of all the above were presented for review. As part of the accounting for the acquisitions, a valuation of the assets and liabilities acquired for each of the acquired entities has been performed, and identified acquired acquisition intangible asset balances totalling £266.2 million and goodwill of £510.4 million. The valuation of the acquired intangible assets are based on certain assumptions and estimates that require judgement, including forecast future revenue growth rates, customer attrition rates, discount rates and technology royalty rates, which require judgement and therefore increases the risk of the acquisitions not being accounted for correctly in line with IFRS 3 'Business Combination'.	The Committee reviewed the papers provided to the Board and considered the relevant accounting judgements made by management for the transactions in question. The Committee noted that third-party subject experts were engaged to support the purchase price allocation exercise for the acquisitions, with third-party valuation firms valuing the acquired intangible assets and third-party technical accounting advisors providing assistance on GAAP conversion work. Opinions were sought from Deloitte on their conclusions and audit of the M&A activity.	Following the Committee's review of the accounting treatments proposed by management for the acquisitions that took place within the year, the Committee was satisfied that the treatments used were appropriate for each transaction.

Segmental reporting

Issues and significance	The role of the Committee	Comments and conclusions
Following the completion of the sale of the Red Lion Controls business in April 2024, the Group changed its divisional structure based on a redefinition of its operating segments and reportable operating segments in accordance with IFRS 8. The change consisted of the Servomex business reporting moving from Other non-reportable operating segments to form part of the Spectris Scientific division. The new segmental structure reflects the current internal reporting provided to the Chief Operating Decision Maker (considered to be the Board) on a regular basis to assist in making decisions on capital allocated to each segment and to assess performance. The structure includes separate reportable operating segment disclosures for the two major Divisions: Spectris Scientific, containing Malvern Panalytical, Particle Measuring Systems and Servomex, and Spectris Dynamics. The central costs of running the PLC continue to be disclosed as 'Group costs'.	The Committee discussed the proposal in accordance with IFRS 8 including the manner in which the Group operates and decisions are taken. The Committee also sought views from Deloitte.	The Committee concluded that the new divisional structure is appropriate and will provide clarity to the understanding of the Group for its stakeholders. The Committee was comfortable that the new reportable segments were appropriate and presented in accordance with IFRS 8.

AUDIT AND RISK COMMITTEE REPORT continued

Alternative performance measures (APMs)		
Issues and significance The Group continues to monitor and consider whether the items adjusted in the APMs are appropriate in accordance with the Group's policies. During 2024 the Group has undertaken a number of projects that are significant in nature including the ERP implementation, the Profit Improvement Programme announced in the final quarter of 2024, the disposal of Red Lion and also the new business acquisitions. As a result the total amount of adjusting items in 2024 has increased compared to 2023.	**The role of the Committee** The Committee reviewed and considered the list of items adjusted for within the APMs as well as the explanation and disclosure of the APMs. The Committee reviewed the Group's long-standing definitions of its APMs and considered whether a consistent treatment had been adopted.	**Comments and conclusions** The Committee was satisfied with the list of items adjusted for within the APMs, as well as the explanation and disclosure of the APMs and believes that these add clarity to the understanding of the Company's financial performance. The Committee also reviewed and concluded that the relative prominence of statutory measures compared to APMs remains balanced.

Going concern and viability		
Issues and significance Management presented the Committee with an assessment of going concern and the viability of the Group over a five-year period. This included revised, Board-approved, five-year forecasts taking into account the provisions of the new financing facilities. Consideration was given to the impact resulting from the Group's Principal Risks and uncertainties including but not limited to the impacts from strategic transformation and climate change.	**The role of the Committee** The Committee reviewed the papers received from management in respect of the assessment of both going concern and viability and challenged the assumptions made by management in their assessment. The views of the external auditor were also sought to provide context and further challenge to the assumptions in the papers.	**Comments and conclusions** In reaching its conclusion, the Committee considered the following: – the Group's net debt position; – the levels of remaining headroom available to the Group from its debt facilities; – the financial forecasts and cash profile; – a range of plausible and rigorous scenarios, including a 'severe but plausible' scenario and the mitigating actions available to the Group to potentially offset the impact of these scenarios. It was concluded that the Committee could recommend to the Board that the financial statements should continue to be prepared on a going concern basis. The Committee also concluded, based on the outcomes of the viability assessment, that it is reasonable to expect that the Group would be able to continue to operate and meet its obligations and liabilities as they fall due over the five-year period to 31 December 2029.

RISK MANAGEMENT AND INTERNAL CONTROLS

Internal control and risk management systems

The Board is ultimately responsible for monitoring the risk management and internal controls systems and for reviewing the effectiveness of those systems.

To support the Board with its responsibilities in effectively determining the nature and extent of the Group's significant risks, during 2024, the Committee has:

- ✓ Carried out a robust annual assessment of the process to identify Principal Risks and uncertainties facing the Group
- ✓ Evaluated and challenged the results and recommendations of audits undertaken by the internal audit team and the external auditor
- ✓ Considered the level of alignment between the Group's Principal Risks and internal audit programme through the use of the new Riskonnect system
- ✓ Reviewed reports received on significant control issues to the Group and considered and challenged as necessary the adequacy of management's response to any matters raised
- ✓ Overseen the governance and risk management framework, including the revised risk assessments following any movement in gross or net risks since the prior year
- ✓ Reviewed and discussed the Group's tax and treasury risks
- ✓ Considered key emerging risks and management's approach to the ongoing oversight and management of those risks
- ✓ Considered the Group's ethics programme and the anti-bribery and corruption programme
- ✓ Considered common control themes identified throughout the business and where themes were identified, ensured that subsequent action had been taken to minimise the risk
- ✓ Assessed the Group's responsibilities relating to regulated exposures of the Group

Before reporting its findings and recommendations to the Board, a review of the Committee's agenda is also made against its Terms of Reference (available in full at www.spectris.com) to ensure that all matters have been adequately addressed.

Regular meetings were held between the Chair of the Committee and the newly appointed Head of Risk. The Head of Risk role was redefined at the end of 2024 to bring increased focus and additional perspective to risk and internal control processes across the Group.

The Committee's primary responsibility in respect of risk management and internal controls systems is to review their effectiveness and to make recommendations for possible improvements as appropriate. The Board notes that, as with all such systems, the Group's approach to risk management and internal controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can therefore not provide absolute assurance against material misstatement or loss.

Throughout the year, the Committee has monitored the Group's internal control and risk management systems and at its meeting in February 2025, specifically reviewed the effectiveness of these.

Enterprise Risk Management Process

The Committee received updates on the Enterprise Risk Management process, which included the meetings of the Executive Risk Committee (ERC). The ERC met to consider the Group Principal Risks before they were presented to the Committee and each of the Group Principal Risk owners had reviewed their risks, associated controls and risk actions, as well as performed a revised risk assessment. This was supported by the work of the audit and risk committee meetings within each of the businesses which take place on a quarterly basis. Each business risk is linked to the relevant Group Principal Risk to ensure that tracking and reporting of each risk is consistent as well as identifying the associated controls in place.

Feedback from the business audit and risk committees is consolidated at the ERC and the businesses are responsible for maintaining their risk registers within the Riskonnect system. Formal reviews of the risk registers are held at the business audit and risk committees, and the output of these reviews have also been an important part of the ERC's assessment of the Group Principal Risks

Continuing our preparation for the 2024 UK Corporate Governance Code

As set out in our report to shareholders last year, during 2024, the Committee has continued to oversee the Group's preparations for the change in reporting requirements regarding internal controls set out in the 2024 UK Corporate Governance Code. Part of these preparations have involved the recruitment of a dedicated Head of Risk to lead the preparations for the reporting requirements. The Committee discussed and considered a high level timetable of key activities that would enable the Group to identify its material controls and what changes to assurance mechanisms might be required.

The Group has continued to develop and enhance its internal control and risk management processes in 2024, and the newly implemented Riskonnect system, which remains an important feature in documenting and monitoring the risks and controls across the business. This allows clear oversight and owners of each risk, as well as the associated controls and risk mitigation actions and will be useful in determining the assurances needed for the material controls assessment. The Riskonnect system is also used by the Internal Audit team to monitor the timely completion of its recommendations.

The Committee will continue to receive regular updates and engage closely with management on any changes that might benefit the Group's existing approach to internal controls and to ensure compliance with legislation and best practice as they are updated.

Key areas of focus for 2025

- oversight of the integration of risk and controls into business transformation initiatives to ensure that they are embedded into new business systems and processes across the Group;
- continue to assess and refine our risk and internal control framework, ensuring the definition of our material controls and the establishment of appropriate assurance mechanisms to support compliance with the Code; and
- continue to oversee the Group's compliance with the implementation of the Corporate Sustainability Reporting Directive.

Ethics and compliance and the Spectris confidential helpline

The Committee receives bi-annual updates on any reports raised through the Group's independent and confidential helpline, and the status of associated investigations (further details of the Group's Speak Up Policy can be found on page 68). The Committee also reviews the control procedures in place to comply with the Group's policies on business ethics, anti-bribery, compliance and fraud, including the steps being taken to enhance the Group's ethics and compliance programme.

2024 Viability Statement

The Committee reviewed the preparation of the 2024 Viability Statement and considered the following factors which could impact the duration over which the Viability Statement is made:

- budgeting, forecasting and strategic planning cycles;
- the time frame over which are risks are assessed; and
- the approach taken by our peers.

The Committee remains of the view that the statement made regarding the Company's viability period continues to be an accurate assessment of the Company's viability as at the date of the report.

Read more about the 2024 Viability Statement on **page 61**

INTERNAL AUDIT

The Committee provides assurance to the Board on the adequacy of the resourcing and internal audit planning. It is also responsible for monitoring the effectiveness of the internal audit function.

Existing arrangement	Purpose of Internal audit	Responsibilities of the Internal auditor
– Internal auditor: PwC – Appointed: 2023 – Arrangement: Fully outsourced – Internal Audit Partner: David Reeman (until December 2024); Rebecca Cooke (from January 2025)	– Provide independent, objective assurance to add value and improve the Group's operations	– Examining, evaluating and reporting on the adequacy and effectiveness of the systems of internal control and risk management in place, and the governance processes in operation throughout the Group

Internal audit planning

The Committee has received regular reports from the Internal Audit Partner regarding the status of the internal audit plan and the reports generated from these audits. The internal audit plan and approach is tailored to the respective needs of each division and business. Example of key audits carried out during 2024 include on IT patch and asset management across the Group, inventory management and compliance. The majority of actions raised as part of the 2024 internal audit plan have been implemented.

At its final meeting in 2024, the Committee also considered the internal audit plan for 2025. Developing the plan uses a risk-based approach and has taken into consideration the organisational objectives and priorities, as well as possible risks that may prevent the achievement of those objectives. Internal audit will continue to work closely with the risk and control functions to monitor the 2025 internal audit plan and ensure that it remains relevant and responds to any changes in the risk profile of the business. The plan included internal audits of post-integration reviews, asset management reviews of hardware and software and quality management.

The Committee was pleased to approve the 2025 internal audit plan. The Committee will continue to be updated at each session on the progress against the plan as well as receiving updates on the outcomes of these audits and how promptly actions have been addressed.

Effectiveness of internal audit

The Group progressed to a fully outsourced arrangement with PwC at the start of 2023. The arrangement has continued during 2024. The Committee reviewed the work performed by PwC throughout 2024 and held sessions with the Internal Audit Partner without management present. The Committee remains comfortable that the level of assurance provided by the internal audit function remained effective.

EXTERNAL AUDIT

External auditor: Deloitte LLP
Appointed: 1 January 2017
Lead Audit Partner: Rob Knight, appointed February 2024
External audit tender due: 2026

External audit process

The external audit for the year ended 31 December 2024 has been carried out with a combination of remote and in-person work. Document repository sites have continued to be utilised as an effective way of reviewing documentation to support the audit. The Committee receives regular reports from Deloitte at its meetings and management and the Chair of the Committee maintains an ongoing dialogue with the external audit team outside of the Committee meeting cycle. This has provided comfort to the Committee on the steps that have been put in place to ensure that there was no adverse effect on the quality or the timescale for the completion of the audit of the financial statements. Representatives from Deloitte have been present in every Committee meeting during the year. The Committee has also:

- considered and approved the audit approach, the scope of the audit undertaken by Deloitte as external auditor and the fees for the same;
- agreed reporting materiality thresholds;
- reviewed reports on audit findings; and
- considered and reviewed letters of representation issued to Deloitte, before they are signed by management.

Audit and non-audit fees

In support of its review of the proposed audit fees, the Committee considered the engagement letter as a whole, as well as the independence and effectiveness of the external auditor. In accordance with the authority given to the Committee at the 2024 AGM, the Committee considered the proposed auditor's remuneration to be appropriate.

Non-audit work may only be undertaken by the external auditor in limited circumstances. A cumulative annual cap is imposed for non-audit services provided by our external auditor (save for acquisition due diligence), above which all engagements are subject to the Committee's prior approval.

The Committee's Non-audit Services Policy is available at www.spectris.com/corporategovernance

The Committee's Non-audit Services Policy is used to safeguard Deloitte's independence and objectivity. Non-audit fees for services provided by Deloitte for the year amounted to £0.2 million (7% of the total audit fee). As in previous years, a proportion of these fees were in respect of the half-year review. In addition, the non-audit fee also included:

- the engagement of Deloitte for support on strategic work; and
- the limited assurance of the Group's scope 1, 2 and selected scope 3 disclosures.

For all of the non-audit fee matters, the following were considered before approving any non-audit engagements:

- Deloitte's unique knowledge of the Group;
- having considered any potential or actual threats to auditor independence; and
- the non-audit service fee caps for the Group and the UK.

The Committee separately considered the engagements mentioned and was comfortable that the engagements did not adversely impact the independence of the external auditor and were in line with the Group's Non-audit Services Policy. In conclusion, Deloitte was considered best placed to support the Company. The work was deemed incidental to the audit service. Further details are included in note 4 to the Consolidated Financial Statements.

Effectiveness of the external auditor

During the year, the Committee carried out the annual effectiveness review of the external auditor. The findings of this review were considered and reported to the Board.

A summary of the effectiveness review and its findings is below:

Assessment process	Review of results	Ongoing monitoring
– Reviewed the fulfilment of the agreed external audit plan and variations from it (including changes in perceived audit risks and the work undertaken by the external auditor to address those risks) – Considered reports highlighting key items that arose during the course of the audit – Reviewed the independence of Deloitte and the Deloitte Audit Quality Inspection Report – Assessed the level of non-audit work undertaken by the external auditor – Considered the feedback from a survey targeted at various stakeholders – Considered the Committee's own views and feedback assessment	There were no significant findings following the review and it was concluded that the audit process continued to be effective. Overall there was an improvement in scores from the stakeholder survey compared to 2023. Any comments and feedback from the survey have been shared with Deloitte and incorporated into its 2025 work plan.	To fulfil its responsibility for oversight of the external audit process, the Committee remains responsible for reviewing: – the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditor's engagement letter; – the overall work plan and fee proposal; – any significant issues that arose during the course of the audit and their resolution; – key accounting and audit judgements; – the level of errors identified during the audit; and – the content of, and any recommendations made by the external auditor in, their management letters and the adequacy of management's response.

Following the Committee's own assessment of the performance, independence and effectiveness of Deloitte, the Committee is satisfied that Deloitte continues to remain effective in its role as external auditor.

External auditor reappointment

Deloitte was appointed as the Group's external auditor for the 2017 audit following a formal tender process and their reappointment was last approved by shareholders at the 2024 AGM.

During the year, the Committee reviewed the arrangements with the current external auditor and considered whether it was appropriate to initiate a tender process. The Committee noted that given the knowledge and standard of services provided by Deloitte, it would be in the best interests of the Company and its stakeholders for Deloitte to continue as external auditor. It is the Committee's present intention to initiate a competitive tender process for the external auditor in 2026, for the 2027 year end.

The Committee will provide further details of its preparations for the audit tender in its report to shareholders for the financial year ended 31 December 2025.

The Group will continue the practice of the rotation of the key audit engagement partner at least every five years, with all other team members required to rotate at least every seven years. In support of this practice, Rob Knight became lead audit engagement partner in 2024, succeeding Andrew Bond who had been audit partner since March 2019.

The Committee annually reviews the appointment of the external auditor, taking into account the auditor's effectiveness and independence, and makes a recommendation to the Board accordingly. Any decision to open the external audit to tender is taken on the recommendation of the Committee.

Following the Committee's consideration of the effectiveness of Deloitte as the Company's external auditor, it is proposed that Deloitte be reappointed as auditor of the Company at the next AGM in May 2025 and, if so reappointed, that it will hold office until the conclusion of the next general meeting of the Company at which accounts are laid. Further details are set out in the Notice of Meeting, which is available at: www.spectris.com/AnnualGeneralMeeting

In accordance with the PLSA Guidelines, no member of the Audit and Risk Committee has any connection with the current auditors.

As detailed above, throughout 2024 the Group complied with the Statutory Audit Services for Large Companies Market Investigation Ordern (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) 2014.

Read more about the independent external auditor's report to shareholders on **pages 152 to 159**

DIRECTORS' REMUNERATION REPORT

Remuneration Committee Chair's statement

"We believe that our current remuneration structure is aligned with our Strategy for Sustainable Growth."

Cathy Turner
Chair of the Remuneration Committee

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 December 2024.

The Report sets out how the Committee has considered remuneration in the context of the performance of the Group and the individual performance of the Executive Directors in determining both outcomes and setting targets for 2025.

Remuneration Policy

Our 2023 Remuneration Policy (Policy) was approved by shareholders at a General Meeting in December 2022, and will reach the end of its three-year approval cycle during 2025. The Policy has proved effective in aligning our Executive remuneration structure with the targets set out in the Group's Strategy for Sustainable Growth.

In early 2026, the Group is planning to provide an update on its strategic progress to the market as part of its three year strategy cycle. This will include updated medium-term financial and non-financial targets. Recognising the importance of maintaining the alignment between our strategy and remuneration, the Committee is in agreement that any change to the Group's remuneration structure should be considered alongside this strategy refresh and the accompanying medium-term targets. As such our scheduled Remuneration Policy review, which would be December 2025, does not align with the planned 2026 strategy update.

Therefore, to align with this timing, and to ensure we do not have a period without an approved policy, it is proposed that the existing Policy be put before shareholders for approval for continued use in its current form at the May 2025 Annual General Meeting. There are no changes proposed to the Policy.

The 2025 Remuneration Policy (2025 Policy) is set out in full on pages 110 to 121 of this report and is recommended to shareholders for approval. If approved, the 2025 Policy will technically be able to be applied for a period of three years. However, the Committee will fully reassess its applicability following the approval of the medium-term targets aligned to the 2026 strategy refresh. It is expected that the Committee will consider it necessary to recommend a new policy within the three year period. At this time, shareholders will be actively engaged in that decision process and in the proposal for any new remuneration structure.

The context of remuneration in 2024

The Group's operational performance in 2024 was impacted by challenging conditions across key markets. Despite the challenges faced, cash conversion performance has been strong, and the Group has continued to make solid progress on its long-term strategic objectives, due to the strong leadership of the Executive Directors. However, performance has impacted remuneration such that total remuneration is lower year-on-year. Further information on the Group's performance during the year can be found in the Chief Executive's review on pages 24 to 33.

Wider workforce considerations

The Committee remains focused on ensuring that our people are rewarded appropriately based on their experience, location and contribution to the Group.

In 2024, the Committee has worked closely with management to understand the impact of the Group's performance on incentive outcomes. The Committee has considered the effectiveness of the remuneration structures available to the wider workforce to ensure that key employee groups remained appropriately engaged and incentivised to drive growth.

The Committee greatly benefits from the perspectives of Kjersti Wiklund and her wider employee interactions in her role as Workforce Engagement Director.

Implementation of our Policy in 2024

Executive Director changes

In June 2024, the Group announced that Derek Harding would become President, Spectris Scientific in his role as an Executive Director. There have been no changes to the remuneration arrangements for Derek Harding as a result of this change in role.

Angela Noon joined the Group as Chief Financial Officer on 1 September 2024. In recommending Angela's remuneration, the Committee sought to strike a suitable balance between attraction, retention and reward for strong performance. The full details of Angela's remuneration package are set out on page 109. In line with the Policy, the Committee has granted Angela awards in cash and shares to compensate her for the value of awards forfeited on leaving International Distribution Services.

2024 Annual bonus outcome

The Group's performance in 2024 contributed to a bonus outcome of 36.2% of the maximum bonus opportunity for Andrew Heath, Derek Harding and Angela Noon, with Angela's award also subject to time pro-ration.

No discretion has been applied to the 2024 bonus outcome. Only formulaic adjustments, in relation to acquisition and disposal activity, have been made to the annual bonus in line with the Policy. This approach is consistent with prior years and ensures that outcomes accurately reflect the underlying performance of the business. In accordance with the Policy, 50% of any outturn from the bonus payable to the Executive Directors will be deferred into shares. Full details of the 2024 annual bonus outcome are set out on page 123.

2022 LTIP outcome

Andrew Heath and Derek Harding, were granted an LTIP award in March 2022 that will vest at 43.11% of the total maximum opportunity on 17 March 2025. The award is thereafter subject to a further two-year holding period. The performance of the Earnings per share (EPS) and Return on gross capital employed (ROGCE) measures has resulted in a vesting outcome of 95.77% and 24.95% respectively. Based on interim results as at 31 December 2024, the Total Shareholder Return (TSR) performance related multiplier did not meet the threshold performance targets. This element of the award is therefore not expected to pay out (the final assessment of the TSR performance will be on 16 March 2025). Full details of the estimated 2022 LTIP performance outcome are set out on pages 126 and 127. No discretion has been applied to the 2022 LTIP outcome and the Committee is satisfied that the Policy has operated as intended.

2024 LTIP grant

In March 2024, the Committee granted awards under the LTIP to Andrew Heath and Derek Harding, in line with the Group's Policy. A pro-rata award was made to Angela Noon in September 2024. Further detail can be found on page 129.

2025 remuneration outlook

The Executive Directors' salaries were reviewed by the Committee in February 2025 with a 3.0% increase agreed with effect from 1 April 2025. This increase is in line with the average pay increase for the wider Spectris employee base.

Performance measures for the 2025 bonus and LTIP remain unchanged from the prior year as the Committee considers that they continue to reflect the Group's strategic goals.

The Committee has set targets for the 2025 LTIP to reflect the Group's strategic plan and the projected impact of the three material acquisitions made in 2024 on the Group's LTIP measures. Firstly, on EPS, the acquisitions are expected to result in a higher rate of EPS growth over the performance period. Therefore the Committee has set a higher target range for EPS growth of 9-15%. The Committee will consider the appropriate range for future awards at the time of grant. The near-term impact of the capital used to finance the acquisitions has reduced the Group's ROGCE. The ROGCE targets for 2025 reflect this reduction. However, the Committee is confident that they remain stretching and reflect the Group's strategy to return to a mid-teen ROGCE. The conditions of the TSR multiplier are unchanged and remain stretching.

The fee structure for the Chairman and Non-executive Directors was reviewed in February 2025, with a 3.1% increase agreed for the Non-executive Directors basic fee and a 2.9% increase agreed for the Chairman effective from 1 April 2025.

Closing remarks

The Committee's performance was assessed as part of the annual Board evaluation process. I am pleased to report that the Committee continues to operate effectively and that the Board takes assurance from the quality of the Committee's work. I would like to personally thank the Committee for their work during the year.

The Committee continues to spend considerable time deliberating the right balance between policy, performance and fairness to all stakeholders. We are confident that our implementation of the 2023 Policy reflects this balance.

The planned continuation of our current remuneration structure in the 2025 Remuneration Policy, which will be put to shareholders for approval at the upcoming Annual General Meeting, will ensure that we continue to prioritise a fair yet stretching approach to remuneration aligned with our Values and the targets set out in our Strategy for Sustainable Growth.

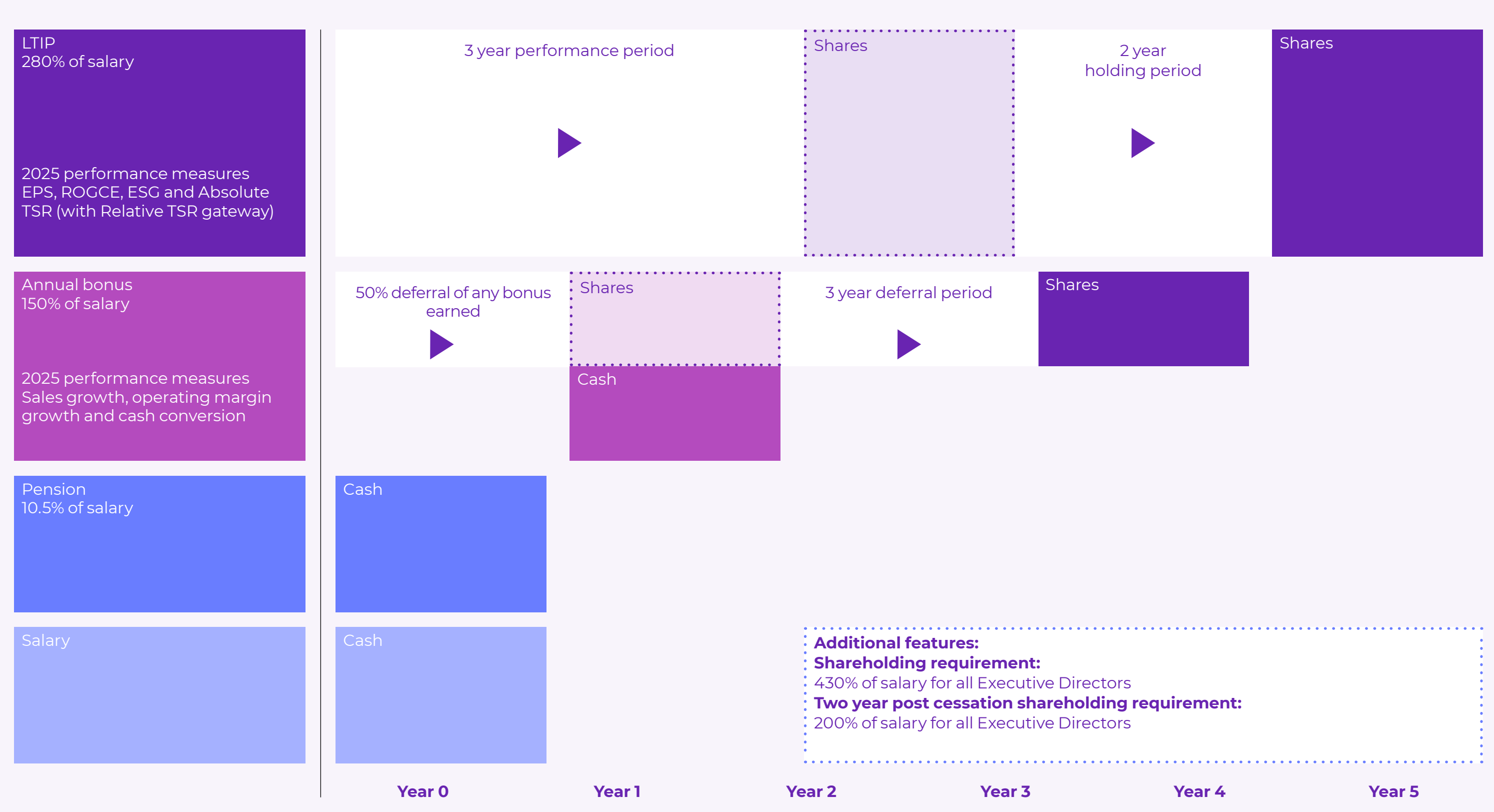
The Committee recommends the 2025 Policy and this report to shareholders. We appreciate the support given by shareholders and I am happy to meet to discuss our recommendations.

Cathy Turner
Chair of the Remuneration Committee
27 February 2025

Full terms of reference for the Committee can be found at **www.spectris.com/our-approach/corporate-governance/**

OUR REMUNERATION STRUCTURE

The diagram depicts our remuneration structure for the year ended 31 December 2024 and as per the proposed 2025 Remuneration Policy.



Key principles of our remuneration strategy:
Reward delivery of the Group's strategy in a simple and transparent way that is aligned to shareholder interests

- Attract, retain and motivate senior executives with market-competitive reward
- Align performance measures with shareholder returns with stretching targets aligned to long-term value creation
- Reflect and underpin the Group's Purpose, our Values and wider stakeholder experience.

DIRECTORS' REMUNERATION REPORT continued

2024 REMUNERATION AT A GLANCE

PERFORMANCE OUTCOMES

2024 Annual Bonus Plan

Performance conditions (% weighting)	Outcome (% of maximum award)
Like-for-like sales growth (30%)	0.0/30
Adjusted operating profit (30%)	0.0/30
Adjusted cash conversion (20%)	17.2/20
Strategic and operational (20%)	
Andrew Heath	19.0/20
Derek Harding	19.0/20
Angela Noon	19.0/20
Total	
Andrew Heath	**36.2/100**
Derek Harding	**36.2/100**
Angela Noon	**36.2/100**

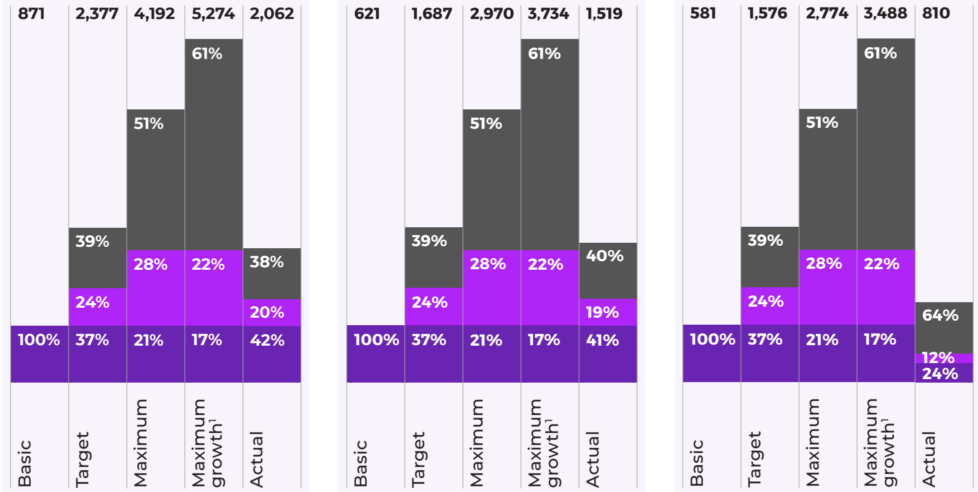
Annual Bonus Plan outcome	
Andrew Heath	£419,303
Derek Harding	£296,497
Angela Noon	£92,274

2022 LTIP

Performance conditions (% weighting of max award)	Outcome
EPS (35.7%)	34.20%
ROGCE (35.7%)	8.91%
TSR Multiplier (28.6%) final vesting to be confirmed in March 2025	0.0% (estimated)
Total	**43.11%**

LTIP outcome	Estimated vesting value
Andrew Heath	£778,942
Derek Harding	£606,507

OUTCOMES SCENARIOS

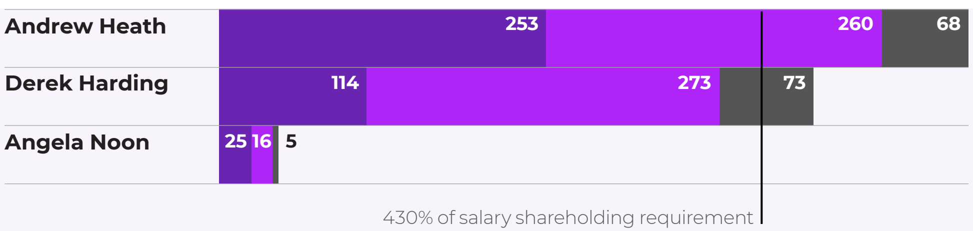


Each coloured bar shows the percentage of the total comprised by each of the parts

Fixed pay   Bonus   LTIP/Buyout

1. Maximum growth represents the remuneration received if maximum performance is achieved and share price increase by 50% for the LTIP Award.

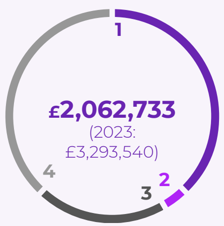
EXECUTIVE DIRECTORS' SHAREHOLDINGS (% of salary)



Shares owned
Share awards no longer subject to performance conditions (net of tax)
2022 LTIP (net of tax) + 2025 DBP (50% of 2024 bonus, net of tax)

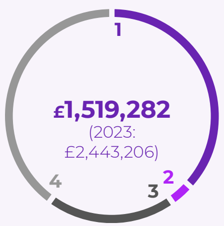
TOTAL REMUNERATION

Andrew Heath



1	Salary and benefits	38.0%
2	Retirement benefits	3.9%
3	Annual bonus	20.3%
4	Long-term Incentives	37.8%

Derek Harding



1	Salary and benefits	36.8%
2	Retirement benefits	3.7%
3	Annual bonus	19.6%
4	Long-term Incentives	39.9%

Angela Noon

1	Salary and benefits	21.7%
2	Retirement benefits	2.2%
3	Annual bonus	11.4%
4	Long-term Incentives	64.7%

DIRECTORS' REMUNERATION REPORT continued

REMUNERATION ARRANGEMENTS FOR 2025

SALARY/FEES

All the Executive Directors received a 3.0% increase in salary for 2025 which is in line with the average increase for Spectris employees.

With effect from 1 April 2025, the salaries for the Executive Directors will be:

- Andrew Heath – £795,750
- Derek Harding – £562,750
- Angela Noon – £525,500

The Chairman's fee and the basic fee for the Non-executive Directors' will increase in line with the average increase for Spectris employees.

Further details of these increases are set out in the statement from the Remuneration Committee Chair on pages 104 and 105.

ANNUAL BONUS PLAN

The maximum annual bonus opportunity for the Executive Directors remains at 150% of salary.

The performance measures for the 2025 award are in line with the 2023 Remuneration Policy and will be as follows:

- Like-for-like Sales Growth (30%)
- Adjusted Operating Margin (30%)
- Adjusted Cash Conversion (20%)
- Strategic and Operational Objectives (20%)

Performance targets are not disclosed in advance due to their commercial sensitivity. All targets will be disclosed retrospectively following the end of the performance period.

All performance measures will be aligned to Group performance.

LONG TERM INCENTIVE PLAN

The maximum LTIP opportunity for each of the Executive Directors remains at 280% of salary. The performance measures for the 2025 LTIP will be as follows:

Base Conditions

Condition	Weighting	Threshold (20%)	Maximum (100%)
EPS growth	33.33%	9% p.a.	15% p.a.
ROGCE	33.33%	12.6%	13.6%
Employee engagement	16.67%	4.00	4.08
Scope 1 & 2 emission reduction	16.67%	27.5%	35.5%

Multiplier
Up to 1.4 x base award – Absolute Total Shareholder Return (TSR) with Relative TSR gateway.

Absolute range: 0% (8% per annum) to 100% (15% per annum).

Relative TSR gateway: A minimum of median relative TSR required for payout between threshold (1x) and target (1.2x).

A minimum of upper quartile relative TSR required for payout between target (1.2x) and maximum (1.4x).

PENSION

The pension contribution for the Executive Directors for 2025 will remain at 10.5% of base salary which aligns with the wider UK workforce.

ALL-EMPLOYEE SHARE PLANS

The Spectris Share Incentive Plan (SIP) partnership and matching schemes will continue to be operated for 2025. All three Executive Directors are members of the SIP.

OTHER BENEFITS

No changes will be made to other benefits operated for 2025.

For our 2023 Remuneration Policy please visit:
www.spectris.com/our-approach/corporate-governance/

Angela Noon – recruitment arrangements

Angela Noon joined Spectris as an Executive Director and Chief Financial Officer (CFO) on 1 September 2024. The Committee agreed that Angela Noon should receive a base salary of £510,000 upon appointment to CFO. This is set at the median of our remuneration benchmarking peer group and appropriately reflects the size and complexity of the role in combination with Angela's strong track record and experience as a CFO. In line with the 2023 Remuneration Policy, Angela will be entitled to:

- a maximum annual bonus of 150% of salary (pro-rata entitlement for 2024);
- a maximum LTIP of 280% of salary (pro-rata entitlement for 2024);
- a pension of 10.5% of salary (in line with the terms applicable to the majority of the wider UK workforce); and
- a market competitive benefit package as per other Executive Directors.

Angela is also subject to the shareholding ownership guidelines which require her to build a retained shareholding of at least 430% of salary within five years from her appointment to the Board.

Buyout awards made in respect of forfeited remuneration

In line with our recruitment policy, the Committee agreed to grant Angela awards either in cash or Spectris shares to compensate her for the value of awards forfeited on leaving International Distributions Service (IDS). As per our Policy, awards are replaced as far as possible on a like-for-like basis in terms of amount, time horizons and performance requirements. Awards are subject to malus and clawback provisions as set out in the Remuneration Policy. No additional payments have been made on recruitment. Further details are set out below:

IDS awards forfeited	Approach to buyout	Date of grant / payment	Vesting date	No. of Spectris shares	Face value of buyout award[1]	Estimated vesting value for 2024 SFTR[2]
IDS 2022 Deferred Bonus Plan	– Award delivered in cash (deferred shares at IDS were due to vest in November 2024 and would have been liquidated into cash immediately). – Value of buyout award reflects the value of shares using 30-day average IDS share price up to 7 November 2024. – No further performance conditions apply consistent with the IDS award forfeited.	25/11/2024	n/a	–	£183,336	£183,336
IDS 2022 July Deferred Bonus Plan	– Award of Spectris shares that will vest 11 months following grant subject to continued employment. – Value of buyout award reflects value of IDS shares converted to Spectris shares using 30-day average share price up to 30 August 2024. – No further performance conditions apply consistent with the IDS award forfeited.	06/09/2024	28/07/2025	281	£8,042	£8,042
IDS 2023/24 Bonus	– 50% of award made in cash and 50% in Spectris shares that will vest three years following grant. – Value of award reflects value of IDS bonus award forfeited. – The number of Spectris shares has been calculated using the average of the Spectris closing share price over the five days immediately prior to the date of grant. – Spectris shares are subject to continued employment conditions. No further performance conditions will apply consistent with the IDS award forfeited.	25/09/2024 06/09/2024	n/a 06/09/2027	– 3,892	£111,408 £111,389	£111,408 £111,389
IDS 2024/25 Bonus	– 50% of award made in cash and 50% in Spectris shares that will vest three years following grant. – Award value in line with IDS opportunity forfeited for the 2024/25 year, for the period from 1 April 2024 up to joining Spectris on 1 September 2024. – The number of Spectris shares has been calculated using the average of the Spectris closing share price over the five days immediately prior to the date of grant. – Spectris shares are subject to continued employment conditions. No further performance conditions will apply consistent with the IDS award forfeited.	25/09/2024 06/09/2024	n/a 06/09/2027	– 1,921	£55,000 £54,979	£55,000 £54,979
IDS 2022 LTIP	– Award of Spectris shares that will vest one year following grant. A two-year post-vesting holding period will apply to the shares. – Award reflects IDS shares converted to Spectris shares using a 30-day average share price to 30 August 2024. – Vesting based IDS TSR performance between 1 April 2022 and 31 March 2025 (see page 128 for further details).	06/09/2024	01/09/2025	13,546	£387,687	£0 (subject to IDS TSR performance conditions)
IDS 2023 LTIP	– Award of Spectris shares that will vest 23 months after the date of grant. A two-year post-vesting holding period will apply to the shares. – Award reflects IDS shares converted to Spectris shares using a 30-day average share price to 30 August 2024. – Shares are subject to Spectris performance conditions (in line with the 2023 Spectris LTIP core performance measures of Adjusted EPS, ROGCE, and ESG. Note that because of the limited quantum of this LTIP award, it does not qualify for the TSR multiplier).	06/09/2024	31/07/2026	13,688	£391,751	To be included in 2025 SFTR (subject to performance conditions)
Estimated Buyout Award value in 2024 SFTR						**£524,154**

1. Face value of awards are based on the average of the closing share price over the five days immediately prior to the date of grant (2,862.00 pence per share).
2. Estimated vesting value for 2024 SFTR figure represents the actual cash buyout award values paid in 2024 plus the face value at grant of all the buyout share awards without performance conditions at grant plus the estimated vesting value of the IDS 2022 LTIP buyout award.

DIRECTORS' REMUNERATION REPORT continued

REMUNERATION POLICY

This part of the Directors' Remuneration Report sets out Spectris' Directors' Remuneration Policy (the Policy). This Policy will be put to shareholders in a binding vote at the Company's next AGM, currently intended to be held on 22 May 2025, and will be effective from this date, if approved by shareholders. The Policy will apply for a period of up to three years, unless changes to the 2025 Policy are presented to shareholders for approval earlier. As outlined in the Remuneration Committee Chair's statement, following a detailed review of the Policy, the Committee has concluded that the current structure remains appropriate, supporting the execution of our Strategy for Sustainable Growth and the creation of long-term shareholder value. However, during these three years the Committee will carefully review the Policy and its alignment with the Group's strategy.

There are no changes to this Policy compared to the 2023 Directors' Remuneration Policy.

All remuneration payments and payments for loss of office must be consistent with the terms of the Policy in place at that time. The table below describes each component of the remuneration package applicable to the Executive Directors:

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2023 Policy[1]
Base salary/ fees	– Competitive fixed remuneration that enables Spectris to attract and retain key Executives.	– Normally reviewed annually. – Benchmarked triennially against FTSE 50-150 excluding investment trusts. This peer group is considered appropriate given the size and listing of the business. Other peer groups may be considered by the Committee if appropriate.	– Increases will typically not exceed the average increase for the general UK workforce. The Committee retains the discretion to award increases in excess of or below this if, and where, it deems appropriate, e.g. if a role changes substantially or a new incumbent is being moved to a target salary over time.	– Reflects the role and the Director's skills, performance and experience, referenced to a level at or moderately below the comparator group's median.	– No changes.

Annual bonus	– Drives short-term financial performance that flows through to long-term shareholder value.
	– Incentivises Executives to achieve specific predetermined stretching objectives relating to the Group's strategy.
		– Bonus based on annual performance targets.
		– 50% of any bonus is normally paid in cash, with the remaining 50% deferred into Spectris shares. Any deferred element will vest after three years from the date of grant and is subject to continued employment.
		– Clawback and Malus provisions enable variable remuneration to be reclaimed under the following exceptional circumstances:
		  – Material misstatement of results or accounts;
		  – Gross misconduct or fraud;
		  – Award calculated in error;
		  – Material failure of risk management; and
		  – A material breach of our Code of Business Ethics.
			– Maximum opportunity is based on base salary:
			  – 150% – Chief Executive
			  – 150% – Chief Financial Officer
			  – 150% – other Executive Directors including President, Spectris Scientific.
			– Bonus starts accruing from threshold levels of performance.
			– Notional reinvestment of dividends will apply from the date of grant to deferred shares when the shares vest.
				– The performance measures to be applied will be assessed annually and may be financial or non-financial and in such proportions as the Committee considers appropriate. However, the weighting of financial measures will not be reduced below 70% of total annual bonus potential for the duration of this Policy.
				– For the 2025 annual bonus for the Executive Directors, financial performance measures will be Group Adjusted Operating Margin Growth, Group like-for-like Sales Growth and Group Cash Conversion.
				– A minimum (threshold) level of performance will result in a bonus of 1% of total bonus opportunity. At target, the bonus level for each Executive Director is 50% of total bonus opportunity.
					– No changes other than to recognise that other Executive Directors may participate in the annual bonus, with the same maximum opportunity as the Chief Executive and Chief Financial Officer.

DIRECTORS' REMUNERATION REPORT continued
REMUNERATION POLICY continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2023 Policy[1]
Spectris Long Term Incentive Plan (LTIP)	– Drives the delivery of sustained performance and shareholder value over the performance period.	– Awards made annually with performance conditions based over a three-year period. – Two-year holding period applies post-performance period. – Clawback provisions enable the Committee to recoup the value of previously vested awards from an individual within two years of the end of the relevant performance period. Malus provisions also enable the Committee to reclaim any unvested LTIP award if it considers it appropriate. The Clawback and Malus provisions are as follows: – Material misstatement of results or accounts; – Gross misconduct or fraud; – Award calculated in error; – Material failure of risk management; and – A material breach of our Code of Business Ethics.	– Base award has a maximum of 200% of base salary. – Executive Directors will receive up to 1.4x their base award, subject to outperformance against stretch conditions. – The total maximum possible opportunity is therefore 280% of base salary (200% x 1.4). – Notional reinvestment of dividends will apply from the date of grant to the date when the shares are first capable of release, including for any awards subject to a holding period.	– The Committee may set such performance conditions on LTIP awards as it considers appropriate (whether financial or non-financial). – A minimum (threshold) level of performance will result in vesting of 20% of the relevant element of a LTIP award. – The performance measures that will apply to the 2025 LTIP base award will be based on growth in EPS, ROGCE and ESG. – The performance measures that will apply to 2025 LTIP multiplier will be absolute TSR with a relative TSR underpin. – Should the Committee materially change the current measures applied for the LTIP awards made to Executive Directors or the weightings between these measures then they would consult with major shareholders.	– No changes.
Pensions	– Market-competitive defined contribution pension, enabling Spectris to attract and retain key Executives.	– Pensions are benchmarked periodically.	– Existing Executive Directors and new joiners have a maximum 10.5% of base salary Company pension contribution and/or taxable cash allowance in lieu, in line with the terms applicable to the majority of the UK workforce. – This value may change over time if the rate provided to the majority of the wider UK workforce changes.	– None applicable.	– No changes.
Benefits in kind[2]	– Market-competitive benefits in kind, enabling Spectris to attract and retain key Executives.	– Benefits in kind include company cars or allowances, medical insurance and life and disability insurance and are benchmarked periodically. The Committee may provide other benefits from time to time.	– It is not possible to prescribe the likely change in the cost of insured benefits or the cost of some of the other reported benefits and so a monetary limit of £30,000 p.a. post-tax per Executive Director has been set for the duration of this Policy although, clearly, the Committee will monitor the costs in practice and ensure that the overall costs do not increase by more than the Committee considers to be appropriate in all circumstances. – Where the requirements of the business involve an Executive Director relocating, the Company may make a payment towards related expenses, as it considers appropriate. This may fall outside of the monetary limit of £30,000 p.a.	– None applicable.	– No changes.

DIRECTORS' REMUNERATION REPORT continued
REMUNERATION POLICY continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2023 Policy[1]
All-employee share incentive plan	– The Spectris Share Incentive Plan (SIP) is operated to encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of shareholders.	– Individuals may purchase Spectris shares at market price, using gross salary up to a maximum of the level allowed by HMRC. For every five shares purchased by an employee under the SIP, the Company will award one free Matching share. – Matching shares are subject to forfeiture if the employee leaves the SIP within three years. – Dividends earned may be delivered in shares.	– Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees.	– Consistent with normal practice, such awards are not subject to performance conditions.	– No changes.
Shareholding ownership guidelines	– To encourage share ownership by the Executive Directors and ensure that their interests are aligned with those of shareholders.	– Each Executive Director is required to build a retained shareholding in Spectris of at least one times their maximum annual variable pay in value within five years of being appointed to the Board. – Post-tax value of any outstanding LTIP awards post three-year performance period or/and deferred annual bonus awards will count towards the shareholding ownership guidelines.	– Each Executive Director is, subject to personal circumstances, required to build a retained shareholding in Spectris of their maximum annual variable pay (430% of salary) within a five-year period from appointment to the Board. – Executive Directors will not be permitted to sell shares unless the requirement is met. – In addition, a post-cessation holding period will apply for Executive Directors who leave the Company. Each Executive Director will have a requirement to retain the lower of their actual shareholding or two times their final base salary in shares for two-years post- cessation.	– None applicable.	– No changes.

Notes:
1. Where the Company's pay policy for the Executive Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate positions for the relevant roles.
2. While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by Spectris or another) and business travel (including any related tax liabilities settled by the Company) for the Directors (and exceptionally their family members) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

The Committee reserves the right to make any remuneration payments notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company.

In-flight awards made before the adoption of this Policy will continue in line with the approved Policy under which they were granted. Further details of these awards can be found within the 2023 Remuneration Policy approved at the 2022 General Meeting and subsequent Annual Reports and Accounts. In the event of a change in control, deferred share awards will vest in full, and LTIP awards will vest subject to performance conditions and be reduced on a time pro-rated basis, unless the Committee determines otherwise.

Performance measures

The table below sets out the relevant performance measures for 2025 and the link to strategy. Note that the Policy includes the flexibility for the Committee to select appropriate measures each year.

Annual bonus

The performance conditions used to determine bonus achievement are selected by the Committee with the emphasis on driving performance in sales, margin growth, and cash conversion and aspiring to meet or exceed stretching targets to the benefit of shareholders. The Executive Directors are all incentivised against Group sales growth, operating margin and cash conversion measures.

Performance metric	Definition	Link to strategy/Rationale
Like-for-like (LFL) Sales Growth (30% of bonus opportunity)	– LFL Sales Growth is a measure of how R&D and other investments help to grow the business organically, i.e. excluding the effects of currency translation and acquisitions or divestments.	– The Group is customer-focused and targets attractive end markets where we are best placed to drive growth and profitability.
Adjusted Operating Margin Growth (30% of bonus opportunity)	– Adjusted Operating Margin Growth is defined as adjusted operating profit as a percentage of sales.	– Adjusted Operating Margin Growth ensures a focus on improving the profitability in the business. The business aims to deliver strong operational leverage and drive operating margin expansion.
Cash Conversion (20% of bonus opportunity)	– Cash Conversion is defined as adjusted operating cash flow as a percentage of adjusted operating profit.	– Cash Conversion ensures a focus on generating quality earnings that can be reinvested into the business and distributed to our shareholders through dividends. The business aims to deliver high Cash Conversion of operating profit each financial year.
Strategic and operational objectives (20% of bonus opportunity)	– N/A	– The remaining bonus components aim to reward the achievement of significant and demanding strategic and operational objectives that support sustainable growth.

Long Term Incentive Plan

The measures proposed are intended to provide an appropriate balance between absolute financial performance, our ESG agenda, and strong relative performance.

Performance metric	Definition	Link to strategy/Rationale
Core measures		
Adjusted Earnings Per Share (EPS) Growth (⅓ of base award)	Adjusted EPS is the ratio of adjusted earnings for the year to the number of ordinary shares outstanding during the year, excluding certain items.	Adjusted EPS growth is a key performance measure for investors and indicates how profitable the business is for shareholders. The Group's aim is to achieve year-on-year growth in adjusted EPS as this is a key value driver for shareholders.
ROGCE (⅓ of base award)	ROGCE is the ratio of the Group's Adjusted Operating Profit to the average year-end shareholders equity, net debt and accumulated amortisation and impairment of goodwill and acquired intangible assets. This measure will continue to be assessed as an average over the three-year LTIP performance period.	The Group's strategy is to achieve highly cash generative operations and deploy the cash in a structured and considered way. ROGCE is a pure measure of the effectiveness of all capital deployed by the Group.
ESG (⅓ of base award)	ESG will be made up of the following measures: – Net Zero: scope 1 and 2 emissions reduction (50% of total ESG weighting); and – Employee engagement (Gallup score assessment covering diversity and inclusion, ethics, culture and values) (50% of total ESG weighting).	– Drives focus on our Net Zero, and employee engagement ambitions which are critical to our sustainability ambitions and supports our Strategy for Sustainable Growth. – Note that whilst ESG reflects ⅓ of the base award, this is c.¼ of the overall LTIP opportunity once the quantum available when the Total Shareholder Return (TSR) multiplier is factored in.
TSR multiplier		
Absolute TSR (multiplier)	The growth in TSR for Spectris over the performance period.	– Measure strongly aligns participants with growth in shareholder returns over the performance period and aligns payouts directly to the value created for our shareholders over the performance period.
Relative TSR (multiplier)	The TSR of Spectris over the TSR performance period compared to the FTSE 250 (excluding Investment Trusts).	To ensure that any payouts under the multiplier are only generated if outperformance is strong relative to peers. The FTSE 250 (excluding investment trusts) index has been chosen because it is a widely recognised performance benchmark for large companies in the UK.

Target setting

Long-term and short-term target ranges are set with reference to the internal business plan, external consensus forecasts and market norms where appropriate and are calibrated to generate sustainable value for our shareholders. Annual bonus targets are not disclosed in advance as the Committee considers them to be commercially sensitive, but they will be disclosed retrospectively following the end of the performance period.

LTIP targets

Set out below are our proposed 2025 LTIP performance target ranges. Targets are aligned to our business priorities and are set at a sufficiently stretching level so as to motivate high performance.

The Remuneration Committee considers these targets to be appropriately stretching in the context of the Group's strategic plan, the macro-economic environment and external consensus forecasts. Further detail is set out below:

- The EPS performance range at threshold, target, and maximum will remain as currently calibrated through the Policy cycle. For 2025, the EPS performance range is set at 9%-12%-15% for threshold, target, and maximum respectively. The Committee considers this range to be suitably stretching against the Group's strategic plan and in the context of material business acquisitions, as set out in the Chair's letter on pages 104 to 105. The Committee will reconsider the appropriate range for future awards at the time of grant.
- Going forward, the Group will continue to focus primarily on organic sales growth and margin expansion, it is the intention to return to a mid-teens ROGCE % over time, which is well in excess of the Group's cost of capital. The Group has made good progress on growing ROGCE and the level of stretch in the targets ensures that pay-outs remain strongly aligned with sustainable value delivered to shareholders. The level of stretch is deemed appropriate in the context of the Group's strategic plan and historic ROGCE performance. Maximum payout would only be delivered for achieving a level of average ROGCE, measured on a constant currency basis, well beyond that achieved in recent years.
- The Net Zero scope 1 and 2 targets are aligned to the Group's Net Zero Roadmap to 2030. Progress towards Net Zero will be measured in equal annual portions over the performance period to support the delivery of the ambition to be Net Zero across scope 1 and 2 by 2030. Reaching Net Zero is a strategic advantage for the Group, supporting the continued prioritisation in the supply chains of our customers as we align with their Net Zero goals. The reduction in market-based emissions will be measured against the Group's continuing portfolio with performance assessed at the end of each three-year performance period. Market-based emissions will be calculated in accordance with GHG Protocol Corporate Accounting and Reporting and be assured by the Group's external auditor against the International Standard for Assurance Engagements 3000 and Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.
- Employee engagement is measured by Gallup, a well-respected and independent survey with a robust benchmarking methodology. Responses are scored on a scale of one to five and the employee engagement score averages all the questions in the survey into one score. The Gallup survey measures employees' perspectives on the crucial elements of a workplace culture such as purpose and personal development. The stretching target range below reflects our desire to significantly grow the Group's engagement score over the performance period from the 2021 baseline calculated by Gallup which, if achieved, would lead to a material shift in the overall engagement outcome. As a business that prioritises delivery of diversity and inclusion, ethics, culture, and values commitments, we genuinely believe the engagement score is the best way to measure progress and the key to unlocking workforce engagement and productivity. This in turn supports the ability to retain and attract the talent the Group needs to execute the strategy successfully and drive value for all of our stakeholders.
- The Committee is satisfied that the calibration of the TSR multiplier (which is unchanged from the 2020 Policy approved at the 2019 General Meeting) ensures that the maximum LTIP opportunity can only be achieved if very stretching performance is achieved, and shareholders see a material increase in TSR over the performance period.

LTIP 2025 performance measure	Adjusted EPS (assessed at the end of 2027)	ROGCE (average over the three-year performance period)	ESG[2] (assessed at the end of 2027)	TSR (assessed at the end of the three-year vesting period)
Weighting	**⅓ of base award**	**⅓ of base award**	**⅓ of base award** (both measures equally weighted)	**Multiplier** (applies to the outcome from the base award with a maximum multiplier of 1.4x)
Payout curve	**Threshold:** 20% of base award **Target:** 60% of base award **Max:** 100% of base award			**Threshold:** 1x base award **Target:** 1.2x of base award **Max:** 1.4x base award
Threshold[1]	9% p.a.	12.6%	**Net Zero scope 1 & 2:** 27.5% reduction of GHG emissions over the performance period from a 2024 baseline **Employee Engagement:** 4.00 (0.28 increase from baseline)	**Absolute TSR:** 8% p.a. **Relative TSR:** At least median relative TSR for any award under the absolute TSR performance condition to pay out between threshold and target performance.
Target[1]	12% p.a.	13.1%	**Net Zero scope 1 & 2:** 31.5% reduction of GHG emissions over the performance period from a 2024 baseline **Employee Engagement:** 4.05 (0.33 increase from baseline)	**Absolute TSR:** 10% p.a. **Relative TSR:** At least upper quartile relative TSR for payout at target or above under the absolute TSR performance condition.
Maximum[1]	15% p.a.	13.6%	**Net Zero scope 1 & 2:** 35.5% reduction of GHG emissions over the performance period from a 2024 baseline **Employee Engagement:** 4.08 (0.36 increase from baseline)	**Absolute TSR:** 15% p.a. **Relative TSR:** At least Upper Quartile

1. Straight-line vesting occurs between threshold and target, and target and maximum.
2. Employee Engagement Score targets are calibrated based on improvement from a baseline determined by Gallup for 2021 of 3.72 (out of 5). In respect of the emissions reduction target, to ensure accuracy, the targets will be updated to reflect the actual emissions outcome for 2024 once known. Currently the targets are calibrated using an estimated outcome for 2024. Because the targets are based on an equal annual reduction of emissions over the period to 2030, this may result in a small change in the precise % reduction targets, but the stretch in the targets will remain consistent with what is shown in the above table. The final targets will be included in the Remuneration Report.

Approach to adjusting performance measures in the event of acquisitions, disposals and a return of capital to shareholders

Targets for each cycle will normally be set excluding any acquisition or disposal activity (unless known when they are set). Any such activity during the measurement period will be considered by the Committee and, if material, targets will be adjusted for at the end of the performance period. This ensures that measurement focuses on the underlying business contribution during the performance period, whilst allowing for the execution of strategic actions as agreed by the Board. Such adjustments are intended to neither benefit nor penalise participants and concentrate the assessment of the incentive on the underlying performance of the business during the period to ensure alignment with shareholder interests. Targets set for the next cycle will build in the impact of any transactions that have been made.

In respect of share buybacks or special dividends, there may be circumstances where a cash return to shareholders is appropriate and in the best interests of shareholders, if at that point in time there are no desirable business investments to be made. If a capital return is made to shareholders, the Committee's normal course of action would be not to adjust performance measures for this on the principle that the value delivered to shareholders should be reflected in the incentive outcomes, in particular for the long-term metrics of adjusted EPS growth and ROGCE.

Discretion

Discretion is reserved for incentive plans that are operative. The Committee will operate the annual bonus and LTIP according to their respective rules and the above Policy table.

The Committee reserves certain discretions, consistent with market practice, in relation to the operation and administration of these plans including:

- the determination of performance measures and targets and resultant vesting and payout levels;
- the ability to adjust performance measures and targets to reflect material events and/or to ensure that the performance measures and targets operate as originally intended;
- to vary the terms of performance conditions under the incentives after the start of the performance period have been made to take account of technical changes, for example changes in accounting standards or the takeover of a company in a TSR comparator group, or if an event occurs that causes the Committee to consider that the performance condition can no longer achieve its original purpose. However, the amended performance condition will have to be, in the Committee's view, no less challenging in the circumstances as a result of the change;
- to vary performance measures under the incentives in events such as corporate acquisition or other major transitions;
- the ability to override formulaic outcomes should this be appropriate, determination of the treatment of individuals who leave employment (as described in the Termination arrangements section on page 118), based on the rules of the incentive plans, and the application of the incentive plans under exceptional events, such as a change of control of the Company; and
- the ability to make adjustments to existing awards made under the incentive plans in certain circumstances (e.g. rights issues, corporate restructurings or special dividends).

Any adjustment made using this discretion will be explained in the following Annual Report.

UK Corporate Governance Code 2024

If approved, the Policy will apply from the close of the Group's Annual General Meeting on 22 May 2025. As such, the Committee has considered the Principles of the UK Corporate Governance Code 2024 in the continuation of this Policy. In particular, the Committee is comfortable that the Policy is designed to support the Group's Strategy for Sustainable Growth and promotes the Group's long-term sustainable success. The executive remuneration structures set out in the Policy are aligned to the Group's Purpose and Values and clearly linked to the delivery of the Group's strategy.

The Committee has previously taken feedback from shareholders on matters relating to remuneration and governance as part of the original development of the 2023 Policy, on which this Policy is based, as well as taking into consideration any conflicts of interest.

Malus and clawback

Variable remuneration is subject to malus and clawback provisions as set out in the Policy table. In relation to the bonus, clawback provisions enable the Committee to recoup the bonus for a period of two years following the determination of the bonus and malus provisions enable the Committee to reclaim any time before the vesting of deferred shares. In relation to the LTIP, Clawback provisions enable the Committee to recoup the value of previously vested awards within two years of the end of the relevant performance period and malus provisions also enable the Committee to reclaim any unvested LTIP award before the vesting date. The malus and clawback periods are designed to align with respective deferral, vesting and holding periods. These are considered appropriate timeframes to review whether any trigger events have occurred.

Non-executive Directors

Element	Relevant to the Company's short- and long-term strategic objectives	Operation	Maximum potential value	Performance metrics	Changes from 2023 Policy
Fees	Competitive fees that enable Spectris to attract able and experienced Directors.	Normally reviewed biennially and determined by reference to market practice (although the Board may review at other times). Base fee is supplemented by fees for Chair of the Audit and Risk and Remuneration Committees, the Workforce Engagement Director and for the Senior Independent Director. Travel allowances are paid, where applicable. The Board reserves the right to vary the basis for setting fees (such as introducing Committee membership fees) should it consider that to be appropriate. There is no participation in bonus, share plan or pension arrangements. The Company reserves the ability to provide the Company Chair with certain benefits in kind and/or a contribution towards the provision of office facilities where appropriate, although the current Chair does not presently receive such benefits.	The aggregate fees of the Non-executive Directors will not exceed the limit provided within the Company's Articles of Association (currently £650,000 per annum). Additional fees may be payable to any Director who does not hold executive office for any additional role that they take on the Board (including Chair, Senior Independent Director, Committee Chair or Workforce Engagement Director) or for serving on any Committee of the Board.	Not applicable to this element.	No change.
Benefits	It is not the policy of the Company to provide benefits to the Chair or the Non-executive Directors. However, while the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by Spectris or another) and business travel (including any related tax liabilities settled by the Company) for the Directors (and, exceptionally, their family members) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policy.				No change.

Recruitment remuneration

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver the Company's strategic aims. In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to look to the general policy for Executive Directors as set out above and structure a package in accordance with that policy.

Element	Current recruitment policy	Changes from 2023 Policy
Base salary, benefits and pension	– Salary and benefits will be set in line with the Remuneration Policy for existing Directors. – Pension levels will be set in line with the Remuneration Policy and wider workforce (currently 10.5% of salary). – Consistent with the regulations, the caps contained within the general policy for fixed pay technically do not apply to a recruit, although the Committee would not envisage exceeding such cap in practice.	No change.
Annual bonus	– The annual bonus will operate (including the maximum award levels) as detailed in the Remuneration Policy for existing Directors and for any newly-appointed Executive Director. – For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.	No change.
Long Term incentive Plan (LTIP)	– The LTIP will operate (including the maximum award levels) as detailed in the Remuneration Policy for existing Directors and for any newly-appointed Executive Director. – For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.	No change.
Buy out of incentive forfeited on cessation of employment	– All buyout awards for external appointments made to compensate for awards forfeited on leaving the previous employer will be designed to replace the commercial value of the amount forfeited and will take account of the nature, time horizons and performance requirements of those awards. – In particular, the Committee's starting point will be to ensure that any awards being forfeited which remain subject to outstanding performance requirements (other than where substantially complete) and/or service requirements are bought out with Spectris awards subject to similar terms, unless an alternative approach is considered appropriate. – Buyouts may be made under the annual bonus or LTIP on varied terms (in reliance on Listing Rule 9.3.2). Buyouts will only include guaranteed amounts where the Committee considers that it is necessary to secure the recruitment and to replace forfeited pay. For the avoidance of doubt, buyout awards to compensate for awards forfeited are not subject to a formal cap.	No change.
Relocation policy	– For external and internal appointments of Executive Directors, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate. Relocation support will not exceed two-years from appointment.	No change.

Recruitment remuneration for Non-executive Directors

A new Chair or Non-executive Director would be recruited on terms consistent with the main Policy.

Termination arrangements

It is the practice of the Committee to consider the treatment on termination having regard to the relevant facts and circumstances. The contracts permit the Committee to make salary, benefits and pension payments on a monthly basis with payments reducing or ceasing if the individual finds another position during the notice period, and termination arrangements will normally follow this approach. However, the Committee reserves the power to negotiate a single lump sum payment on termination if it considers that to be in the interests of the Company and will have full regard to the duty to mitigate if it does so.

Remuneration element	Good leaver	Bad leaver	Proposed termination arrangements
Annual bonus	Under certain circumstances, for example good leaver provisions covering retirement and ill health, bonus entitlements may be payable, calculated to the date of termination only. Bonuses will be paid in line with normal policies.	Bonus for the year in which the individual left the business would be forfeited.	No change.
Deferred annual bonus	Under certain circumstances, for example good leaver provisions covering retirement and ill health, the deferred annual bonus awards will normally continue to vest at the vesting date. Alternatively, the Committee may determine that awards will vest on cessation of employment. On a change of control, deferred bonus awards will vest in full in accordance with the rules of the plan.	Unvested deferred bonus awards would lapse on termination.	No change.
Long Term Incentive Plan (LTIP)	Under certain circumstances, for example good leaver provisions covering retirement and ill health, awards made under the LTIP will remain exercisable subject to time prorating and the application of the performance conditions at the performance vesting date. Awards will continue to vest at the vesting date. The Committee also retains a standard ability to vary or disapply time pro-rating for LTIP awards for good leavers where it considers it fair and reasonable to do so or to allow good leavers' LTIP awards to vest at the date of termination (subject to time pro-rating and the application of performance conditions) in exceptional cases. Likewise, on a change of control, LTIP awards may vest in accordance with the rules of the plan (performance conditions and time pro-rating apply, subject to a standard ability for the Committee to vary or disapply time pro-rating). After the performance vesting date, any outstanding LTIP awards which are subject to a holding period will not normally be forfeited on a termination and the holding period will continue to apply to such awards (although the Committee may release awards early from the holding period in appropriate cases).	Prior to the performance vesting date, all share awards would lapse following termination. Post the performance vesting date, LTIP awards will normally only be forfeited if the reason for termination is misconduct.	No change.
Post-cessation holding period	Upon departure, Executive Directors will be required to retain the lower of actual shares held on departure or 200% of final base salary in Spectris shares for two years post-cessation.		No change.
Legal fees	Consistent with market practice, in the event of termination of an Executive Director, the Company may pay a contribution towards the individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees would be disclosed as part of the detail of the termination arrangements. Should it become necessary to make additional payments in respect of such professional fees that were not ascertained at the time of reporting, the Company may do so up to a level of £10,000. For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments. The Committee may also, after taking appropriate legal advice, sanction the payment of additional sums in settlement of potential legal claims.		No change.

Termination arrangements – Non-executive Directors

All Non-executive Directors' conditions of appointment provide for a six-month period of notice and are renewable at each AGM, subject to review prior to proposal for re-election. Ordinarily, appointments do not continue beyond nine years after the first election, at which time Non-executive Directors cease to be presumed independent under the UK Corporate Governance Code.

Service contracts

The Executive Directors have rolling contracts subject to 12 months' notice of termination by either party, or to summary notice in the event by the Director of a serious breach of obligations, dishonesty, serious misconduct or other conduct bringing the Company into disrepute.

The contracts of employment in respect of Andrew Heath, Angela Noon and Derek Harding provide for payment in lieu of notice on termination equivalent to base salary, pension and benefits but exclude any compensation for loss of bonus and is in full and final settlement of all employment-related claims. Such payment may be paid in monthly instalments for the duration of the notice period or as a lump sum and is subject to mitigation if alternative employment is found during the notice period.

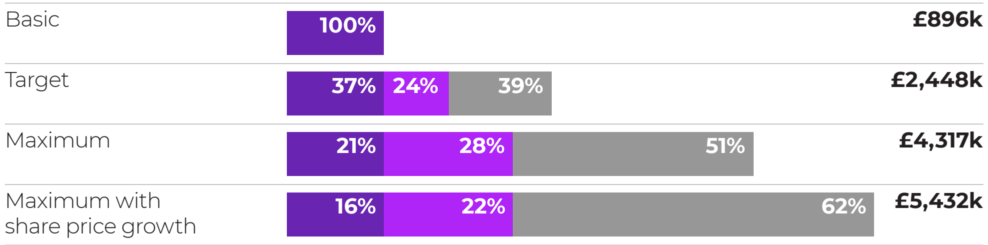
The Committee is committed to continuous review of its policies in the best interests of shareholders. The following table sets out a summary of the Executive and Non-executive Directors' service contracts or terms of appointment:

	Date of contract	Expiry date	Notice period	Length of service at 22 May 2025
Executive Directors				
Andrew Heath	3 Sep 2018	Rolling contract with no fixed expiry date	12 months	6 years 8 months
Angela Noon	1 Sep 2024	Rolling contract with no fixed expiry date	12 months	8 months
Derek Harding	1 Mar 2019	Rolling contract with no fixed expiry date	12 months	6 years 2 months
Non-executive Directors				
Mark Williamson	26 May 2017	Renewable at each AGM	6 months	8 years
Nick Anderson	1 Jun 2024	Renewable at each AGM	6 months	1 year
Ravi Gopinath	1 Jun 2021	Renewable at each AGM	6 months	4 years
Mandy Gradden	16 Oct 2023	Renewable at each AGM	6 months	1 year 7 months
Alison Henwood	1 Sep 2021	Renewable at each AGM	6 months	3 years 8 months
Cathy Turner	1 Sep 2019	Renewable at each AGM	6 months	5 years 8 months
Kjersti Wiklund	19 Jan 2017	Renewable at each AGM	6 months	8 years 4 months

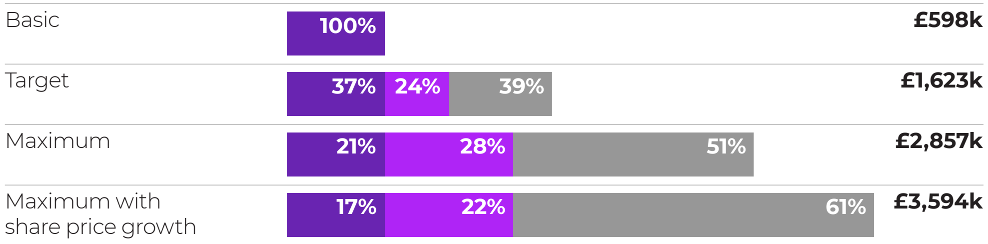
Range of remuneration expectations

The following graphs show the remuneration each of the Executive Directors is expected to receive if their performance fails to meet threshold (basic), attains target, or achieves maximum under the proposals for variable remuneration approved at the 2025 Annual General Meeting. Additionally, the maximum performance graph shows the remuneration each Executive Director is expected to receive should the share price increase by 50% for the LTIP element over the life of the Policy:

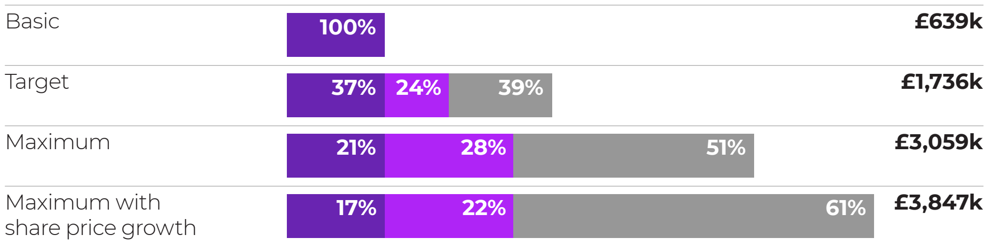
Chief Executive's Remuneration
(£'000s)



Chief Financial Officer's Remuneration
(£'000s)



President, Spectris Scientific's Remuneration
(£'000s)



1. Fixed pay includes: base salary, car allowance, pension salary supplement, and benefits in kind.
2. Annual bonuses are based on a percentage of base salary: at target level this is 50% of maximum potential bonus; at maximum level this is 150% of base salary for all Executive Directors.
3. LTIP is based on a percentage of base salary: at target level this is 120% of base salary (60% of base award); at maximum level this is 280%. Each bar shows the percentage of the total comprised by each of the parts.

Consideration of conditions elsewhere in the Group

The Committee is sensitive to the need to set all Directors' remuneration in the context of pay and employment conditions in the Group as a whole and is satisfied that the approach taken by the Company is fair and reasonable in light of current market practice and the best interests of shareholders. The levels of remuneration and annual increase awarded to the Presidents of each of the Group's operating businesses are taken into consideration, notwithstanding that these reflect such businesses' particular trading position and the geographical and technical employment markets in which they operate.

Remuneration for the Executive Committee is structured the same as for the Executive Directors with the exception of bonus deferral which does not apply to members of the Executive Committee. The Executive Committee pay levels are set at competitive levels to reflect the size, complexity and geographic locations of these businesses. Additionally, the Executive Committee participate in share awards under the LTIP, albeit at lower levels than the Executive Directors, and in profit-related bonus arrangements linked to base salary and payable according to their business's achievement of annual adjusted operating margin growth, like-for-like sales growth and cash conversion targets. On-target plan performance delivers 50% of the maximum potential bonus opportunity, with the upper limit being 125% of base salary.

Below this level, a range of different incentive arrangements apply as appropriate to the business, geography and level. The Company did not consult with employees in drawing up this report and no remuneration comparison measures were used.

Consideration of shareholders' views

The 2023 Director's Remuneration Policy received a strong level of support at the 2022 General Meeting and is expected to be maintained given the 2025 Policy being brought to shareholder vote at the 2025 Annual General Meeting is a roll-forward of the existing 2023 Policy. The Company's top 20 shareholders will be engaged regarding the extension of the Policy in the run up to the 2025 Annual General Meeting.

DIRECTORS' REMUNERATION REPORT continued

REMUNERATION FOR 2024

This section of the Report sets out the details of the implementation of the 2023 Remuneration Policy during the 2024 financial year. Details of how the Remuneration Committee intends to implement the 2025 Remuneration Policy during 2025 are summarised on page 108. This part of the Report together with the Remuneration Committee Chair's Statement, the proposed 2025 Remuneration Policy structure and its implementation, and the information on the Remuneration Committee form the Annual Report on Remuneration which is subject to an advisory shareholder vote at the 2025 AGM and contains both unaudited and audited information. The audited sections of this Report are clearly identified.

Executive Directors' remuneration

Single total figure of remuneration (audited)

The single total figure of remuneration of each Executive Director who served during the year is as follows:

£'000		A. Base salary	B. Taxable benefits	C. Pension-related benefits	Fixed Pay and benefits (sub-total)	D. Annual Bonus[2]	E. All-employee share plans	F. LTIP[3]	G. Buyout Awards[4]	Variable remuneration (sub-total)	Total
Andrew Heath	2024	767	17	81	865	419	–	779	–	1,198	2,063
	2023	734	17	77	828	1,076	–	1,390	–	2,466	3,294
Derek Harding	2024	542	17	57	616	296	–	607	–	903	1,519
	2023	524	17	55	596	765	–	1,082	–	1,847	2,443
Angela Noon[1]	2024	170	6	18	194	92	–	–	524	616	810
	2023	–	–	–	–	–	–	–	–	–	–

1. Angela Noon joined on 1 September 2024. Her 2024 remuneration is pro-rated to reflect her date of joining.
2. In line with the 2023 Remuneration Policy, 50% of the bonus paid to Executive Directors is deferred in shares for three years. These deferred share awards remain subject to continued employment conditions and malus/clawback provisions although no further performance conditions are attached to them. Full details of the nominal cost share options granted under the Deferred Bonus Plan (DBP) on 28 March 2024 can be found on page 128 which satisfies the deferred element of the Executive Directors' 2023 bonus entitlement.
3. A breakdown of how the LTIP values have been determined by year is shown below. Further details of the values for 2023 and 2024 can be found on pages 125 to 127.
   – 2024 figures relate to the 2022 LTIP awards which are due to vest on 17 March 2025 and are based on estimated vesting levels as at 31 December 2024 using the three-month average share price at 31 December 2024 of 2,536.72 pence per share. This is slightly lower than the share price at grant (2,658.00 pence per share), there is no share price appreciation in the 2022 LTIP estimated vesting value.
   – The 2023 figures have been restated to reflect the actual vesting outcomes for Andrew Heath's and Derek Harding's 2021 LTIP award. The value attributed to share price appreciation in respect of the 2021 award (based on the share price at vesting of 3,321.00 pence per share) was £74,020 and £57,640 for Andrew Heath and Derek Harding respectively. This equates to 5.3% of the total award vested for Andrew Heath and Derek Harding.
4. This represents the value of Angela Noon's buyout arrangements either paid in cash awards or share award without performance conditions. Further details of the buyout arrangements for Angela Noon's forfeited awards from her previous employment can be found on page 109.

Notes to the single total figure of remuneration table

A. Salary (audited)

Both Andrew Heath and Derek Harding had a 3.0% salary increase with effect from 1 April 2024. The average salary review increase for employees of Spectris plc with effect from 1 April 2024 was 3.4%.

B. Taxable benefits (audited)

Taxable benefits include allowances paid in lieu of company cars and private fuel, medical expenses insurance (including family cover) and life and disability cover. Details of the taxable benefits paid in 2024 are set out in the table below:

Executive Director	Car and fuel allowances £	Medical/ healthcare cover £	Total £
Andrew Heath	15,165	1,926	17,091
Derek Harding	15,165	1,926	17,091
Angela Noon	5,055	672	5,727

C. Retirement benefits (audited)

Executive Directors are entitled to a defined contribution pension contribution. All Executive Directors receive a 10.5% of base salary entitlement which aligns with the terms applicable to the majority of the UK wider workforce as stated in the 2023 Remuneration Policy.

Due to the pension lifetime allowance and the maximum annual pension contribution allowance, the Executive Directors are entitled, at their option, to a taxable salary supplement in lieu of some or all of such pension contributions. All Executive Directors have chosen this option and each receives a cash payment in lieu of participation in a Spectris pension scheme.

No Executive Director participated in a defined benefit pension plan during the year.

D. 2024 Annual bonus outcome (audited)

The maximum bonus opportunity for all the Executive Directors is 150% of base salary. The on-target bonus for each Executive Director is 50% of the maximum bonus opportunity. The table below sets outs the annual bonus earned by the Executive Directors in respect of the 2024 financial year including the financial trigger points used in determining the level of bonus payable.

	Maximum bonus opportunity (% of salary)	Bonus metrics (% of maximum bonus opportunity)	Payout (% of salary) Threshold	On-target	Maximum	Actual performance	Payout[1] £	Bonus outcome (% of maximum)
Andrew Heath (Salary – £772,500)	150%	Sales (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Margin (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Cash (20%)	0%	15%	30%	25.8%	199,140	17.2%
		Strategic objectives (20%)	0%	15%	30%	28.5%	220,163	19.0%
		Total	0%	75%	150%	54.3%	419,303	36.2%
Derek Harding (Salary – £546,250)	150%	Sales (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Margin (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Cash (20%)	0%	15%	30%	25.8%	140,816	17.2%
		Strategic objectives (20%)	0%	15%	30%	28.5%	155,681	19.0%
		Total	0%	75%	150%	54.3%	296,497	36.2%
Angela Noon (Salary – £170,000[2])	150%	Sales (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Margin (30%)	0%	22.5%	45%	0.0%	0	0.0%
		Cash (20%)	0%	15%	30%	25.8%	43,824	17.2%
		Strategic objectives (20%)	0%	15%	30%	28.5%	48,450	19.0%
		Total	0%	75%	150%	54.3%	92,274	36.2%

1. 50% of the Executive Directors' 2024 bonus will be deferred into shares for three years in line with the 2023 Remuneration Policy.
2. Angela Noon joined on 1 September 2024. Her 2024 bonus has been calculated using a pro-rata salary to reflect her date of joining.

Bonus performance measures

The performance against the 2024 bonus financial metrics was as follows:

Bonus targets[1]	Threshold (0% of max)	Target (50% of max)	Maximum (100% of max)	Actual
Sales: LFL sales growth	0.0%	1.5%	3.0%	-7.0%
Margin: Adjusted operating margin growth	17.90%	18.15%	18.40%	15.4%
Cash: Adjusted cashflow conversion	70%	80%	90%	87.2%

1. 2024 bonus targets and actual results are prepared and calculated on standard FX rates so that the bonus outturn was not impacted (positively or negatively) by exchange rate movements during the bonus year.

When reviewing performance against the financial metrics, the Committee considers whether any items should be excluded because it gives a distorted view of performance.

In line with the Group's Remuneration Policy, as the disposal of Red Lion Controls was known when the 2024 bonus targets were set, the 2024 bonus target and results exclude Red Lion Controls. In addition, the actual results exclude SciAps Incorporated, Micromeritics Instruments and Piezocryst Advanced Sensorics GmbH (all acquired in the second half of 2024) to ensure a fair like-for-like comparison with the bonus targets.

No discretion has been exercised in relation to the outcome of bonus awards to the Executive Directors and approved the partial payout for the cash conversion metric and the nil payout for the LFL sales growth and adjusted operating margin growth metrics.

The 2024 operational and strategic objectives for the current Executive Directors, which were set at the beginning of the year (date of appointment for Angela Noon) and account for 20% of the maximum bonus opportunity, cover a range of the Company's targeted strategic priorities. Each priority is assessed by the Remuneration Committee against each of the defined targets with input from the Chair. The objectives for all three Executive Directors and performance against them are summarised in the table on page 124.

In line with the treatment of the wider employee population, the Committee reviewed the Executive Directors' performance against the Group's Values as part of the evaluation of the outcome of performance under the strategic and operational objectives, considering not only what was achieved, but how it was achieved.

DIRECTORS' REMUNERATION REPORT continued
REMUNERATION FOR 2024 continued

Andrew Heath	Target	Achievement
Strategic and Operational objectives – outcome 95%/100%		
Continue to improve product vitality and further strengthen competitive advantage	Improve product vitality to >27% and develop strategy on whitespace opportunities.	– Vitality score of 28.8% in 2024. – Whitespace strategy effectively progressed with the Board.
Deliver on the Group's M&A Strategy	Conduct a comprehensive review of transformational and bolt-on M&A opportunities and determine and enact appropriate strategy.	– Successful acquisitions of Micromeritics, SciAps and Piezocryst completed, with strong focus in second half of 2024 on integration.
Strengthening the Group's equity story	Build the proportion of the share register held in North America to >34%.	– North American investor ownership increased to 33.8%.
Develop Group's adoption of Artificial Intelligence	Develop Group's approach at a transformational, product enhancement and productivity level.	– Strong development of transformational opportunities across both Divisions, including SmartReturn at Malvern Panalytical and Virtual Test at HBK. – Significant focus on product enhancements using AI, including launch of Mastersizer 3000+, HBK Advantage Analytics and ReliaSoft. – Productivity enhancing tools deployed including software development tools.
Deliver margin expansion in a low growth environment	Deliver tangible P&L benefit through Spectris Business System. Ensure rigorous Legato benefit realisation plan in place.	– Delivered SBS benefits of >£10m in 2024. – Benefit realisation programme being executed to deliver £20m of Legato-related benefits in 2025 and 2026.
Develop the leadership and organisational structure of the Spectris Scientific Division	Oversee the successful transition to a new President of Spectris Scientific, together with organisational changes to the Malvern Panalytical business.	– Successful transition from CFO to President, Spectris Scientific (Derek Harding). – Successful recruitment of new CFO (Angela Noon). – Successful appointment of new President, Malvern Panalytical (Terry Kelly) and supporting operating model work well underway.

Angela Noon	Target	Achievement
CFO (1 September 2024 onwards) **Strategic and Operational objectives – outcome 95%/100%**		
Group capital structure	Oversee debt restructuring and successfully develop cashflow forecasting.	– Successfully completed $400m issue of US Private Placement. – Developed new cashflow forecasting tool to effectively monitor liquidity.
ERP implementation	Undertake deep diagnostic and strengthen the reporting structure for the ERP Implementation.	– Post-implementation review and maturity analysis conducted and deployed alongside revised programme reporting.
Budget preparation and financial planning	Develop budgeting and forecasting process aligned to Group financial plan.	– Successfully achieved with financial plan signed off by the Board.

Derek Harding	Target	Achievement
CFO (1 January 2024 – 31 August 2024) **President, Spectris Scientific (1 July 2024 onwards)** **Strategic and operational objectives – outcome 95%/100%**		
Operational performance	Improve operational performance and develop order intake pipeline.	– Delivered strong financial performance and order intake ahead of forecast.
Acquisition integration	Oversee the successful development of a detailed integration plan for Micromeritics and SciAps.	– Successful partnership with Bain and Terry Kelly to initiate a comprehensive and robust integration plan.
Leadership	Provide clear and strong leadership of the Division during a period of change.	– Delivered strong leadership through a period of considerable change.
Operating Model	Drive clear accountability and focus on the financial performance and improve Group's regular performance management process.	– Greater visibility achieved through the central financial reporting system, further work to be undertaken in 2025.
Implementation of ERP System	Oversee implementation and ensure clear path to achieving stated benefits	– Implementation achieved with clear benefit realisation plan in place.
Continue to develop the Group's approach to risk, controls and internal audit	Develop the Group's systems and controls to ensure alignment with the UK Corporate Governance Code.	– Strong progress in development of the Group's approach to risk and controls.

E: All-employee share plans (audited)

There were no payments during the year to Executive Directors under the Spectris all-employee share plans.

F. Long Term Incentive Plan (LTIP) (audited)

Awards granted under the LTIP to the Executive Directors between 2020 and 2022 were structured so that 50% of the base award was subject to a Group EPS target, and the remaining 50% to a ROGCE target. A multiplier (up to a maximum of 1.4 times) can potentially be applied to the base award vesting but only on achieving stretching absolute and relative Total Shareholder Return (TSR) targets.

Each condition operated over a fixed three-year period (being the three financial years commencing with the financial year in which an award was made in respect of the Group EPS and ROGCE measures; and three years from the date of grant in respect of the absolute and relative TSR measures) with no opportunity for re-testing. The TSR performance condition is measured independently by Aon Hewitt (Aon). A holding period of two years applies to all awards following vesting.

LTIP awards vested in March 2024 (audited)

The 2021 LTIP awards granted to Andrew Heath and Derek Harding matured in March 2024. 72.1% of the total award vested on 17 March 2024 (see table below) and is now subject to the additional two-year holding period. The balance of the award lapsed.

Vested awards are satisfied in shares (normally treasury shares) with sufficient shares being sold to meet income tax and national insurance contributions due on exercise, at the Director's discretion, and the net balance of shares transferred to the individual. Awards lapse if they do not vest on the third anniversary of their award.

Performance condition	Award level (% of salary)		Threshold (20%)	Maximum (100%)	Actual	Percentage weighted vesting	Percentage of total vested award
EPS	100%		4.00% p.a.	10.00% p.a.	26.49% p.a.	100.00%	35.71%
ROGCE	100%		10.90% (2020 ROGCE +1%)	12.90% (2020 ROGCE +3%)	18.50%[2]	100.00%	35.71%
TSR multiplier	80% (Up to 1.4X multiplier)	Multiplier	Absolute TSR	Relative TSR gateway	TSR Actual		
		1.0X	8.0% p.a. or less	Median or above	**Absolute:** 8.1% p.a. **Relative:** Above upper quartile	2.50% (1.01 X multiplier)	0.71%
		1.0X to 1.2X	8.0% – 10.0% p.a.				
		1.2X	10.0% p.a.				
		1.2X to 1.4X	10.0% – 15.0% p.a.	Upper quartile or above			
		1.4X	15.0% p.a.				
Total	**280%**						**72.13%**

The 2023 single total figure of remuneration for Andrew Heath and Derek Harding has been restated as shown below to reflect the final vesting outcome.

Executive Director	Total number of shares subject to LTIP option at date of grant	Face value at date of grant[1]	Vesting percentage of total award	Vested award	Reinvested dividend shares	Total Vested Award	Share price on vesting date (17 March 2024)	Vesting value	Share price appreciation as a % of the total vested award value
Andrew Heath	54,318	£1,707,975	72.13%	39,186	2,728	41,914	3,321.00p	£1,390,005	5.3%[2]
Derek Harding	42,296	£1,329,955	72.13%	30,514	2,125	32,639	3,321.00p	£1,082,415	5.3%[2]

1. The face value is based on the average of the closing share price over the five days immediately prior to the date of grant (17 March 2021) of 3,144.40 pence per share.
2. The value attributed to share price appreciation, based on a final share price at vesting of 3,321.00 pence per share, was £74,020 and £57,640 for Andrew Heath and Derek Harding respectively. The Committee determined that the 72.13% partial vesting position together with the share price appreciation provided an appropriate level of award fairly representing how the Company had performed over the 2021 LTIP's vesting period.

LTIP awards vesting in March 2025 (audited)

Both Andrew Heath and Derek Harding were granted LTIP awards in 2022, which will mature in March 2025. The Committee determined that the 2022 LTIP vesting outcome has not been subject to windfall gains.

The final vesting position of the EPS and ROGCE conditions as well as the best estimate of the vesting position for the TSR Multiplier (based on Aon's interim report as at 31 December 2024) are provided below:

Performance condition	Award level (% of salary)		Threshold (20%)	Maximum (100%)	Actual	Actual/estimated percentage vesting	Actual/estimated percentage of total vested award
EPS	100%		4.00% p.a.	10.00% p.a.	9.68% p.a.[1]	95.77%	34.20%
ROGCE	100%		14.08%[2] (2021 ROGCE +1%)	16.08%[2] (2021 ROGCE +3%)	14.20%[3]	24.95%	8.91%
TSR multiplier	80% (Up to 1.4X multiplier)	Multiplier	Absolute TSR	Relative TSR gateway	TSR Actual		
		1.0X	8.0% p.a. or less	Median or above	**Absolute:** (17.1%) p.a. **Relative:** Below median[4]	0.00% (1.0 X multiplier)	0.00%
		1.0X to 1.2X	8.0% – 10.0% p.a.				
		1.2X	10.0% p.a.				
		1.2X to 1.4X	10.0% – 15.0% p.a.	Upper quartile or above			
		1.4X	15.0% p.a.				
Total	280%						43.11%

1. The EPS outcome figure has been calculated on the following basis:
   - In order to account for material business divestments which occurred with more than one year remaining of the performance period of the 2022 LTIP (namely the BK Vibro, Concept Life Sciences, ESG, Millbrook, NDCT and Omega disposals), the base year performance outcome has been adjusted to remove the impact of the disposed entities.
   - In order to account for material business acquisitions and divestments which occurred with less than one year remaining of the performance period of the 2022 LTIP (namely the SciAps Incorporated, Micromeritics Instruments and Piezocryst Advanced Sensorics GmbH acquisitions and the Red Lion Controls disposal), no changes have been made to the base calculation, but the final outturn has been adjusted to remove any contributions from the newly acquired businesses as well as including a full year's contribution from the divested business (actual contribution up to date of disposal plus budgeted contribution for the remainder of the year).
   - These adjustments ensure that the targets remained as stretching as originally intended and the outcomes are not influenced by the impact of divestments and acquisitions that occurred during the performance period.
   - A full reconciliation from the Adjusted EPS figure (as set out in the appendix to the Consolidated Financial Statements on page 232) is provided below:

DIRECTORS' REMUNERATION REPORT continued
REMUNERATION FOR 2024 continued

	As at 31 December 2021 pence	As at 31 December 2024 pence
Adjusted EPS (reported)	140.7p	148.1p
Adjustments relating to disposals in 2022 and 2023 (BKV, CLS, ESG, Millbrook, NDCT and Omega)	(15.6)p	
Adjustments relating to acquisitions in 2024 including associated debt (SciAps, Micromeritics and Piezocryst)		4.5p
Adjustments relating to disposals in 2024 (RLC)		12.5p
Adjusted EPS (correcting for acquisitions and disposals)	125.1p	165.1p
Compound annual growth in EPS		9.68%

2. The ROGCE targets have been assessed on a constant currency basis.
3. The Committee determined that the 2024 ROGCE outcome as calculated below is a true reflection of the Company's performance. The 2024 ROGCE calculation accounts for material business acquisitions occurring with less than one year remaining of the performance period of the 2022 LTIP (namely the SciAps Incorporated, Micromeritics Instruments and Piezocryst Advanced Sensorics GmbH acquisitions) by removing any contributions from the newly acquired businesses in the final outturn. This ensures that the targets remained as stretching as originally intended.

	31 December 2024 £m
Average gross capital employed (reported)	1,754.0
Adjustments relating to acquisitions in 2024 including associated debt and re-translation to 2024 average FX rates (SciAps, Micromeritics and Piezocryst)	(400.5)
Constant currency adjusted average gross capital employed (excluding acquisitions)	1,353.5
Adjusted operating profit (reported)	202.6
Adjustments relating to acquisitions in 2024 (SciAps, Micromeritics and Piezocryst)	(10.4)
Adjusted operating profit (excluding acquisitions)	192.2
ROGCE	14.20%

4. TSR performance, both absolute and relative to the FTSE 250 (excluding investment trusts), has been estimated based on the position as at 31 December 2024.

The vesting estimates as at 31 December 2024 are detailed in the table below:

Executive Director	Maximum vesting opportunity under LTIP option[1]	Face value of maximum LTIP award[2]	Estimated vesting % of maximum award	Estimated number of shares vesting	Estimated reinvested dividend shares[3]	Estimated total number of shares vesting	Year-end three-month average share price	Estimated vesting value	Estimated share price appreciation as a % of vested value[4]
Andrew Heath	66,313	£1,762,600	43.11%	28,589	2,174	30,763	2,536.72p	£778,942	(4.8%)
Derek Harding	51,637	£1,372,511	43.11%	22,261	1,692	23,953	2,536.72p	£606,507	(4.8%)

1. The maximum vesting opportunity under the LTIP award equals the base award times a 1.4 TSR multiplier.
2. The face value is based on the average closing share price over the five days immediately prior to the date of grant (17 March 2022) of 2,658.00 pence per share.
3. The estimated dividend shares are based on dividends paid over the three-year performance period. Dividend shares will accrue from date of grant to the end of the holding period (fifth year anniversary from date of grant) which is the first opportunity the award can be exercised.
4. The estimated value is based on the three-month average share price at 31 December 2024 of 2,536.72 pence per share which is slightly lower than the share price at grant (2,658.00 pence per share). If the share price remained at the share price as at the date of grant, the estimated vesting value reported in the table above would be £37,309 and £29,050 higher for Andrew Heath and Derek Harding respectively. These values are only estimates, however, the Committee has determined that no discretionary adjustment will be made to the final LTIP vesting position.

G. Buyout Awards (audited)

In line with our recruitment remuneration policy, the Committee agreed to grant Angela Noon awards either in cash or Spectris shares to compensate her for the value of awards forfeited on leaving International Distributions Service (IDS). Further details can be found on page 109.

Angela Noon's IDS 2022 LTIP buyout award will mature in September 2025. The final vesting position, as determined by IDS, solely on IDS's TSR relative to FTSE 51–150 comparator group over the performance period 1 April 2022 to 31 March 2025.

The best estimate of the vesting position for the TSR performance condition, based on Aon's report as at 31 December 2024, is provided below:

Performance condition	Threshold (25%)	Maximum (100%)	Estimated performance	Estimated vesting percentage of total award
IDS TSR versus FTSE 51–150 comparator group	Median or above	Upper quartile or above	(12.4%) p.a. Below median performance	0.0%

If the IDS TSR position remains below median performance, this buyout award will lapse in full on 1 September 2025.

Payments for loss of office (audited)

There were no payments for loss of office in 2024.

Payments to past Directors (audited)

There were no payments to past Directors in 2024.

Deferred Bonus Plan (DBP) awards granted during 2024 (audited)

50% of each Executive Director's pre-tax annual bonus is compulsorily deferred under the terms of the DBP in the form of a nominal cost share option grant. The DBP share options remain subject to continued employment conditions as well as malus and clawback provisions although no further performance conditions apply.

The DBP share options granted to Andrew Heath and Derek Harding on 28 March 2024, based on their 2023 Bonus entitlement and calculated according to the average of the closing share price over the five days immediately prior to the date of grant, are summarised in the table below:

Director	Exercise price	Number of shares under DBP share option	Face value of DBP share option at date of grant[1]
Andrew Heath	5p	16,376	£537,722
Derek Harding	5p	11,651	£382,572

1. The face value is based on the average closing share price over the five days immediately prior to date of grant (28 March 2024) of 3,283.60 pence per share.

LTIP awards granted during 2024 (audited)

2024 LTIP awards were granted to Andrew Heath and Derek Harding on 28 March 2024 and a pro-rata entitlement to Angela Noon on 6 September 2024. These LTIP awards are subject to the performance conditions detailed below. An additional vesting period of two years applies to all awards following the three-year performance period.

Director	Exercise price	Number of shares under base award (% of salary)	Face value of base award at date of grant[1] (£)	Maximum TSR multiplier	TSR multiplier 0.4x maximum additional share opportunity (shares)		Maximum opportunity base award + TSR multiplier (shares)	Face value of maximum award at date of grant[1] (£)
Andrew Heath	5p	45,681 (200% of salary)	£1,499,981	1.40 x base award	18,272 (80% of salary)	=	63,953 (280% of salary)	£2,099,961
Derek Harding	5p	32,296 (200% of salary)	£1,060,471	1.40 x base award	12,918 (80% of salary)	=	45,214 (280% of salary)	£1,484,647
Angela Noon	5p	29,699 (167% of salary)[2]	£849,895	1.40 x base award	11,879 (66% of salary)2	=	41,578 (233% of salary)[2]	£1,189,962

2024 LTIP base award performance conditions

	Vesting (% of base award)	Performance targets	Performance period
Adjusted EPS Growth (33.33% of base award)	0%	Less than 4%	1 January 2024 to 31 December 2026
	6.7%	4%	
	6.7% to 33.3% (straight line pro-rata basis)	Between 4% and 10%	
	33.3%	10% or more	
ROGCE[3] (33.33% of base award)	0%	Less than 14% p.a.	1 January 2024 to 31 December 2026
	6.7%	14% p.a.	
	6.7% to 20.3% (straight line pro-rata basis)	Between 14% p.a. and 16% p.a.	
	20.0% to 33.3% (straight line pro-rata basis)	Between 16% p.a. and 17% p.a.	
	33.3%	17% p.a. or more	
Net Zero emissions (16.67% of base award)	0%	Less than 27.5% reduction	1 January 2024 to 31 December 2026
	3.3%	27.5% reduction	
	3.3% to 16.7% (straight line pro-rata basis)	Between 27.5% and 35.5% reduction	
	16.7%	35.5% reduction or more	
Gallup employee engagement (16.67% of base award)	0%	Gallup score of 4.00 or less	1 January 2024 to 31 December 2026
	3.3%	Gallup score of 4.00	
	3.3% to 10.0% (straight line pro-rata basis)	Gallup score between 4.00 and 4.05	
	10.0% to 16.7% (straight line pro-rata basis)	Gallup score between 4.05 and 4.08	
	16.7%	Gallup score of 4.08 or more	

1. Face value of base and maximum award based on the average of the closing share price over five days immediately prior to date of grant (3,283.60 pence per share for Andrew Heath's and Derek Harding's LTIP awards and 2,862.00 pence per share for Angela Noon's LTIP award).
2. Angela Noon joined on 1 September 2024. Her pro-rata 2024 LTIP Award reflects her date of joining.
3. ROGCE is measured on a constant currency basis.

2024 LTIP TSR multiplier performance conditions

TSR multiplier	Absolute TSR growth targets	Relative TSR gateway – assessed against FTSE 250 index (excluding investment trusts)	Performance period
1.00 X	8% p.a. or less	Median or above	28 March 2024 to 27 March 2027
Between 1.00 X and 1.20 X	Between 8% and 10% p.a.	Median or above	
1.20 X	10% p.a.	Median or above	
Between 1.20 X and 1.40 X	Between 10% and 15% p.a.	Upper quartile or above	
1.40 X	15% p.a. or more	Upper quartile or above	

Threshold and maximum vesting (as a % of the 2024 LTIP base award)

Performance Level	EPS Vesting		ROGCE Vesting		Net Zero Vesting		Employee Engagement Vesting		Base award Vesting		TSR Multiplier factor		Overall Vesting (as % of base award)
Threshold	6.7%	+	6.7%	+	3.3%	+	3.3%	=	20%	x	1.0	=	20%
Maximum	33.3%	+	33.3%	+	16.7%	+	16.7%	=	100%	x	1.4	=	140%

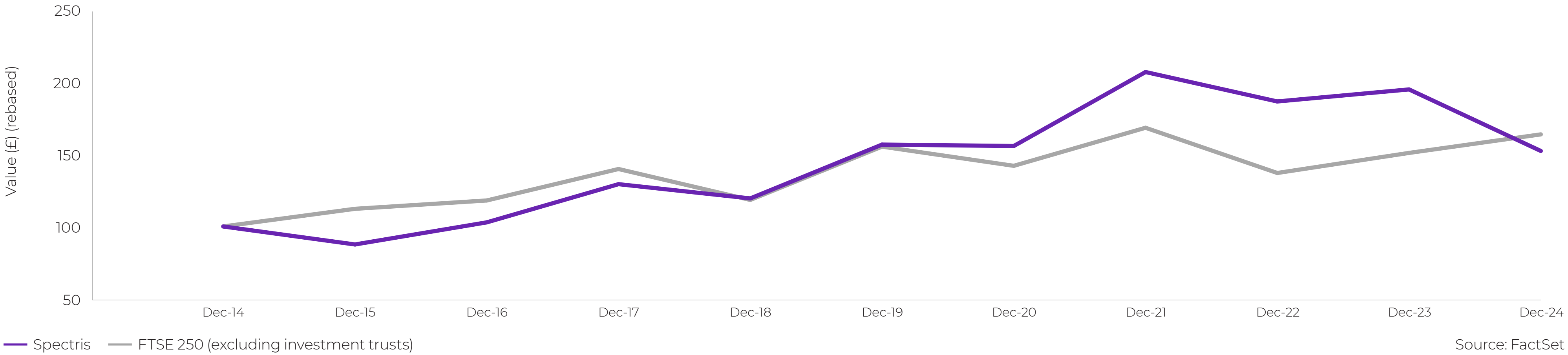
These tables detail LTIP share options granted to Executive Directors during 2024, in line with the 2023 Remuneration Policy. The base level of award is 200% of base salary (pro-rata award level of 167% for Angela Noon), calculated according to the average of the closing share price over the five days immediately prior to the date of grant.

A multiplier (up to a maximum of 1.4 times) will apply to the base award vesting level but only on achieving both absolute and relative stretching TSR targets. This means that any additional payout from the multiplier would only occur when shareholders benefit from a material increase in share value which outperforms the FTSE 250 comparator group.

EPS is obtained from the audited Consolidated Financial Statements and the calculation of achievement against growth condition is presented to and approved by the Committee. ROGCE is a comprehensive measure of the effectiveness of all capital deployed by the Group and supports the Group's key strategic intention to improve its overall return on capital invested in the medium term. The Net Zero emissions condition is aligned to the Company's Net Zero roadmap to 2030 and a key driver for sustainable growth. Improving employee engagement is key to unlocking workforce productivity, which in turn supports our ability to retain and attract the talent we need to execute the strategy successfully and drive value for all of our stakeholders.

The Committee will monitor outcomes for the LTIP performance conditions to ensure that they achieve the original objectives and may adjust the vesting accordingly. Any exercise of discretion will be justified in the relevant Directors' Remuneration Report.

Total shareholder return performance



Source: FactSet

This graph shows the value, by 31 December 2024, of £100 invested in Spectris on 31 December 2014, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts) on the same date. This index has been chosen because it is a widely recognised performance benchmark for large UK companies and Spectris is a constituent of the FTSE 250. The other points plotted are the values at intervening financial year ends.

Historical Chief Executive remuneration

The table below shows the total remuneration figure for the Chief Executive for the current year and over the previous nine years. The total remuneration figure includes the annual bonus and LTIP awards that vested based on performance in those years. The annual bonus and LTIP percentages show the payout for each year as a percentage of the potential maximum.

	2015	2016	2017	2018	2018	2019	2020	2021	2022	2023	2024
	John O'Higgins	John O'Higgins	John O'Higgins	John O'Higgins	Andrew Heath	Andrew Heath	Andrew Heath	Andrew Heath	Andrew Heath	Andrew Heath	Andrew Heath
Single total figure of remuneration (£'000)	729	1,388	1,611	2,253[2]	324[2]	1,163	1,404	2,010	3,675	3,294[3]	2,063[4]
Annual bonus (% of maximum)	0%[1]	90%	80%	54%	60%	45%	40%	98%	78%	96%	36%
PSP/LTIP vesting (% of maximum)	0%	0%	10%	68%	n/a	n/a	31%	25%	71%	72%[3]	43%[4]

1. Bonus entitlement waived.
2. Pro-rated figures based on time served as Chief Executive during 2018 (nine months for John O'Higgins and three months for Andrew Heath).
3. Restated figure to reflect actual vesting of 2021 LTIP award.
4. Based on estimated vesting for 2022 LTIP award.

Percentage change in remuneration of the Directors

The table below shows the percentage change in the salary/fees, and benefits of each Executive Director, the Chair and the Non-executive Directors compared with the change in the Group's employees between the year ended 31 December 2023 and 31 December 2024. The Group-wide 2024 annual bonus payments will be confirmed in March 2025 and therefore estimated figures for Group employees have been used in the comparison.

	% change 2023–2024			% change 2022–2023			% change 2021–2022			% change 2020–2021		
Executive Directors	Salary/ fees[1]	Benefits	Annual bonus[2]	Salary/ fees[1]	Benefits	Annual bonus[2]	Salary/ fees	Benefits	Annual bonus	Salary/ fees	Benefits	Annual bonus
Andrew Heath	3.0%	2.3%	(61.0%)	9.2%	1.6%	33.2%	9.1%	(3.6%)	(12.7%)	3.2%	(0.5%)	152.8%
Derek Harding	3.0%	2.3%	(61.2%)	5.0%	1.6%	53.5%	3.0%	(3.6%)	(16.7%)	3.2%	(0.5%)	151.8%
Angela Noon	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chair and Non-executive Directors												
Mark Williamson	40.0%	n/a	n/a	4.6%	n/a	n/a	3.0%	n/a	n/a	5.5%	n/a	n/a
Nicholas Anderson	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ravi Gopinath	2.6%	n/a	n/a	4.3%	n/a	n/a	2.4%	n/a	n/a	n/a	n/a	n/a
Mandy Gradden	30.2%[3]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alison Henwood	22.2%[4]	n/a	n/a	5.4%	n/a	n/a	3.0%	n/a	n/a	n/a	n/a	n/a
Cathy Turner	6.6%	n/a	n/a	23.4%	n/a	n/a	2.4%	n/a	n/a	10.8%	n/a	n/a
Kjersti Wiklund	2.7%	n/a	n/a	4.5%	n/a	n/a	2.5%	n/a	n/a	11.1%	n/a	n/a
Spectris employees	4.9%	8.1%	(53.4%)	6.8%	13.5%	27.1%	6.6%	14.9%	(2.6%)	7.0%	0.3%	120.3%

1. The change in the Executive Directors' salaries plus the Chair and Non-executive Directors' fees reflects the increases disclosed in the 2023 Remuneration Report. This included the approved increase in the Chair fees from £250,000 to £350,000.
2. The financial metrics were partially met for the 2024 bonus, whereas they were fully met for the 2023 comparative. The greater percentage decrease in Andrew Heath's and Derek Harding's bonus compared to the average Spectris employee reflects that when the financial metrics are only partially met a greater portion of the Executive Directors' bonus opportunity is missed than is the case for the average Spectris employee.
3. On 24 May 2024, Mandy Gradden was appointed as Audit and Risk Committee Chair as part of a planned succession process following the retirement of Bill Seeger. The increased responsibility is the reason for the substantial increase in Mandy Gradden's fee compared to 2023 levels.
4. On 1 April 2024, Alison Henwood took responsibility for sustainability oversight for the Board. This increase in responsibility is the reason for the substantial increase in Alison Henwood's fee compared to 2023 levels.

CEO pay ratios

The table below sets out the 2019 to 2024 pay ratios of the Chief Executive's total remuneration to the 25th, median (50th), and 75th percentile full-time equivalent (FTE) remuneration of Group UK employees.

Financial year	Method	25th percentile pay ratio (lower quartile)	50th percentile pay ratio (median)	75th percentile pay ratio (upper quartile)
31 December 2019	Option A	40:1	30:1	21:1
31 December 2020	Option A	47:1	36:1	25:1
31 December 2021	Option A	64:1	45:1	32:1
31 December 2022	Option A	109:1	79:1	55:1
31 December 2023[1]	Option A	86:1	60:1	41:1
31 December 2024	Option A	53:1	36:1	26:1

1. Restated figures to reflect actual vesting of 2021 LTIP award.

Further details on the 2024 total pay figures used for each quartile employee are set out in the table and notes below.

Financial year	No. of UK employees	Remuneration	Chief Executive	25th percentile employee (lower quartile)	50th percentile employee (median)	75th percentile employee (upper quartile)
31 December 2024	1,040	Base salary	£766,875	£33,858 FTE base salary	£49,474 FTE base salary	£67,410 FTE base salary
		Total remuneration[1]	£2,062,733 STFR	£39,144 total FTE[2]	£56,584 total FTE[2]	£78,413 total FTE[2]

1. The components of the Chief Executive and UK employees' STFR figure comprises base salary, taxable benefits, pension-related benefits, annual bonus and LTIPs, where applicable.
2. The total remuneration for UK employees is calculated on the same basis as the STFR for Executive Directors. The only exception to this is the personal element of the annual bonus for UK employees which is not known as at the date of this report. Bonus estimations are based on the same performance level as the Chief Executive. Given the complexity of the calculations, such estimated values will not be restated next year to reflect the actual outcomes.

The Chief Executive's total remuneration as calculated is reported in the table on page 122. The remuneration of the lower, median and upper quartile employees is calculated on FTE data for the full year, run on 30 November, with estimated figures for the annual bonus and LTIP vesting. Option A methodology was chosen as it is considered to be the most statistically accurate way to identify the best equivalents of the 25th, median and 75th percentile figures used to calculate the pay ratios each year, and it is aligned with best practice and investor expectations. The Committee is satisfied that the individuals identified within each relevant percentile appropriately reflect the employee pay profiles at those quartiles, and that the overall picture presented by the ratios is consistent with our pay, reward and progression policies for UK employees. Roles are regularly benchmarked against PwC's benchmarking report of FTSE 50–150 companies.

The reduction in this year's pay ratio compared to 2023 levels is predominantly the result of the Chief Executive's 2024 annual bonus and LTIP being 61% and 44% lower than his 2023 equivalent figures. Consequently, there has been a 37% reduction in the Chief Executive's 2024 STFR on last year.

In comparison, the average UK employees' SFTR remained broadly at the 2023 level. The average UK employees' 2024 incentive pay-out was 46% lower than 2023 levels however this was offset by increases in average salary and benefits for UK employees.

Overall the reduction in the CEO pay ratio reflects the greater volatility in the Chief Executive's STFR which has a greater emphasis on variable remuneration to ensure his pay reflects the Group's performance and is better aligned with shareholder interests.

The reward policies and practices for our employees broadly follow those set for the Executive Directors, including the Chief Executive. The Committee has responsibility for setting and making any changes in remuneration for the senior management. This includes the reviewing of policies and practices for our workforce and consideration of shareholders and other stakeholder views as part of designing the Remuneration Policy and its operation for the Executive Directors. On this basis, the Committee is satisfied that the median pay ratio is consistent with the pay, reward and progression policies across all of the Company's employees.

Relative importance of spend on pay

The table below shows the relative expenditure of the Group on the pay of its employees in comparison to adjusted profit before tax and distributions to shareholders by way of dividend payments between the years ended 31 December 2023 and 31 December 2024. Total employee pay is the total pay cost for all Group employees. Adjusted profit before tax is used as this is a key financial metric which the Board considers when assessing the Group's financial performance.

	2024 £m	2023 £m	% change
Total employees pay	576.0	569.2	1.2%
Dividends paid during the year[1]	80.5	79.7	1.0%
Share buyback during the year	96.7	114.9	(15.8%)
Adjusted profit before tax[2]	191.5	263.6	(27.4%)

1. The dividend per share during the year increased by 5.1% however the dividends paid during the year only increased by 1.0% because of the reduction in the Company's Issued Share Capital caused by the share buyback programme.
2. Adjusted profit before tax is calculated as being statutory profit before tax adjusted to exclude certain items defined in the appendix to the Consolidated Financial Statements on page 232.

Non-executive Directors' remuneration

Chair and Non-executive Directors' fees

The fee structure for the Non-executive Directors is set out below:

	2025[1] £'000	2024 £'000	2023 £'000
Chair (all-inclusive fee)	360	350	250
Non-executive Director basic fee	67	65	63
Senior Independent Director (SID) fee	15	15	13
Chair of the Audit and Risk Committee	17	17	15
Chair of the Remuneration Committee	17	17	15
Workforce Engagement Director	12	12	12
Non-executive responsible for sustainability oversight	12	12	–
Annual travel supplement to be paid to overseas-based Non-executive Directors	15	15	15

1. A fee review to take effect from 1 April 2025 was undertaken against externally available market data on Non-executive fee structures in the FTSE 50–150, the wider Group pay review process and the Group's position in the FTSE 50–150 peer group. The Non-executive Directors' basic fee will increase to £67,000 to align more closely with the market levels expected for our peer group.

Single total figure of remuneration (audited)

The single total figure of remuneration for each Non-executive Director who served during the year is as follows:

		Basic fees £'000	Additional fees £'000	Taxable expenses £'000	Total £'000
Mark Williamson[1] Non-executive Chair	2024	325	–	–	325
	2023	247	–	–	247
Nicholas Anderson[2]	2024	38	–	–	38
	2023	–	–	–	–
Ravi Gopinath	2024	65	15	–	80
	2023	62	15	–	77
Mandy Gradden[3] Chair – Audit and Risk from 24 May 2024	2024	65	10	–	75
	2023	13	–	–	13
Alison Henwood[4] Responsible for sustainability oversight from 1 April 2024	2024	65	9	–	74
	2023	62	–	–	62
Ulf Quellmann[5]	2024	43	10	–	53
	2023	62	15	–	77
Bill Seeger[6,7] Chair – Audit and Risk (until 23 May 2024) SID (until May 2023)	2024	25	13	–	38
	2023	62	34	–	96
Cathy Turner[7] Chair – Remuneration SID (from May 2023)	2024	65	31	–	96
	2023	62	23	–	85
Kjersti Wiklund Workforce Engagement Director	2024	65	12	–	77
	2023	62	12	–	74

1. Mark Williamson's fee is all-inclusive.
2. Nicholas Anderson joined the Board on 3 June 2024. His 2024 fees are pro-rated to reflect his date of joining.
3. Mandy Gradden joined the Board on 16 October 2023. Her 2023 fees are pro-rated to reflect her date of joining. She was subsequently appointed as Audit and Risk Committee Chair on 24 May 2024 and her 2024 fee includes a pro-rated fee for this role.
4. On 1 April 2024, Alison Henwood took on responsibility for sustainability oversight for the Board. Her 2024 fee includes a pro-rated fee for this role.
5. Ulf Quellmann retired from the Board on 31 August 2024. His 2024 fees are pro-rated to reflect his date of leaving.
6. Bill Seeger retired from the Board on 23 May 2024. His 2024 fees are pro-rated to reflect his date of leaving.
7. On 26 May 2023, Cathy Turner took over from Bill Seeger as SID as part of a planned succession process. Their 2023 fees include a pro-rated SID fee.

Directors' shareholdings and share interests (audited)

Each Executive Director is, subject to personal circumstances, required to build a retained shareholding in Spectris plc of at least one-year maximum variable pay in value (430% of salary) within five years of appointment and is required to retain shares with the post-tax benefit of any vested PSP, LTIP or DBP awards until this shareholding requirement is achieved. Andrew Heath has met this shareholding requirement, and it is anticipated that Angela Noon, appointed on 1 September 2024, will achieve the shareholding requirement within this five-year timeframe.
There is no such requirement in respect of the Chair or Non-executive Directors, who have discretion as to whether to hold the Company's shares or not.

The beneficial share interest of each Executive Director (including their closely associated persons) on 31 December 2024, is:

		Interest in share plans						
Director	Ordinary shares held on 31 December 2024	LTIP[1] (subject to performance conditions)	LTIP/DBP[2] (not subject to performance conditions)	SIP shares[3]	Total Interests in shares on 31 December 2024	Total shares counting towards shareholding requirement[4]	Shareholding as a % of base salary on 31 December 2024[5]	Shareholding requirement met
Andrew Heath	68,287	185,847	149,914	503	404,551	148,971	513.6%	Yes
Derek Harding	20,756	137,708	111,444	450	270,358	80,691	387.3%	No
Angela Noon	4,600	68,812	6,094	20	79,526	7,856	41.2%	No

1. These LTIP awards are all nominal cost share options of 5 pence and all currently have outstanding performance conditions attached to them.
2. These LTIP and DBP awards are all nominal cost share options of 5 pence but are no longer subject to performance conditions. The LTIP awards are post the application of the respective performance conditions but are now subject to an additional two-year vesting period.
3. Includes Partnership shares purchased through, and Matching shares held in, the Company's all-employee Share Incentive Plan (SIP). The Matching shares may be subject to forfeiture within three years of award. As at 31 December 2024, Andrew Heath, Derek Harding and Angela Noon held 35, 35 and 3 Matching shares respectively, which were still subject to forfeiture rules.
4. This is based on shareholding plus the net of UK income tax and NI contribution value of share options held without performance conditions (see below):
   – Andrew Heath's balance includes 104,465 vested LTIP share options that are currently subject to an additional two-year vesting period and 45,449 unvested DBP share options with no performance conditions attached. Net of UK income tax and NI contributions, these represent 54,987 and 25,202 shares respectively;
   – Derek Harding's balance includes 81,343 vested LTIP share options that are currently subject to an additional two-year vesting period and 30,101 unvested DBP share options with no performance conditions attached. Net of UK income tax and NI contributions, these represent 42,810 and 16,675 shares respectively; and
   – Angela Noon's balance includes 6,094 unvested LTIP buyout share options with no performance conditions attached. Net of UK income tax and NI contributions, these represent 3,236 shares.
5. Based on the closing price on 31 December 2024 of 2,508.00 pence per share.

Directors' shareholding in the SIP

	No. of shares held at 1 January 2024	No. of Partnership shares purchased during the year	No. of Matching shares awarded during the year	Dividend shares	Total no. of shares held within the SIP as at 31 December 2024
Andrew Heath	418	60	12	13	503
Derek Harding	366	60	12	12	450
Angela Noon	–	17	3	–	20

The SIP was approved by shareholders at the 2018 AGM. This scheme is an HMRC tax favoured share purchase scheme open to all UK employees. The Executive Directors have the opportunity to participate in the SIP on the same terms as other Group UK employees. Under the SIP, Partnership shares may be purchased each month at market value using gross salary up to a maximum monthly value set by HMRC (currently £150 per month). For every five Partnership shares purchased, the Company will award one free Matching share. All shares are held in trust by the SIP Trustees. The Matching shares are subject to forfeiture within three years of the date of award.

Between 1 January and 27 February 2025, Andrew Heath, Derek Harding and Angela Noon all purchased eleven Partnership shares receiving two free Matching Shares through the Company's SIP. There were no other movements in share interests during this period.

Directors' share options (audited)

Director	Share plan[1]	Date granted	Performance period end date	Expiry date	Exercise price (pence)	Market value per share at date of award	Face value at date of grant (£)	No. of shares subject to options at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	No. of shares subject to options at 31 December 2024
Andrew Heath	PSP[2,5]	Mar 2019	Mar 2022	Mar 2029	5	2,669.0	1,220,000	13,055	–	13,055	–	–
	LTIP[3,5]	Mar 2020	Mar 2023	Mar 2030	5	2,239.2	1,707,972	59,754	1,645[7]	–	–	61,399
		Mar 2021	Mar 2024	Mar 2031	5	3,144.4	1,707,975	54,318	3,880[7]	–	15,132	43,066
		Mar 2022	Mar 2025	Mar 2032	5	2,658.0	1,762,600	66,313[6]	–	–	–	66,313
		Mar 2023	Mar 2026	Mar 2033	5	3,460.8	1,923,547	55,581	–	–	–	55,581
		Mar 2024	Mar 2027	Mar 2034	5	3,283.6	2,099,961	–	63,953[6]	–	–	63,953
	DBP[4]	Mar 2021	Mar 2024	Mar 2031	5	3,144.4	182,973	5,819	405[7]	6,224	–	–
		Mar 2022	Mar 2025	Mar 2032	5	2,658.0	462,678	17,407	–	–	–	17,407
		Mar 2023	Mar 2026	Mar 2033	5	3,460.8	403,737	11,666	–	–	–	11,666
		Mar 2024	Mar 2027	Mar 2034	5	3,283.6	537,722	–	16,376	–	–	16,376
							Total	283,913	86,259	19,279	15,132	335,761
Derek Harding	PSP[2,5]	Mar 2019	Mar 2022	Mar 2029	5	2,669.0	949,977	10,166[6]	–	10,166	–	–
	LTIP[3,5]	Mar 2020	Mar 2023	Mar 2030	5	2,239.2	1,329,973	46,529	1,279[7]	–	–	47,808
		Mar 2021	Mar 2024	Mar 2031	5	3,144.4	1,329,955	42,296	3,021[7]	–	11,782	33,535
		Mar 2022	Mar 2025	Mar 2032	5	2,658.0	1,372,511	51,637[6]	–	–	–	51,637
		Mar 2023	Mar 2026	Mar 2033	5	3,460.8	1,413,979	40,857	–	–	–	40,857
		Mar 2024	Mar 2027	Mar 2034	5	3,283.6	1,484,647	–	45,214[6]	–	–	45,214
	DBP[4]	Mar 2021	Mar 2024	Mar 2031	5	3,144.4	118,733	3,776	263	4,039	–	–
		Mar 2022	Mar 2025	Mar 2032	5	2,658.0	298,998	11,249	–	–	–	11,249
		Mar 2023	Mar 2026	Mar 2033	5	3,460.8	249,212	7,201	–	–	–	7,201
		Mar 2024	Mar 2027	Mar 2034	5	3,283.6	382,572	–	11,651	–	–	11,651
							Total	213,711	61,428	14,205	11,782	249,152
Angela Noon	LTIIP Buyout	Sep 2024	Jul 2025	Sep 2034	5	2,862.0	8,042	–	281	–	–	281
		Sep 2024	Sep 2025	Sep 2034	5	2,862.0	387,687	–	13,546	–	–	13,546
		Sep 2024	Jul 2026	Sep 2034	5	2,862.0	391,751	–	13,688	–	–	13,688
		Sep 2024	Sep 2027	Sep 2034	5	2,862.0	111,389	–	3,892	–	–	3,892
		Sep 2024	Sep 2027	Sep 2034	5	2,862.0	54,979	–	1,921	–	–	1,921
	LTIP[3,5]	Sep 2024	Sep 2027	Sep 2034	5	2,862.0	1,189,962	–	41,578[6]	–	–	41,578
							Total	–	74,906	–	–	74,906

1. Shareholders approved the current PSP rules at the AGM held on 24 May 2017 and approved the LTIP and DBP rules at the General Meeting held on 4 December 2019. The PSP, LTIP and DBP awards are conditional rights to acquire shares and are nominal cost options. The exercise price is the nominal value of a Spectris ordinary share, which is 5 pence.
2. PSP awards granted to the Executive Directors were structured so that one-third of the award is subject to an EPS target, one-third is subject to a TSR target and one-third is subject to an Economic Profit (EP) target. Each condition operated over a fixed three-year period (being the three financial years commencing with the financial year in which an award was made in respect of the EPS and EP conditions; and three years from the date of grant in respect of the TSR condition) with no opportunity for re-testing.
3. LTIP awards granted to the Executive Directors are currently structured so that one-third of the base award is subject to an EPS target, one third is subject to a ROGCE target and the final third is subject to an environmental, social and governance (ESG) target. Prior to the 2023 grant, the base award was 50% subject to the EPS target and 50% subject to the ROGCE target. A multiplier (up to a maximum of 1.4 times) will apply to the base award vesting level but only on achieving both absolute and relative stretching TSR targets. Each condition operates over a fixed three-year period (being the three financial years commencing with the financial year in which an award is made in respect of the EPS, ROGCE and ESG conditions; and three years from the date of grant in respect of the TSR condition) with no opportunity for retesting.
4 DBP awards represent the 50% of each Executive Director's pre-tax annual bonus that is compulsorily deferred into shares. No further performance conditions apply to these DBP awards.
5. PSP and LTIP awards are subject to an additional two-year holding period following the initial three-year performance period. These awards will become available to exercise at the end of the holding period (which will be the fifth anniversary of the date of grant).
6. These PSP and LTIP awards are linked to a grant of market value share options (Linked Awards). Such Linked Awards are granted up to the applicable HMRC's limit as at the date of grant (currently £60,000) and have the same performance and vesting conditions as the PSP and LTIP awards to which they are linked. No additional gross value can be delivered from the exercise of the Linked Awards. Further details are set out in note 22 to the Consolidated Financial Statements.
7. These are additional share awards for the dividend equivalent shares that would be received on the vested share award between the date of grant and the date the award becomes exercisable. These additional dividend share awards are structured as nil cost options (i.e. exercise price is nil).

Dilution limits

In line with best practice, the use of new or treasury shares to satisfy the vesting of awards made under the Company's share plans is restricted to 10% in any ten-year rolling period, of which 3.94% has been utilised.

Chair and Non-executive Directors' interest in shares

The Chair and Non-executive Directors are not permitted to participate in any of the Company's incentive schemes nor are they required to build and retain a minimum shareholding in the Company. They have discretion as to whether to hold the Company's shares or not. The table below sets out the beneficial interests in the ordinary shares of the Company of each current Non-executive Director (including their closely associated persons) during the year ended 31 December 2024.

Current Non-executive Director	Shares held at 1 January 2024 (or date of joining)	Shares held at 31 December 2024 (or date of cessation)
Mark Williamson	18,718	31,540
Nicholas Anderson	1,405	2,120
Ravi Gopinath	–	–
Mandy Gradden	–	7,898
Alison Henwood	947	2,019
Ulf Quellmann	2,477	2,492
Bill Seeger	3,000	3,000
Cathy Turner	2,660	2,660
Kjersti Wiklund	1,500	3,500

There has been no change in the interests in shares of the Chair and Non-executive Directors between 1 January and 27 February 2025.

Share price

At 31 December 2024, the mid-market closing share price on the London Stock Exchange of a Spectris ordinary share was 2,508 pence per share. The highest mid-market closing share price in the year was 3,726 pence per share and the lowest was 2,440 pence per share.

Directors' service contracts and letters of appointment

The Executive Directors have rolling contracts subject to 12 months' notice of termination by either party, or to summary notice in the event of a serious breach of the Director's obligations, dishonesty, serious misconduct or other conduct bringing the Company into disrepute. All letters of appointment in respect of the Non-executive Directors are renewable at each AGM, subject to review prior to proposal for re-election, and provide for a notice period of six months. Ordinarily, appointments do not continue beyond nine years after first election, at which time Non-executive Directors cease to be presumed independent under the Code.

The table below summarises the current Directors' service contracts or terms of appointment.

	Date of contract	Expiry date	Notice period	Length of service at 27 February 2025
Executive Director				
Andrew Heath	3 Sep 2018	Rolling contract with no fixed expiry date	12 months	6 years 5 months
Derek Harding	1 Mar 2019	Rolling contract with no fixed expiry date	12 months	5 years 11 months
Angela Noon	1 Sep 2024	Rolling contract with no fixed expiry date	12 months	5 months
Non-executive Director				
Mark Williamson	26 May 2017	Renewable at each AGM	6 months	6 years 10 months
Nicholas Anderson	3 Jun 2024	Renewable at each AGM	6 months	8 months
Ravi Gopinath	1 Jun 2021	Renewable at each AGM	6 months	3 years 8 months
Mandy Gradden	16 Oct 2023	Renewable at each AGM	6 months	1 year 4 months
Alison Henwood	1 Sep 2021	Renewable at each AGM	6 months	3 years 5 months
Cathy Turner	1 Sep 2019	Renewable at each AGM	6 months	5 years 5 months
Kjersti Wiklund	19 Jan 2017	Renewable at each AGM	6 months	8 years 1 month

External appointments – Executive Directors

Executive Directors may retain any payments received in respect of external non-executive appointments held. Such appointments are normally limited to one per Director at any time and are subject to the approval of the Board. The Executive Directors have the following appointments:

- Andrew Heath became a non-executive director of Rotork plc in April 2024 and during 2024 received a fee of £55,266.64;
- Derek Harding, a non-executive director of Sage Group plc since March 2021, received £73,500 (2023: £70,000) in fees for that role; and
- Angela Noon, who has been a non-executive director of Just Eat Takeaway.com N.V since May 2023, received fees totalling €110,000 in 2024.

Summary of shareholder voting on Directors' remuneration

The 2023 Directors' Remuneration Report was approved by 95.69% of the votes cast at the 2024 AGM held on 23 May 2024. The 2023 Remuneration Policy was approved by shareholders at a General Meeting held on 13 December 2022 by 95.50% of the votes cast, as detailed in the table below:

		Votes for		Votes against		Votes withheld
		Number	%	Number	%	Number
2022 General Meeting	2023 Directors' Remuneration Policy	86,543,504	95.50%	4,077,799	4.50%	38,488
2024 AGM	2023 Directors' Remuneration Report	73,272,605	95.69%	3,299,833	4.31%	98,363

Directors' interest in contracts

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Group's business.

Loans to Directors

During the year, there were no outstanding loans to any Director.

Role of the Committee

The Committee is responsible for recommending to the Board the Group's Remuneration Policy, including the remuneration arrangements for the Chair, the Executive Directors and members of the Executive Committee, and for the practical operation of the Policy. It regularly reviews the balance between fixed and variable pay and the performance conditions that attach to both short-term and long-term incentives. The Committee monitors the level and structure of remuneration for senior management and takes into account workforce remuneration, related policies and the alignment of incentives and rewards with the Group's culture.

The remuneration of Non-executive Directors is a matter reserved for the Board.

Membership and attendees

All members of the Committee are independent Non-executive Directors.

Cathy Turner is Chair of the Committee and Ravi Gopinath, Mandy Gradden (from 1 September 2024) and Kjersti Wiklund are members of the Committee. Ulf Quellmann stepped down from the Committee on 23 May 2024. Details of each member's attendance are disclosed on page 84.

Only members of the Committee have the right to attend meetings but other individuals and external advisers may attend by invitation. The Chair is invited to attend all meetings of the Committee. During the year, the Committee also invited the Chief Executive, Chief Financial Officer, Group Human Resources Director and Head of Corporate Affairs and Company Secretary to attend certain meetings to provide advice to the Committee to allow it to make informed decisions. No individual was present when their own remuneration was being discussed.

The Committee also meets without management present and has received independent remuneration advice during the year from the external advisers appointed to support the Committee.

Advisers to the Committee

PwC was first appointed as independent remuneration adviser in January 2018. This appointment took place following a competitive tender process. During 2024, PwC has provided advisory support to the Committee on various aspects of the Directors' remuneration, including:

- advice on emerging external market practice and stakeholder expectations relating to executive remuneration;
- analysis on all elements of the implementation of the 2024 Remuneration Policy; and
- advice on the interpretation of investor body guidelines concerning remuneration outcomes.

PwC reports directly to the Committee Chair. During 2024, PwC also provided certain project advisory and tax services to the Company.

Aon separately supports the Company in relation to the Company's share plans including compiling IFRS 2 'Share-based Payment' reporting on the Company's share plans and providing LTIP TSR performance calculations. Aon does not provide any other services to the Company. Total fees paid during the financial year to these advisers were: PwC £72,996 (2023: £87,250), and Aon £39,765 (2023: £39,360). These fees were charged on the basis of each firm's standard terms of business.

Both PwC and Aon are members of the Remuneration Consultants Group and adhere to its Code of Conduct.

The Committee reviews the objectivity and independence of the advice it receives from its advisers each year and is satisfied that both PwC and Aon provided credible and professional advice during 2024.

COMMITTEE ACTIVITIES IN 2024

The Committee addressed the following key agenda items during its four formal meetings in 2024. The Committee considers the Group's wider stakeholders throughout the meetings:

January	February	July	December
– Reviewed the expected outcomes relating to the 2023 annual bonus plan	– Approved Executive Director and Executive Committee salaries and Chair's fee – Reviewed and approved outcomes for the 2023 annual bonus plan and 2021 LTIP – Approved Executive Directors' and Executive Committee members' 2024 bonus arrangements, target performance measures and personal objectives – Approved 2024 LTIP grant levels and target range for performance measures – Approved the treatment of share awards to those employees impacted by the divestment of Red Lion Controls – Reviewed and approved the 2023 Directors' Remuneration Report – Reviewed the output from the internal Committee evaluation	– Considered and approved buyout awards for Angela Noon and interim LTIP awards for Angela Noon and new joiners and current employees below Board level – Agreed the approach for the vesting treatment of share awards for death in service – Reviewed external market practice on remuneration matters with the Committee's external remuneration adviser	– Reviewed likely formulaic outcomes of the 2024 bonus and 2022 LTIP awards – Reviewed projected outturn of 2023 and 2024 LTIP – Reviewed Executive Directors' and Executive Committee members' shareholdings against the guidelines set out in the Remuneration Policy – Considered the approach for the renewal of the Remuneration Policy – Reviewed the external remuneration landscape, focusing on executive pay, with the Committee's remuneration adviser – Reviewed the Committee's Terms of Reference

UK Corporate Governance Code 2018 (the Code)

During 2024, the Committee has addressed the principles set out under Provision 40 of the Code of: clarity; simplicity; risk; predictability; and proportionality, in determining the continued relevance of the 2023 Remuneration Policy and in applying the Policy to the Group's executive remuneration practices.

Stakeholder Engagement

Values and culture in remuneration

The Group's Values – Be True, Own It and Aim High are built into the Group's performance management framework. The Remuneration Committee has used this framework as the foundation for the operational and strategic targets for the Executive Directors and Executive Committee members for 2024. In assessing performance against these targets, the Committee has also considered wider stakeholder experience during 2024. The employee engagement survey is used to obtain feedback from the workforce on remuneration and this will continue in future surveys.

Stakeholder views

When making remuneration decisions for Executive Directors, the Committee considers the macro-economic environment and conditions within the Group including employment conditions across the wider workforce and carefully considers the broader employee salary increase budget. This year, the Committee remained particularly mindful of the restructuring activities with respect to the Profit Improvement Programme.

The Committee considers wider industry benchmarking material in the context of monitoring its overall position on Director and employee pay. Careful consideration has also been given by the Committee to the guidance issued by investors and investor bodies on the management of remuneration.

Employee share ownership

Spectris is a proud advocate of employee share ownership. Due to the Group's decentralised structure, particular importance is placed on aligning management in our businesses with the Group. Awards under the Spectris LTIP are granted to each management team within each business to support the alignment of their interests with shareholders. In the UK, the Group also manages a successful all-employee SIP to allow all UK-based employees to build a shareholding in Spectris. For every five shares purchased by an employee under the SIP, the Company awards one free Matching share.

Gender pay gap reporting

Spectris plc employs fewer than 250 people in the UK and is not required to publish gender pay gap data. However, the Committee considers the issue of gender pay to be important and voluntarily calculates and discloses the Group's gender pay gap. The detailed disclosure is set out below and key metrics relating to the disclosure are included in the Sustainability Report on page 68. As in previous years, the Committee elected to use the data collated for the CEO pay ratio to produce a consistent gender pay gap disclosure, which allows the Committee to analyse both key metrics from one source of data.

The mean gender pay gap has reduced by 46.4% to 2023 levels. The large reduction in the mean pay gap is due to a 3.3% increase in the number of women in senior leadership roles underlining our progress toward our commitment to having at least 40% of the senior leadership community comprised of women by 2030.

The Committee strongly believes that men and women are being paid equally for doing the same job. It is the imbalance in the number of male and female employees in similar roles, in the composition of the UK workforce, which although reducing, continues to drive our gender pay gap.

	Non-management		Management		Total	
	Median	Mean	Median	Mean	Median	Mean
Gender pay gap	16.7%	13.0%	(5.4)%	9.9%	16.3%	6.1%
Bonus gap	16.6%	15.2%	22.6%	19.8%	(10.9)%	2.8%
	Male	Female	Male	Female	Male	Female
% receiving a bonus	58.9%	57.5%	98.3%	97.1%	62.2%	61.7%

2025 Remuneration Committee workplan

The Committee intends to focus on the following key areas during 2025:
- Setting LTIP and bonus performance targets aligned to the 2025 Remuneration Policy;
- Review of incentive arrangements following the recent acquisition;
- Wider workforce remuneration structures and key policies; and
- Presenting the 2025 Remuneration Policy to shareholders for approval at the AGM and continuing to review it against the Group's strategy, market practice, changes in the external governance environment and investor guidance.

By order of the Board

Cathy Turner
Chair of the Remuneration Committee
27 February 2025

This Directors' Remuneration Report for the year ended 31 December 2024 complies with the requirements of the Listing Rules of the UK Listing authority, Schedule 8 of the Large- and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended in 2013, 2018 and 2019 and the provisions of the 2018 UK Corporate Governance Code.

Directors' Report

This section sets out the information required to be disclosed by the Company and the Group in the Directors' Report in compliance with the Companies Act 2006 (the Act), the Listing Rules of the UK Listing Authority (Listing Rules) and the Disclosure Guidance and Transparency Rules (DTR).

Overview of information required to be disclosed

Certain matters that would otherwise be disclosed in this Directors' Report have been reported elsewhere in this Annual Report. This report should therefore be read in conjunction with the Strategic Report on pages 2 to 78 and the Governance section 79 to 144 which are incorporated by reference into this Directors' Report. The Strategic Report and this Directors' Report, together with other sections of this Annual Report and Accounts including the Governance section on pages 79 to 144 are incorporated by reference, and when taken as a whole, form the Management Report as required under Rule 4.1.8R of the DTR.

Disclosure	Reported in	Page reference
Acquisitions and disposals	Strategic Report	Pages 13, 48 to 55, 202 to 207
Articles of Association	Directors' Report	Page 142
Annual General Meeting	Directors' Report	Page 142
Appointment and removal of Directors	Governance	Page 92
Auditors' reappointment and remuneration	Directors' Report	Page 142
Authority to allot shares	Directors' Report	Page 143
Business model	Strategic Report	Pages 4 and 5
Branches	Directors' Report	Page 142
Change of control	Directors' Report	Page 142
Community and charitable giving	Strategic Report	Pages 76 and 77
Corporate governance	Governance	Pages 79 to 144
Directors' conflicts of interest	Directors' Report	Page 142
Directors' details	Governance	Pages 82 and 83
Directors' indemnity	Directors' Report	Page 142
Directors' remuneration and interest	Governance	Pages 104 to 139
Directors' responsibility statement	Directors' Report	Page 150
Disclosure of information to auditor	Directors' Report	Page 143
Diversity, equity and inclusion	Strategic Report	Pages 66 to 68
Employee engagement	Strategic Report Governance	Pages 34, 66 and 86 to 88
Employee equal opportunities	Strategic Report	Pages 66 to 68
Employee share plans	Directors' Report	Page 142
Employees with disabilities	Strategic Report	Page 67
Financial instruments	Directors' Report	Page 142
Future developments and strategic priorities	Chief Executive's Review	Pages 24 to 33
Going concern	Directors' Report	Page 142
Internal control and risk management systems	Governance	Pages 100 and 101
Non-financial information statement and index	Strategic Report	Page 78
Ongoing Director training and development	Governance	Page 89
Political donations	Directors' Report	Page 142
Post balance sheet events	Directors' Report	Page 142
Powers of Directors	Directors' Report	Page 142
Principal Risks and risk management	Strategic Report	Pages 56 to 60
Purchase of own shares	Directors' Report	Page 143
Research and development activities	Strategic Report	Page 12
Results and dividends	Directors' Report	Page 142
Rights and obligations attaching to shares including restrictions on transfer of shares and voting rights	Directors' Report	Page 143
Section 172 statement	Strategic Report Governance	Page 34 Pages 87 and 88
Share capital	Directors' Report	Page 143
Stakeholder engagement	Strategic Report	Pages 34 and 35
Streamlined Energy and Carbon disclosures	Strategic Report	Pages 74 and 75
Substantial share interests	Directors' Report	Page 143
Treasury shares	Director's Report	Page 143
Viability Statement	Strategic Report	Page 61

Reporting on Diversity and inclusion

The following data sets out the range of gender and ethnic diversity on our Board and Executive Committee as at 31 December 2024. The data also sets out the range of gender diversity for our Leadership community and employees as at 31 December 2024. We continue to consider the most appropriate way to request and capture ethnicity data for these populations.

The gender and ethnic diversity data for our Board members was collected through a questionnaire which asked each Director how they identified themselves using the categorisations set out in the Listing Rules. Where we already held gender and ethnicity data for the Executive Committee through Workday, we have used that data, which already has consents in place to use it for reporting purposes on an anonymous basis. The gender diversity data for our Leadership community and employees was also collected through Workday.

Gender diversity of the Board[1] and the Group's employees as at 31 December 2024

Gender diversity	Board members	% of the Board	Senior positions on the Board (CEO, CFO, SID and Chairman)	Executive Committee	% of Executive Committee	Leadership community	% of Leadership community	Wider employee population	% of wider employee population
Men	5	50%	2	4	57.1%	115	66.5%	5,067	68.0%
Women	5	50%	2	3	42.9%	58	33.5%[2]	2,379	32.0%[3]
Not specified prefer not to say	0	0	0	0	0	0	0	0	0

1. The Chief Executive and Chief Financial Officer are members of the Board and the Executive Committee and have been included in both the Board and Executive Committee gender data.
2. 2023: 28.7% of Leadership community.
3. 2023: 32.86% of wider employee population.

Ethnic diversity of the Board[1] and Executive Committee as at 31 December 2024

Ethnic diversity	Board members	% of the Board	Senior positions on the Board (CEO, CFO, SID and Chairman)	Executive Committee	% of Executive Committee
White British or other White (including minority-white groups)	9	90%	4	7	100%
Asian/Asian British	1	10%	0	0	0
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group including Arab	0	0	0	0	0
Not specified prefer not to say	0	0	0	0	0

1. The Chief Executive and Chief Financial Officer are members of the Board and the Executive Committee and have been included in both the Board and Executive Committee ethnicity data.

DIRECTORS' REPORT continued

Results and dividends	The financial results for the financial year ended 31 December 2024 are set out on pages 160 to 233. Adjusted operating profit for the year amounts to £202.6 million (2023: £262.5 million). An interim dividend of 26.6 pence per share was paid on 8 November 2024 in respect of the half year ended 30 June 2024. The Board is recommending a final dividend of 56.6 pence per share for the year ended 31 December 2024. Together with the interim dividend paid in November 2024, subject to shareholder approval of the final dividend, total dividends for the year ended 31 December 2024 will amount to 83.2 pence per share. Dividend details are given in note 8 to the Consolidated Financial Statements on page 182. Subject to the approval of shareholders at the 2025 AGM, the final dividend will be paid on 27 June 2025 to those shareholders on the register on 16 May 2025.
Articles of Association (Articles)	The Company's Articles contain specific provisions and restrictions regarding the Company's powers to borrow money. Powers relating to pre-emptive rights, allotment of shares and purchase of the Company's own shares are also included in the Articles and such authorities are renewed by shareholders each year at the Annual General Meeting. The Articles also give power to the Board to appoint and remove Directors and require Directors to submit themselves for election at the first AGM following their appointment and for annual re-election at subsequent AGMs. The Articles may be amended by special resolution of the shareholders. The Company's Articles are available on the Company's website: www.spectris.com.
Annual General Meeting (AGM)	It is intended that the 2025 AGM will be held at 9.00am on Thursday 22 May 2025 at 6th Floor, The Block, Space House, 12 Keeley Street, London WC2B 4BA. The Notice of the AGM accompanies this Annual Report and is available at www.spectris.com/AnnualGeneralMeeting.
Auditor's reappointment and remuneration	Resolutions for the reappointment of Deloitte LLP as the Company's auditor and to authorise the Directors, acting through the Audit and Risk Committee, to agree the remuneration of the auditor are to be proposed at the 2025 AGM.
Branches	The Spectris Group, through various subsidiaries, has established branches in a number of different countries in which the business operates.
Change of control	There are a number of agreements that take effect, alter or terminate upon a change of control of the Group following a takeover, such as bank loan agreements and Company share plans. None of these are deemed to be significant in terms of their potential impact on the business of the Group as a whole. It is also possible that funding arrangements for the Group's defined benefit pension arrangements would need to be enhanced following a change in control if that resulted in a weakening of the employer covenant. The Company does not have any agreements with any Director that would provide for enhanced compensation for loss of office or employment following a takeover bid.

Directors	Details of the Directors who served during the year are set out on pages 82 and 83. Nick Anderson was appointed on 1 June 2024 and Angela Noon was appointed to the Board on 1 September 2024. Directors are appointed and replaced in accordance with the Articles, the Act and the Code.
Directors' conflicts of interest	The Board has an established process to review at least annually, and, if appropriate, authorise conflicts of interest. Any transactional conflicts are reviewed as they arise. Directors are asked to review and confirm reported conflicts of interest as part of the year-end process.
Directors' remuneration and interest	Details of Directors' remuneration and their interest in the Company's shares are set out in the Directors' Remuneration Report on pages 104 to 139.
Indemnity provisions	The Spectris Group maintains liability insurance for its Directors and officers. The Directors and Company Secretary have also been granted a third-party indemnity, under the Act, which remains in force. Neither the Company's indemnity nor insurance provides cover in the event that an indemnified individual is proven to have acted fraudulently or dishonestly. During the year and at the date of this report, the Company has in place Pension Trustee Liability Insurance for the Trustees of the Spectris pension plan.
Directors' powers	The business of the Company is managed by the Board, which may exercise all the powers of the Company subject to the Articles and the Act.
Employee share plans	Details of employee share plans are set out in note 22 to the Consolidated Financial Statements on page 198 to 201.
Financial instruments	Details of the Group's financial risk management in relation to its financial instruments are given in note 27 to the Consolidated Financial Statements on pages 210 to 213.
Going concern and Viability Statement	Having reviewed the Group's plans and available financial facilities, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months following the signing of the accounts. For this reason, it continues to adopt the going concern basis in preparing the Group's accounts. The Company's Viability Statement can be found on page 61.
Political donations	The Group's policy is not to make any political donations and none were made during the financial year ended 31 December 2024 (2023: nil).
Post-balance sheet events	None.

Purchase of own shares

The Company was authorised by shareholders at the 2023 AGM to purchase in the market ordinary shares with a nominal value of five pence each up to an amount not exceeding 10% of the Company's issued share capital, as permitted under the Company's Articles.

During the year ended 31 December 2024, the £150 million share buyback programme which commenced on 13 December 2023 continued. The initial tranche for £50 million was launched pursuant to the authority granted by the Company's shareholders at the 2023 AGM and completed in early April 2024. The second £50 million tranche, which was launched pursuant to the authority granted by the Company's shareholders at the 2024 AGM, completed on 5 October 2024.

In total, in the first two tranches, 3,212,734 ordinary shares were repurchased. Of these, 1,427,046 were cancelled and the remainder were held in treasury. This resulted in a cash outflow in 2024 of £96.7 million, including transaction fees of £0.4 million. The total number of shares repurchased in 2024 was 3,087,380, which represented 2.96% of the Company's issued share capital, excluding the shares held in treasury, on 31 December 2024.

The Board regularly reviews capital allocation and its distribution policy to continue to drive value for shareholders. Having deployed our balance sheet in 2024 to acquire three high-quality businesses to drive future growth, our focus in 2025 is on underlying cash generation and returning leverage to within our stated range. As such, the Board has decided not to continue with the final £50 million tranche of the previously announced share repurchase programme.

This standard authority is renewable annually and the Directors will seek to renew this authority at the 2025 AGM.

Related party transactions

Details of related party transactions are set out in note 31 to the Financial Statements on page 214.

Share capital

The share capital of the Company comprises ordinary shares of five pence each: each share (with the exception of those held by the Company in Treasury) carries the right to one vote at general meetings of the Company. The Company may reduce or vary the rights attaching to its share capital by special resolution subject to the Articles and applicable laws and regulations. The issued share capital of the Company together with movements in the Company's issued share capital during the year are shown in note 21 to the Financial Statements on page 197.

Shareholders' rights and obligations attaching to shares

The Articles (available on the Company's website www.spectris.com) contain provisions governing the ownership and transfer of shares. All shareholders have equal voting rights with one vote per share and there are no special control rights attaching to the shares. There are no restrictions on the transfer of shares or voting rights (under any agreement or otherwise) beyond those required by applicable law under the Articles or under any applicable share dealing policy.

Subject to any special rights or restrictions, every shareholder on the Register not less than 48 working hours before the time fixed for a general meeting, will have one vote for every fully-paid share that they hold. Shareholders may cast votes either personally or by proxy, and a proxy need not be a shareholder. Details relating to the appointment of proxies and registration of voting instructions for the 2025 AGM are set out in the Notice of AGM accompanying this Annual Report.

Substantial shareholders

As at 31 December 2024, the Company had received formal notifications of the following holdings in its ordinary shares in accordance with DTR 5:

	Shareholding in Spectris shares	Date of notification	Percentage of issued share capital at date of notification
FMR LLC	9,851,095	09 Oct 2024	9.96%
UBS	5,954,961	11 Jan 2021	5.12%
Massachusetts Financial Services Company	5,178,500	15 Mar 2022	4.67%

Between 31 December 2024 and the date of this report, the Company received no further notifications.

A list of the Company's major shareholders is set out on page 234.

Treasury shares

Shares held by the Company in treasury do not have voting rights and are not eligible to receive dividends.

Disclosures required under the UK Listing Rule 6.6.1R

There are no further disclosures required to be made under UK Listing Rule 6.6.1R other than in respect of long-term incentive schemes, details of which are set out in the Directors' Remuneration Report on pages 104 to 139.

Disclosure of information to auditor

The Directors who held office at the date of approval of the Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information, which would be needed by the Company's auditor in connection with preparing its audit report, of which the Company's auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

Rebecca Dunn
Head of Corporate Affairs and Company Secretary
27 February 2025

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We have set out below our Climate-related Financial Disclosures. This disclosure should be considered in conjunction with Delivering a low carbon future on pages 70 to 75 of the Sustainability Report. We have set out the BEIS requirements below, and further detail along with alignment to the 11 recommended disclosures of TCFD are available in our 2023 TCFD disclosure at https://www.spectris.com/assets/Spectris-2023-Annual-Report.pdf which have not been repeated in this year's annual report on the grounds of materiality. The below disclosures, together with reference to our 2023 TCFD report, are consistent with all of the TCFD recommendations and recommended disclosures in compliance with Listing Rule 6.6.6R (8).

TCFD pillar	CFD requirement	Approach	2024 activity	Planned 2025 activity
Governance	**Governance** (a) A description of the Group's governance arrangements in relation to assessing and managing climate-related risks and opportunities	– **The Board** oversees identification, consideration and management of climate-related risks and opportunities, supported by Alison Henwood who is the designated Non-executive Director on sustainability matters. The Board receives monthly reports on relevant internal and external climate-related issues from the Executive Committee – Andrew Heath, Chief Executive, is the **Executive Board Director** responsible for implementation and delivery of the Group's Strategy for Sustainable Growth and is supported in this by the Head of Corporate Affairs and Company Secretary, Rebecca Dunn, a member of the Executive Committee – The **Audit and Risk Committee** comprises independent Non-executive Directors and oversees the identification, assessment, management, and reporting of risks, including climate-related risks – The **Nomination and Governance Committee** includes independent Non-executive Directors and reviews the governance mechanisms in place to support the Board's effective oversight of sustainability risks, including climate-related risks and emerging regulation – The **Remuneration Committee** comprises independent Non-executive Directors and oversees the Group's Remuneration Policy to ensure that metrics and targets align with our Strategy and Purpose and wider stakeholder interests – The **Executive Committee** supports the Chief Executive in devising and executing the Group's strategy on climate change and determining relevant budgets – The Executive Committee is further supported by a cross-functional **ESG Regulatory Steering Group**, formed by the Head of Corporate Affairs and Company Secretary, to monitor emerging ESG regulations relevant to the Group – The **Executive Risk Committee** reviews the effectiveness of existing risk management strategies and processes in relation to individual Group Principal Risks and the cumulative risk profile of the Group, and reviews outputs from the **Business Audit and Risk Committees (ARCs)** – The **Sustainability Steering Group**, led by the Head of Corporate Affairs and Company Secretary who has overall executive oversight of all sustainability issues, reports to the Executive Committee. It comprises sustainability leaders from across the Group, who use knowledge from internal and external experts to identify and assess climate-related issues. – Management teams at each operating company are responsible for the day-to-day operations of each business within an agreed Group-wide framework via **Business ARCs**	– The Board attended several sites in Asia including a deep-dive on sustainability progress at Suzhou – During 2024, the Board approved £6.75 million in spend towards our Net Zero Ambition – The Executive Committee received monthly updates on Net Zero and escalated as needed to the Board – The Remuneration Committee reviewed progress of LTIP measures relating to the Group's Net Zero strategy to support the Group's Net Zero ambition – The Audit and Risk Committee oversaw the Group's approach to implementing the Corporate Sustainability Reporting Directive for first reporting in financial year 2025 – The Audit and Risk Committee reviewed the findings of the third limited assurance engagement performed by Deloitte over selected environmental data included in the 2023 Annual Report and Accounts against International Standard on Assurance Engagements (ISAE) 3000 and ISAE 3410	– The Board will continue to oversee the development of the Group's Net Zero Transition Plan – The Audit and Risk Committee will oversee continued implementation of the Corporate Sustainability Reporting Directive – The Remuneration Committee will review progress of LTIP measures relating to the Group's Net Zero strategy – The Executive Committee will oversee activities linked to reducing our emissions in scope 1 and 2, products, and freight – The Sustainability Steering Group will support integrating our new acquisitions into the Group's sustainability strategy

TCFD continued

TCFD pillar	CFD requirement	Approach	2024 activity	Planned 2025 activity
Risk Management	**Identify, assess, manage risks** (b) A description of how the Group identifies, assesses, and manages climate-related risks and opportunities	– Climate-related risks and opportunities are managed within the businesses via business ARCs within each Division – Designated risk owners, who include representatives of the Sustainability Steering Group, report locally identified climate risks and opportunities to the business ARCs each quarter which are then reported to the Executive Risk Committee quarterly – Qualitative and quantitative climate scenario analysis is our principal tool for identifying and assessing climate-related risks and opportunities – Physical risks are identified and assessed at a site-level using the Physical Risk Dashboard, built in collaboration with Jupiter Intelligence, providing an accurate assessment of the risk currently posted by climate change to the Group – Transition risks and opportunities were identified and assessed through Division-level working groups in 2023 using guidance from internal and external experts (e.g. EcoFact database for relevant regulation) – In 2024, in preparation for the CSRD regulation, we have also used double materiality principles to identify risks and opportunities, with our draft double materiality assessment on pages 64 to 65 – When relevant to the Divisions, climate-related risks and opportunities identified at Group-level are considered by the business ARCs and reported when relevant through their business risk registers – Changes in risk profile or new risks/opportunities, are considered by the Sustainability Steering Group, and material changes are escalated to the Executive Risk Committee	– The Audit and Risk Committee oversaw the Group's reporting of climate risk and the approach to the inclusion of financial data – The climate change Group Principal Risk was assessed three times by the Executive Risk Committee – Sustainability Steering Group worked with Jupiter Intelligence to update the Physical climate risk dashboard which was issued to Business ARCs – New physical risk data was used to update severe but plausible scenario in line with Viability Statement – Integration of use of physical risk dashboard into standard M&A processes – The Group completed our first TNFD (Task force on Nature-related Financial Disclosures) aligned biodiversity risk assessment, and published our commitment statement on the website	– The Audit and Risk Committee will oversee the alignment of CSRD outputs into standard risk management procedures – The Sustainability Steering Group will consider the physical risks attached to the new facilities acquired as part of the acquisition of Micromeritics, SciAps and Piezocryst in 2024 – The Sustainability Steering Group will continue to develop the Group's Net Zero Transition Plan with consideration of identified impacts, physical and transition risks and opportunities
	Integration into risk management process (c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the Group's overall risk management process	– Our approach to identifying, assessing, and managing the risks in our business is set out in the Principal risks and uncertainties section on pages 56 to 60 and with reference to our updated materiality assessment on pages 64 to 65 – Climate change has been included into our approach since being designated a Group Principal Risk in 2021 – The climate change Group Principal Risk is under the executive ownership of the Head of Corporate Affairs and is underpinned by a series of controls and actions designed to mitigate the risk, aligned to our Net Zero roadmap – Key indicators (including our progress against our scope 1 and 2 targets, and % achieved and % planned initiatives) and mitigation strategies relevant to climate change are reviewed three times a year by the Executive Risk Committee via the Group Principal Risk Register at Group level – Updates on scope 3 are provided at year-end in line with our assurance timelines, excluding business travel which is shared to the Executive Committee through our monthly sustainability updates – Risks are assessed and reported on a quarterly basis at a business level via Business Risk Registers maintained by Business ARCs – climate-related risks and opportunities will be considered by the Sustainability Steering Group and material changes will be escalated to the Executive Risk Committee		

TCFD continued

TCFD pillar	CFD requirement	Approach	2024 activity	Planned 2025 activity

Strategy	**Risks across time periods, and impacts**
	
	(d) A description of (i) the principal climate-related risks and opportunities arising in connection with the Group's operations; (ii) the time periods by reference to which those risks and opportunities are assessed;
	
	(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the Group's business model and strategy
		– Risks and opportunities are identified and assessed in the short- (0-5 years; in line with our Viability Statement), medium- (5-10 years; aligned to our Net Zero by 2030 scope 1 and 2 target and the greatest potential impacts from transition risks/opportunities) and long-term (>10 years; aligned to our Net Zero by 2040 target, and the greatest potential impacts from physical risks)
		– Climate scenario analysis is our primary tool used to identify and assess climate-related risks and opportunities
		– Our overall response to the climate-related risks and opportunities identified is to develop our Net Zero Transition Plan which we began in 2024 – pages 70 to 73 provide an overview of our progress in developing our plan
		– Full details on the scenarios used and the reasons for their selections can be found in our 2023 TCFD disclosure (pages 68 to 70) at https://www.spectris.com/assets/Spectris-2023-Annual-Report.pdf
		– We have used quantitative and qualitative scenario analysis to identify and analyse risks and opportunities where; (1) data availability is sufficient; and (2) potential magnitude or likelihood deems further analysis appropriate. For the remaining risks and opportunities, a scenario agnostic methodology has been applied.
		– Our principal climate-related risks and opportunities remain unchanged for 2024 and full details of our most significant climate-related risks and opportunities, including assessment methodologies and strategic response, can be found on pages 68 to 70 of our 2023 TCFD disclosure
		– The materiality of identified climate-related risks and opportunities will be incorporated in line with future CSRD-aligned reporting when ready.
		– **Principal physical risks and impacts:**
		  – Extreme heat (PR1) impacting operational efficiency and higher costs of energy use (medium-term; >4°C scenario estimate ~£5.8 million per year 2020-2050) – financial impact considered <1% of operating profit in a realistic severe but plausible scenario
		  – Flooding (PR2) leading to potential inventory and building value loss (long-term; >4°C estimate ~£5.5 million per year 2020-2050) in our direct operations – financial impact considered <1% of operating profit in a realistic severe but plausible scenario
		– **Principal transition risks and impacts:**
		  – Increasing input materials costs (TR1) driven by increasing impacts of carbon pricing and demand for Net Zero transition materials (medium term)
		  – Reduced customer demand for 'higher carbon' products (TR2) due to customer choice and regulatory pressure (medium term)
		  – Required investment to decarbonise direct operations (TR3) (short term)
		  – Required investment to decarbonise our logistics network (TR4) as providers are impacted by carbon pricing mechanisms (medium term; increase in logistics costs of up to 50% in a 1.5°C scenario for Malvern Panalytical over 5-6 years)
		– **Principal opportunities and impacts:**
		  – Development of products within 'low carbon' markets (O1) leading to higher revenues (medium term)
		  – Increasing demand for products that help customers reduce their emissions (O2) leading to higher revenues
		  – Use of lower emissions sources and utilising automation in direct operations (O3) leading to lower operating costs and increased operational resilience – projected impact is <1% of operating profit per year up until 2050 (short term)
			– The Head of Sustainability attended Sustainability Association meetings to join a community of like-minded sustainability leaders in manufacturing on pursuing collective Net Zero ambitions
			– The Board received its annual update on the progress of the Group's sustainability strategy
			– Sustainability Steering Group oversaw progress in developing product life cycle assessments (LCAs) and continued expansion of the use of EcoVadis into PMS and Servomex
			– The Sustainability Steering Group began to develop the Group's Net Zero Transition Plan
			– The physical climate risk dashboard was updated with Jupiter Intelligence to include the most recent available climate models which now account for local flood defences, providing a more realistic and accurate view of the potential impacts from physical risks per site
				– Mapping our freight routes to look for further efficiencies in the routing of our products to avoid potential disruption due to climate change
				– Considering the physical risks attached to the new facilities acquired as part of the acquisition of Micromeritics, SciAps and Piezocryst in 2024
				– Progressing the LCA programme and undertaking diagnostic work to understand how best to extend this programme to our new acquisitions.
				– Expanding our scope 3 supply chain programme in line with progress made on rating suppliers in EcoVadis
				– Continuing to progress development of Net Zero Transition Plan

TCFD pillar	CFD requirement	Approach	2024 activity	Planned 2025 activity
Strategy	**Resilience** (f) An analysis of the resilience of the Group's business model and strategy, taking into account consideration of different climate-related scenarios	Our analysis has given us confidence that the Group is considered resilient in all scenarios. Where risks exist, sufficient mitigation measures have been identified. The risks that we face on climate change are matched and potentially outpaced by opportunity. We recognise that the greatest difference we can make to a Net Zero world is through our products and solutions which support our customers to make the world cleaner, healthier and more productive, and we are committed to working closely with all our stakeholders in taking action to combat climate change. **Physical risks** – Whilst physical risks exist in our operations, they are not considered to significantly affect our strategy and business model. We consider a severe but plausible scenario for this analysis which represents the most significant scenario for the risks to occur (>4°C), whilst accounting for likely mitigation in place (e.g. cooling), and also considering the results of <2°C and 2-3°C – No impacts have been identified which could present a strategic risk to the Group, and our decentralised operating structure allows for flexibility in site configuration over the medium and long term, preventing possible long-term financial impacts – Any identified larger impacts at a site level are owned and responded to locally by our businesses on a site-by-site basis – Our main mitigations to physical risks at a site-level have included expanding renewable generation capacity, upgrading heating and cooling systems, and the roll-out of our physical climate risk dashboard into standardised risk processes to ensure business-level oversight at a local-level – In 2024, we have integrated physical risk into M&A process to form part of standard due diligence and acquisition integration procedures **Transition risks** – Transition risks are primarily linked to increasing costs over time in our supply chain throughout the Group, whether linked to procurement of key input materials for the manufacture of our products or imposed ESG tariffs affecting our ability to import/export certain materials and products; particularly in a <1.5°C scenario for both input materials and logistics – Transition risk is the primary driver for why climate change has been designated a Group Principal Risk, with transition risks presenting direct implications for resilience in our key markets and throughout our supply chain, and our Strategy for Sustainable Growth – As such, we have introduced a series of controls to support management of this risk at a Group level and business-level. Mitigation of transition risks includes our Net Zero ambition, establishing the cross-functional ESG Regulatory Steering Group, and employing EcoVadis to improve knowledge on key potential supply chain risks. In 2024 we spent £6.75 million on our ambition **Opportunities** – Net Zero is a material driver for some of our key industries (e.g. automotive), a consistent theme in all considered climate scenarios, including 'base case' (~3°C), demonstrating the potentially significant climate-related opportunity linked to our products in particular – The period up until 2030 is a key period for growth for Net Zero-aligned technologies in all scenarios (medium term), particularly relating to electrification of vehicles and battery storage – Other trends with strong alignment to the Group's products include carbon capture and hydrogen, however, both will require significant additional external policy support or technological innovation before being scaled up, even in the high ambition Net Zero scenario – By continuing to maintain our active engagement in these markets and alongside our comprehensive product Life Cycle Assessment (LCA) programme, we can support the delivery of products which are most supportive of our markets towards a low carbon future	– See previous page for related information	– See previous page for related information

TCFD continued

TCFD pillar	CFD requirement	Approach	2024 activity	Planned 2025 activity
Metrics and targets	**Targets and KPIs** (g) A description of the targets used by the Group to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; (h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	– Our Net Zero ambition guides our response to transition risks and opportunities – headline target is Net Zero by 2030 in scopes 1 and 2, and Net Zero by 2040 in scope 3 – Our Net Zero targets are supported by our near-term science-based targets (85% scope 1 and 2 by 2030; 42% scope 3 by 2030) – As part of our commitment to transparency in our progress to lower emissions, we disclose our annual emissions against all relevant categories of scope 1, 2 and 3 – In support of our Net Zero ambition, we have agreed several 'input' metrics which are focusing action across our businesses. All are measured against a base year of 2020 and are shown in the below table. A summary of cross-industry metrics from TCFD that are relevant to us are set out in the below table – As we continue to build on our approach and develop our Net Zero Transition Plan, in 2024 we have refined our metrics to include three new items: (1) Percentage of Group powered by electricity, (2) Percentage of the Group fleet which is now EV or PHEV, and (3) Percentage of product-related emissions that have a completed externally accredited LCA. These metrics are reflective of how we will continue to measure success across our key activities in line with our approach to Net Zero – We continue to not report targets and KPIs for physical risks in line with the outcomes of our scenario analysis, with physical risk data being fully integrated into internal risk procedures – Full details of our environmental reporting against our Net Zero targets can be found on pages 74 to 75 and our progress against our metrics and targets is on the following page (page 149)	– The Head of Sustainability attended manufacturing site visits to oversee progress against our metrics and targets – Servomex introduced shadow £100/tCO_2e carbon price; we will continue to review its effectiveness before considering deployment in other businesses – Servomex UK completed zero waste to landfill audits to support our zero waste to landfill by 2030 target – Detail on our progress against our set metrics and targets can be found on the following page (page 149)	– Onboard new acquisitions into metrics and targets, reporting and progress – Review of fleet population and reporting methodologies – Review metrics and targets through development of Net Zero Transition Plan – Implement recommendations from zero waste to landfill audits – Continued expansion of automated data collection through installation of smart meters

Metrics and targets

Metric	Measurement	Definition	Risk/Opp ID	Our progress
Renewable electricity	% of electricity consumed	% of electricity from renewable sources, targeting 100% renewable electricity across our operations by 2030	TR3, O3	Excluding our new acquisitions, total renewable electricity use across the Group is now 80.7% (2023: 62.3%). The increase is attributed to PMS' third consecutive year on 100% renewable electricity, and new 100% renewable electricity contracts at several sites including Malvern Panalytical's Almelo and Eindhoven, HBK's CCRT Pompano Beach and Dytran Chatsworth, and Servomex's Houston and Boston.
Electricity	% of total energy consumed	% of Group powered by electricity	TR3, O3	We are increasing the proportion of energy in our buildings being powered by electricity to reduce our emissions in our direct operations. In 2024, excluding our newly acquired businesses, 67.3% of our building energy consumption was electricity.
Energy efficiency	Intensity-based (against revenue) (MWh per £m revenue)	Reducing emissions at our manufacturing sites through energy efficiencies by 20% by 2030	TR3, O3	Absolute MWh energy consumption per £m revenue increased in 2024 (57.0 in 2024 versus 48.9 in 2023) with the inclusion of our new acquisitions, Micromeritics, SciAps and Piezocryst, and lower total Group sales versus 2023. We will run Schneider-led energy efficiency audits at our new sites in 2025 to progress emissions reductions in line with our approach to Net Zero.
Fleet	% of total fleet	% of the Group's fleet which is now electric or plug-in hybrid, targeting 100% EV and PHEV by 2030 in line with our EV100 commitment	TR3, O3	We continued to make progress in transitioning our fleet to EVs and PHEVs in 2024 in line with our EV100 commitment. In 2024, excluding our newly acquired businesses, 27.7% of our fleet was EV or PHEV according to our EV100 submission. In 2025, alongside transitioning our fleet to EV or PHEV, we will look to identify opportunities to rationalise our fleet population.
Waste	Absolute (tonnes)	Zero waste to landfill by 2030	TR3, O3	Our approach to address our waste generated in operations is to undertake waste audits at some of our key sites with support from waste experts Ricardo, to develop our strategy towards zero waste to landfill. In 2024, we completed our first waste audit at Servomex UK, with the learnings now being embedded into the site's operations. We will conduct further audits in 2024.
Supply chain	Absolute (tonnes CO_2e)	Reduce procurement emissions through a 60% reduction in input material-related emissions by 2030	TR1, TR4	In 2024, excluding the impact of our three new acquisitions, our Category 1 and 2 emissions relating to our suppliers has reduced in 2024 compared to 2023 (-3.5%), and have also reduced by 33.7% since our 2020 baseline year.
	% of supplier spend	100% of suppliers to be rated in EcoVadis		In 2024, excluding our three new acquisitions, 51.1% of suppliers by spend had a rating in EcoVadis, increasing from 26.9% in 2023. In 2024, we launched our EcoVadis programme at PMS and Servomex and continued to grow its coverage in Malvern Panalytical and HBK. A key next step in 2025 will be expanding the programme into our newly acquired businesses.
Product	% of product-related emissions	% of product-related emissions that have a completed externally accredited life-cycle assessment (LCA)	TR2, O1, O2	In 2024, 5.6% of product-related emissions were calculated using externally accredited life-cycle assessments, including 88.6% of Servomex's products. A key next step in 2025 will be progressing the product life cycle assessment programme and undertaking diagnostic work to understand how best to extend this programme to our new acquisitions.
Freight	% reduction in emissions	% reduction in freight emissions since 2020, towards our target to reduce airfreight (long and short haul) by 50% by 2030	TR4	Whilst our global freight emissions increased this year by 34.6%, PMS and Servomex have demonstrated clear progress in shifting from air to ocean, with 22% of shipments made by ocean in 2024 (2023: 2%). In 2025, we will map our freight routes to look for further efficiencies in the routing of our products and avoid potential disruption due to climate change.
Capital deployment	Pounds Sterling	Commitment to spend a minimum of £3 million per annum to deliver our Net Zero ambition	TR3, O3	In 2024, we more than doubled our spend on initiatives towards progressing our Net Zero ambition, spending £6.75 million across CAPEX and OPEX (2023: £3.2 million). The spend is attributed to continued expansion of on-site solar generation (e.g. at MP Almelo and HBK Darmstadt) and improvements to building energy efficiency, including HVAC upgrades at three HBK sites (Darmstadt, Virum and Dytran).
Revenue aligned to Net Zero	Pounds Sterling	Revenues from products or services that support the transition to a low carbon economy	O1, O2, TR2	In line with the results of our 2023 climate scenario analysis at HBK, in 2024 we continued to progress analysing our revenue from products or services across the Group aligned to Net Zero whilst considering the EU Taxonomy.
Remuneration	Absolute reduction in scope 1 and 2 emissions	Align Group remuneration structures with our Net Zero ambitions	TR3, O3	The Group's Long term Incentive Plan (LTIP), under the 2023 Remuneration Policy includes a target for the absolute reduction in scope 1 and 2 emissions. Further details are set out on pages 113 to 115.
Internal carbon price (Servomex)	Pounds Sterling per tonne of CO_2e	Internal shadow carbon price at Servomex of £100/tCO_2e for all major capital expenditure and R&D development purchases	TR1, TR4	After running a feasibility assessment supported by experts sustainability consultancy Environmental Resources Management (ERM), Servomex set an internal shadow carbon price of £100/tCO_2e for all major capital expenditure and R&D development purchases. We will continue to monitor the effectiveness of this approach before considering deployment more widely in the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires Directors to prepare the Group Financial Statements in accordance with the UK Adopted International Financial Reporting Standards. Under company law, Directors must prepare Group and Company Financial Statements for each financial year and must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period.

In preparing each of the Group and Company Financial Statements, the Directors are required to:
- select accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group Financial Statements, state whether they have been prepared in conformity with the requirements of UK Adopted International Financial Reporting Standards;
- for the Company Financial Statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement
We confirm that to the best of our knowledge:
- the Group and Company Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report on pages 1 to 78 and the Directors' Report on pages 79 to 149 include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and uncertainties that they face; and
- the Annual Report and Accounts taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Strategic Report and the Directors' Report were approved by the Board on 27 February 2025.

By order of the Board

Andrew Heath
Chief Executive

Angela Noon OBE
Chief Financial Officer
27 February 2025

Financial Statements

AUDITOR'S REPORT

Independent Auditor's Report to the members of Spectris plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

– the financial statements of Spectris Plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
– the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
– the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
– the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

– the Consolidated Income Statement;
– the Consolidated Statement of Comprehensive Income;
– the Consolidated and Parent Company Statements of Changes in Equity;
– the Consolidated and Parent Company Statements of Financial Position;
– the Consolidated Statement of Cash Flows;
– the Notes to the Consolidated Accounts 1 to 33 and Notes to the Parent Company Accounts 1 to 14.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent Company for the year are disclosed in note 4 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year were: – Revenue recognition – Acquisition accounting
Materiality	The materiality that we used for the Group financial statements was £10.0 million which equates to 5% of adjusted profit before tax.
Scoping	Our audit of one or more classes of transactions, account balances or disclosures was completed on 54 components and represented 72% of total Group revenue and 70% of Group absolute profit before tax.
Significant changes in our approach	Our audit approach is consistent with the previous year with the exception of the addition of a new key audit matter in relation to acquisition accounting. This change reflects the developments in the business relating to the Group's acquisitions and disposals in the current year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the financing facilities available to the Group including the nature of facilities, repayment terms and covenants;
- challenging the assumptions used in the forecasts by reference to historical performance, trading run rate, and other supporting evidence, such as business disposal agreements and the current macroeconomic environment;
- recalculating and assessing the amount of cash and covenant headroom in the forecasts;
- performing a sensitivity analysis to consider specific scenarios, including a reverse stress test based on a reduction in revenue and associated margin; and
- assessing the appropriateness of the going concern disclosures included in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue recognition

Key audit matter description	The Group recognised revenue of £1,299 million (2023: £1,449 million) predominantly through the provision of goods and services accounted for under IFRS 15 Revenue from Contracts with Customers. Given the number of businesses in the Group, the variety of revenue streams and the bespoke nature of businesses spanning across numerous countries and industries; understanding the revenue cycles in each business and their respective control environments underpinned our risk assessment and the basis for our planned audit procedures. We identified a key audit matter relating to a risk of material misstatement in cut-off of revenue recognition. The risk is pinpointed to the potential overstatement of revenue within certain components where a significantly higher-than-average value of revenue is recognised in December 2024 compared to the rest of the year. Note 1 to the Consolidated Financial Statements sets out the Group's accounting policy for revenue recognition and notes 2 and 3 include details of the Group's revenue by segment and timing of revenue recognition.
How the scope of our audit responded to the key audit matter	We designed our audit procedures to be specific to each operating company to which the cut-off risk has been identified. Consequently, we have performed a combination of the following audit procedures as relevant: – Obtained an understanding of the relevant controls over the revenue recognition process, specifically in relation to cut-off; – Assessed a sample of revenue transactions recognised in December 2024 and January 2025 against third party supporting evidence to determine when the performance obligations had been satisfied and whether the appropriate cut-off was applied; – Considered material contracts with multiple performance obligations and assessed the identification of separate performance obligations, the timing of revenue recognition and the evidence of the performance obligations being satisfied; and – Obtained a schedule of adjusting and manual journals posted in December 2024 with a credit impact on revenue; and on a sample basis, assessed the adjustments and manual journals against supporting evidence.
Key observations	We conclude that revenue across the Group has been appropriately recognised and that the year-end cut-off is materially accurate. We concur with management's accounting policies and their application across the Group.

5.2. Acquisition accounting

Key audit matter description	The Group completed the acquisition of 100% of the shareholding in three material transactions, namely Micromeritics Instruments Corporation, SciAps Incorporated, and Piezocryst Advanced Sensorics GmbH. The aggregate purchase consideration paid for the three acquisitions amounted to £716.7m. As part of the accounting for the acquisitions, the Directors performed a valuation of the assets and liabilities for each of the acquired entities and as a result identified total intangible assets of £266.2 million. The valuations of the acquired intangible assets are based on assumptions and estimates which require judgement, and this therefore increases the risk of possible misstatement. As part of our work on the valuation of the acquired intangible assets we identified certain key assumptions and estimates, including forecast future revenue growth rates, customer attrition rates, discount rates and technology royalty rates. We identified a key audit matter in relation to these due to the inherent uncertainty in making these estimates and assumptions, which require a higher degree of management judgement and auditor effort, including the use of valuation specialists. The Audit and Risk Committee Report on page 98 refers to M&A activity as an area considered by the Audit Committee. Note 1 to the Consolidated Financial Statements sets out the Group's accounting policy for business combinations and note 23 includes details of the fair values of the acquired intangible assets at the acquisition dates.
How the scope of our audit responded to the key audit matter	We have performed the following procedures in respect of this key audit matter: – Obtained an understanding of relevant controls in relation to management's identification and valuation of acquired intangible assets, including management's oversight and use of third-party valuation specialists. – Assessed the appropriateness of management's identification of the acquired assets and liabilities. – Enquired of management to understand the assumptions underpinning management's forecast revenue growth and challenged these assumptions including by reference to past actual performance and available third-party evidence. – Involved internal valuation specialists to assess the appropriateness and application of management's valuation methodology as well as the technology royalty rates, discount rates and customer attrition rates. – Tested the integrity of the models through testing mechanical accuracy, formulae and inputs. – Tested the accuracy and completeness of the underlying data used in the calculation of the customer attrition rates. – Performed further independent sensitivity analysis on the assumptions. – Assessed the appropriateness of the related disclosures in the financial statements.
Key observations	We conclude that the valuation of the acquired intangible assets is materially accurate and that the assumptions and estimates used in the valuations are within acceptable ranges. We consider the disclosure in relation to the acquisitions to be appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£10.0 million (2023: £13.1 million)	£6.9 million (2023: £8.3 million)
Basis for determining materiality	5% (2023: 5%) of adjusted profit before tax.	1% (2023: 1%) of the Parent Company's net assets.
Rationale for the benchmark applied	Adjusted profit before tax is a key performance measure for management, investors and the analyst community. This metric is important to the users of the financial statements as a measure of the performance of the business and hence its ability to deliver a return on investment to the investors. Likewise, this metric takes into account the acquisitive nature of the Group which results in adjusting items being considered when determining the performance of the business. Refer to the Appendix to the Consolidated Financial Statements for the Group's definition and calculation of Alternative Performance Measures.	We consider net assets to be the most appropriate benchmark as the Parent Company is a non-trading entity, whose primary function within the Group is to act as a holding company.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – Our risk assessment, including our assessment of the Group's overall control environment and our past experience of the audit; – The disaggregated nature of the Group which reduces the likelihood of an individually material error; and – The low number of corrected and uncorrected misstatements identified in previous audits.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.5 million (2023: £0.6 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group operates in more than 30 countries spread across five continents with the largest footprint being in North America, Asia and Europe. Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Within the Group, financial information is reported through individual reporting entities, which combine to make up the segments reported externally to the market. In determining the audit scope, we have considered the following at the components which are in scope for audit procedures to obtain sufficient coverage over the risks of material misstatement and for the Group as a whole:

- Qualitative and quantitative risk factors which are risk driven and based on the component performance materiality range of £2.8 million to £6.9 million;
- The importance of the divisional businesses as part of the overall Group strategy;
- Changes in the legal entity structure and local statutory environment; and
- Changes in finance systems and the control environment.

Given the highly disaggregated nature of the Group's components, we have also considered coverage over key benchmarks, being revenue and adjusted profit before tax when determining the appropriateness of the audit scope to support the Group audit opinion. We have scoped the Group in a way that allows us to obtain sufficient coverage not only at a Group level but also across the Group's two divisions and other businesses. This is consistent with previous years in both methodology and quantum of expected coverage. For the purposes of the Group audit of the financial information, the group engagement team and component teams performed audits of specified account balances in 53 (2023: 40) components.

We have scoped in components for procedures on one or more classes of transactions, account balances or disclosures that together represent 72% (2023: 76%) of total Group revenue and 70% (2023: adjusted profit before tax 70%) of Group absolute profit before tax. The Parent Company is located in the UK and is audited directly by the group audit team. Our work on the components, including the Parent Company, was executed at levels of component performance materiality applicable to each individual component, which were lower than Group materiality and ranged from £2.8 million to £6.9 million (2023: £3.4 million to £8.3 million).

At the Group level we also tested the consolidation process and carried out analytical procedures to obtain further assurance that there were no significant risks of material misstatement of the aggregated financial information of the residual balance of the classes of transactions, account balances or disclosures for which no further audit procedures were performed.

7.2. Our consideration of the control environment

The Group operates a range of IT systems which underpin the financial reporting process. This can vary by geography and/or reporting entity. For certain components, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances and also included the Group's consolidation system, as well as the newly implemented IT system in Malvern Panalytical. Our approach was principally designed to inform our risk assessment and, as such, we obtained an understanding of relevant IT controls, tested the general IT controls for some operating entities and tested certain key automated controls in the Malvern Panalytical IT system, using our IT specialists.

In the current year we did not plan to rely on the operating effectiveness of controls. This strategy reflected our historic knowledge of the control environment, which we reconfirmed in the current year, as well as our understanding of the Group's business transformation programme. This programme seeks to enhance the internal control framework and has both IT and business control aspects. The Group has since made progress with the roll out and implementation of the new IT system in Malvern Panalytical during the year. Therefore, in addition to the audit work on IT controls described above, additional audit work on controls was limited to obtaining an understanding of the relevant controls in key financial reporting process cycles to inform our risk assessment.

The Group continues to invest time in responding to and addressing our observations. Management determines their response to these observations and continues to monitor their resolution with reporting to and oversight from the Audit and Risk Committee as explained in the Audit and Risk Committee Report on pages 94 to 103. As management develops and completes the business transformation project, we expect our audit approach to evolve in future years alongside these developments in the internal control environment.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group has assessed the risk and opportunities relevant to climate change and this remains a principal risk for the Group. The risk has also been considered and embedded into the businesses as explained in the Strategic Report on page 60.

As part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. While management has acknowledged the risks posed by climate change, they have assessed that climate change does not create any key sources of estimation uncertainty in the financial statements as at 31 December 2024 as explained in note 1 on page 167.

With the involvement of our ESG specialists, we performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. Our procedures include reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The work of components was performed under the direction and supervision of the Group audit team. The Group audit team was directly involved in the component auditors planning, risk assessment process, as well as during the execution of their audit work. We sent our component teams detailed instructions, reviewed and challenged the component audit working papers and findings from their work, and reviewed inte-office reporting.

We also visited some component audit teams and held in-person discussions. Prior to the commencement of our detailed audit work we held virtual or physical planning meetings with our component teams, led by the Group audit team. The purpose of these planning meetings was to ensure a good level of understanding of the Group's businesses, its core strategy and a discussion of the significant risks and our planned audit approach. We provided additional guidance to the component audit teams, to identify areas of judgement and improve the quality and consistency of the audit procedures performed.

We attended component audit closing conference calls and held regular remote meetings to interact on any related audit and accounting matters. Senior members of the Group audit team were assigned to each component to facilitate an effective and consistent approach to component oversight.

8. Other information

The other information comprises the information included in the Annual Report (including the Strategic Report, Governance, Appendix – Alternative Performance Measures, and Additional Information), other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the Directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuation, pension and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 142;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate, set out on page 142;
- the Directors' statement on fair, balanced and understandable, set out on page 150;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 81 and 100;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems, set out on page 100; and
- the section describing the work of the Audit and Risk Committee, set out on page 95.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 28 July 2016 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is eight years, covering the years ending 31 December 2017 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Rob Knight, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
27 February 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Continuing operations			
Revenue	2,3	1,298.7	1,449.2
Cost of sales		(582.8)	(611.1)
Gross profit		715.9	838.1
Indirect production and engineering expenses		(112.3)	(126.9)
Sales and marketing expenses		(215.7)	(249.6)
Administrative expenses		(290.3)	(273.0)
Operating profit	2,4	97.6	188.6
Share of post-tax results of associates	2	(0.4)	(0.1)
Fair value through profit and loss movements on debt investments	27	(1.9)	2.8
Profit/(loss) on disposal of businesses	24	210.2	(12.6)
Financial income	6	15.0	11.0
Finance costs	6	(17.8)	(4.1)
Profit before tax		302.7	185.6
Taxation charge	7	(69.5)	(40.2)
Profit for the year attributable to owners of the Company		233.2	145.4
Attributable to:			
Equity holders of the parent		233.6	145.4
Non-controlling interest		(0.4)	–
		233.2	145.4
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic	9	233.1p	140.3p
Diluted	9	231.1p	139.4p
Dividends attributable to the ordinary equity holders of the Company			
Interim dividend paid and final dividend proposed/paid for the year (per share)	8	83.2p	79.2p
Dividends paid during the year (per share)	8	80.5p	76.6p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Profit for the year attributable to owners of the Company		233.2	145.4
Other comprehensive expense:			
Items that will not be reclassified to the Consolidated Income Statement:			
Remeasurement of net defined benefit obligation	19	(0.7)	(0.6)
Fair value loss and foreign exchange movements on translation of investment in equity instruments designated as at fair value through other comprehensive income	12	(1.3)	(5.0)
Tax credit on items above	7	0.2	0.2
		(1.8)	(5.4)
Items that are or may be reclassified subsequently to the Consolidated Income Statement:			
Net (loss)/gain on effective portion of changes in fair value of forward exchange contracts on cash flow hedges		(5.6)	6.1
Foreign exchange movements on translation of overseas operations		(20.1)	(42.5)
Currency translation differences transferred to profit on disposal of business	24	(17.9)	–
Tax credit/(charge) on items above	7	1.0	(1.1)
		(42.6)	(37.5)
Total other comprehensive expense		(44.4)	(42.9)
Total comprehensive income for the year attributable to owners of the Company		188.8	102.5
Attributable to:			
Equity holders of the parent		189.2	102.5
Non-controlling interest		(0.4)	–
		188.8	102.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Retained earnings £m	Translation reserve £m	Hedging reserve £m	Merger reserve £m	Capital redemption reserve £m	Total £m	Non-controlling interest £m	Total equity £m
At 1 January 2024		5.3	231.4	1,030.0	43.0	1.9	3.1	1.2	1,315.9	–	1,315.9
Profit/(loss) for the year		–	–	233.6	–	–	–	–	233.6	(0.4)	233.2
Other comprehensive expense		–	–	(0.7)	(39.1)	(4.6)	–	–	(44.4)	–	(44.4)
Total comprehensive income/(expense) for the year		–	–	232.9	(39.1)	(4.6)	–	–	189.2	(0.4)	188.8
Transactions with owners recorded directly in equity:											
Equity dividends paid by the Company	8	–	–	(80.5)	–	–	–	–	(80.5)	–	(80.5)
Own shares acquired for share buyback programme	21	(0.1)	–	(50.9)	–	–	–	0.1	(50.9)	–	(50.9)
Share-based payments, net of tax	22	–	–	6.4	–	–	–	–	6.4	–	6.4
Proceeds from exercise of equity-settled options		–	–	0.5	–	–	–	–	0.5	–	0.5
Acquisition of a subsidiary		–	–	–	–	–	–	–	–	0.4	0.4
At 31 December 2024		5.2	231.4	1,138.4	3.9	(2.7)	3.1	1.3	1,380.6	–	1,380.6

	Note	Share capital £m	Share premium £m	Retained earnings £m	Translation reserve £m	Hedging reserve £m	Merger reserve £m	Capital redemption reserve £m	Total equity £m
At 1 January 2023		5.5	231.4	1,113.0	86.0	(3.1)	3.1	1.0	1,436.9
Profit for the year		–	–	145.4	–	–	–	–	145.4
Other comprehensive (expense)/income		–	–	(4.9)	(43.0)	5.0	–	–	(42.9)
Total comprehensive income/(expense) for the year		–	–	140.5	(43.0)	5.0	–	–	102.5
Transactions with owners recorded directly in equity:									
Equity dividends paid by the Company	8	–	–	(79.7)	–	–	–	–	(79.7)
Own shares acquired for share buyback programme	21	(0.2)	–	(160.8)	–	–	–	0.2	(160.8)
Share-based payments, net of tax	22	–	–	16.4	–	–	–	–	16.4
Proceeds from exercise of equity-settled options		–	–	0.6	–	–	–	–	0.6
At 31 December 2023		5.3	231.4	1,030.0	43.0	1.9	3.1	1.2	1,315.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £m	2023 £m
ASSETS			
Non-current assets			
Goodwill	10	1,087.5	565.5
Other intangible assets	10	421.3	167.1
Property, plant and equipment	11	171.1	136.2
Right-of-use assets	11	71.3	58.1
Investments in equity instruments	12	23.0	24.3
Investment in debt instruments	27	19.8	21.7
Investment in associates	12	10.3	10.8
Derivative financial instruments	27	0.9	0.4
Other receivables	14	6.1	5.9
Deferred tax assets	20	22.2	26.6
Retirement benefit assets	19	3.8	2.4
		1,837.3	1,019.0
Current assets			
Inventories	13	250.2	231.8
Current tax assets		17.2	7.2
Trade and other receivables	14	347.0	317.9
Derivative financial instruments	27	1.9	5.8
Cash and cash equivalents	15	105.7	138.5
Assets held for sale	24	–	97.5
		722.0	798.7
Total assets		2,559.3	1,817.7
LIABILITIES			
Current liabilities			
Borrowings	16	(13.3)	–
Derivative financial instruments	27	(1.0)	(0.1)
Trade and other payables	17	(330.8)	(369.4)
Lease liabilities		(22.1)	(14.4)
Current tax liabilities		(6.3)	(12.6)
Provisions	18	(21.9)	(8.5)
Liabilities held for sale	24	–	(17.8)
		(395.4)	(422.8)
Net current assets		326.6	375.9
Non-current liabilities			
Borrowings	16	(641.4)	–
Other payables	17	(27.6)	(15.1)
Derivative financial instruments	27	(0.8)	(0.1)
Lease liabilities		(54.6)	(48.3)
Provisions	18	(3.2)	(2.6)
Retirement benefit obligations	19	(11.1)	(11.6)
Deferred tax liabilities	20	(44.6)	(1.3)
		(783.3)	(79.0)
Total liabilities		(1,178.7)	(501.8)
Net assets		1,380.6	1,315.9
EQUITY			
Share capital	21	5.2	5.3
Share premium		231.4	231.4
Retained earnings		1,138.4	1,030.0
Translation reserve	21	3.9	43.0
Hedging reserve	21	(2.7)	1.9
Merger reserve	21	3.1	3.1
Capital redemption reserve	21	1.3	1.2
Total equity attributable to equity holders of the parent		1,380.6	1,315.9
Non-controlling interest		–	–
Total equity attributable to owners of the Company		1,380.6	1,315.9

The Financial Statements on pages 160 to 233 were approved by the Board of Directors on 27 February 2025 and were signed on its behalf by:

Angela Noon OBE
Chief Financial Officer

Company Registration No. 02025003

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash generated from operations	25	138.5	245.5
Net income taxes paid		(45.3)	(50.3)
Net cash inflow from operating activities		93.2	195.2
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(51.7)	(24.7)
Proceeds from disposal of property, plant and equipment and software		2.1	3.1
Acquisition of businesses, net of cash acquired	23	(731.2)	(49.5)
Purchase of investment in associates	12	–	(7.8)
Proceeds from disposal of businesses, net of tax paid of £48.1m (2023: £5.9m)	24	225.7	3.3
Interest received		7.1	5.4
Net cash outflow from investing activities		(548.0)	(70.2)
Cash flows from financing activities			
Interest paid on borrowings		(15.3)	(1.0)
Interest paid on lease liabilities	16	–	(0.2)
Dividends paid	8	(80.5)	(79.7)
Share buyback purchase of shares	21	(96.7)	(114.9)
Net proceeds from exercise of share options		0.5	0.6
Payments on principal portion of lease liabilities	16	(15.2)	(15.4)
Proceeds from borrowings	16	954.1	–
Debt acquired with acquisitions		39.6	–
Repayment of borrowings	16	(347.4)	(0.1)
Net cash inflow/(outflow) from financing activities		439.1	(210.7)
Net decrease in cash and cash equivalents		(15.7)	(85.7)
Cash and cash equivalents at beginning of year		138.8	228.1
Effect of foreign exchange rate changes		(17.4)	(3.6)
Cash and cash equivalents at end of year	15	105.7	138.8

NOTES TO THE ACCOUNTS

1. Basis of preparation and summary of material accounting policies

a) Basis of preparation

Basis of accounting

The Consolidated Financial Statements have been prepared on a historical cost basis except for items that are required by United Kingdom adopted International Financial Reporting Standards (IFRS) to be measured at fair value, principally certain financial instruments. The Consolidated Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

The Consolidated Financial Statements set out on pages 160 to 214 have been prepared using consistent accounting policies. In the current year there are no new standards and interpretations that have had a material impact on the Group's Statement of Financial Position.

These Consolidated Financial Statements are presented in millions of Pounds Sterling rounded to the nearest one decimal place.

Basis of consolidation

The Consolidated Financial Statements set out the Group's financial position as at 31 December 2024 and the Group's financial performance for the year ended 31 December 2024, which incorporate the Financial Statements of Spectris plc and its subsidiaries and include its share of the results of associates using the equity method of accounting. The Group recognises its direct rights to (and its share of) jointly held assets, liabilities, revenues and expenses of joint operations under the appropriate headings in the Consolidated Financial Statements.

i. Subsidiaries

A subsidiary is an entity that is controlled by another entity, known as the parent or investor (such as the Group). An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are consolidated from and up to the date of change of control. Where necessary, accounting policies of subsidiaries have been aligned with the policies adopted by the Group. All intra-group transactions including any gains or losses, balances, income or expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the amount of the assets (including goodwill), and liabilities of the subsidiary and any non- controlling interests.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity and consist of the net assets of those interests at the date of the original business combination plus their share of changes in equity since that date.

ii. Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is recognised initially in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1. Basis of preparation and summary of material accounting policies continued

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

iii. Joint operations

Joint arrangements are contractual arrangements which the Group has entered into with one or more parties to undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity and exists only when decisions relating to the relevant activities require the unanimous consent of the parties sharing the control. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. As a result, the Group recognises its interest in the joint operation, including its share of any assets, liabilities, revenue and expenses of the joint operation. The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses. When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Going concern

In determining the basis of preparation for the Consolidated Financial Statements, the Directors have considered the Group's available resources, current business activities and factors likely to impact on its future development and performance, including the impact of current macro-economic factors and Climate Change on the Group, which are described in the Chief Executive's Review, Financial Review and Operating Review.

The Group's business activities, together with factors likely to affect its future development, performance and financial position, are set out in the Strategic Report on pages 2 to 78. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 48 to 55. In addition, note 26 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group finances its operations from retained earnings and, where appropriate, from third-party borrowings. Total borrowings as at 31 December 2024 were £654.7m (2023: £nil).

On 7 May 2024, the $500m multi-currency facility (RCF) due to expire in July 2025 was replaced by a £400m multi-currency facility, to reflect the base currency of the Group.

On 2 August 2024, the Group entered into a $400m bridge facility and $250m three-year term loan (the latter drawn equally in USD and EUR), with four of its relationship banks (Bank of America, BNP Paribas, HSBC and NatWest). These facilities, along with surplus cash on Balance Sheet, were used to fund the acquisitions of SciAps and Micromeritics on 21st and 23rd August respectively. On 6 November 2024, the Group entered into a Note Purchase Agreement and issued US Private Placement (USPP) loan notes totalling $300m and €92m, which were used, along with RCF drawings, to repay and cancel the bridge and to fund the acquisition of Piezocryst on 2 December 2024. The maturities of the loan notes range from five to ten years.

As at 31 December 2024 the Group's committed facilities consisted of $300m and €92m of USPP loan notes, $125m and €113.8m of bank term debt and a £400m RCF of which £131.3m was drawn, totalling £641.4m of drawn, committed facilities (2023: RCF of $500m, all undrawn).

The Group regularly monitors its financial position to ensure that it remains within the terms of its financial covenants. The minimum permitted interest cover under the Group's external debt facilities (i) is 3.75x; the covenant result was 29x for the year ended 31 December 2024 (31 December 2023: n/a due to net interest income during the year). The maximum permitted leverage (ii) is 3.5x; as at 31 December 2024, leverage was 2.3x (31 December 2023: less than zero).

(i) Covenant defined earnings before interest, tax and amortisation divided by net finance charges; and
(ii) Covenant defined net debt divided by EBITDA.

In addition to the above, the Consolidated Statement of Financial Position, at 31 December 2024, the Group had a cash and cash equivalents balance of £105.7m. The Group also had various uncommitted facilities and bank overdraft facilities available, of which £13.3m was drawn, resulting in a net debt position of £549.0m, a decrease of £687.8m from the £138.8m net cash position at 31 December 2023.

1. Basis of preparation and summary of material accounting policies continued

The Group has prepared and reviewed cash flow forecasts for the period to 31 December 2029, which reflect forecasted changes in revenue across its business and compared these to a reverse stress test of the forecasts to determine the extent of downturn which would result in a breach of covenants. The reverse stress test does not take into account any mitigating actions which the Group would implement in the event of a severe and extended revenue decline, which would increase the headroom further. The Group has, during 2024, secured committed funding with an average maturity of 7.2 years and with staggered maturities from three to ten years. This assessment indicates that the Group can operate within the level of its current facilities, as set out above, without the need to obtain any new facilities for a period of not less than 12 months from the date of this report.

In addition, when assessing going concern, the Directors considered a 'severe but plausible' downside scenario that reflects a combination of events that results in an outcome that is negative to our base case, but is still considered possible. In this scenario the Group still operates within its covenant restrictions and with sufficient liquidity headroom.

Following this assessment, the Board of Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the Consolidated Financial Statements. There are no key sensitivities identified in relation to this conclusion. Further information on the going concern of the Group can be found on page 61 in the Viability Statement.

Climate risks reflected in the Consolidated Financial Statements

The Consolidated Financial Statements have been prepared with full consideration of both physical and transition risks resulting from climate change, our journey towards achieving our Net Zero ambition and in accordance with our Task Force for Climate-Related Financial Disclosures (TCFD) report.

In conjunction with our Net Zero ambition and TCFD report a review has been performed in the following areas that are deemed most at risk of being impacted by climate change:

Going concern – The Group has reviewed sensitivities to future cash flows and discount rates aligned with our Principal Risks and uncertainties. The review covered sensitivities with respect to potential loss of revenue, associated profits and cash flows due to Spectris, its customers and/or its suppliers making different choices in the achievement of Net Zero objectives, the potential impact that moving to a more sustainable supply chain may have on profits and cash flows, and the cash flows of mitigating potential physical risks, such as potential site moves resulting from increased water levels.

Intangible assets – The Group has assessed future economic benefits, predominantly technology related to our product portfolio and the transition risk to our scope 1 and 2 Net Zero ambitions. This incorporates any known change or potential change from our customers in our scope 3 ambitions.

Property, plant and equipment, remeasurement of leases and intangible assets – The Group has reviewed the useful economic life of these non-current assets with respect to the physical risk of our sites resulting from flooding and the transition to carbon neutrality and has validated that all property, plant and equipment, lease right-of-use assets and intangible assets have been checked to ensure that useful economic lives are in line with current and foreseeable transition plans.

Inventories and associated provision for obsolescence – The Group has performed reviews taking into account the potential risks and subsequent impact of transitioning our product range to the use of sustainable raw materials and having considered the support to our customers and suppliers in achieving their scope 3 ambitions.

For all the aforementioned climate risks, the Group considers that it is too early to foresee any adjustment to carrying value for the year ended 31 December 2024 and that the sensitivities used to test going concern adequately cover foreseeable risks.

New standards and interpretations adopted

In the current year there are no new standards and interpretations that have had a material impact on the Group's Statement of Financial Position.

New accounting standards and interpretations not yet adopted

At the date of authorisation of these Consolidated Financial Statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2 Climate-related Disclosures	Climate-related Disclosures
Amendments to the SASB standards	Amendments to the SASB standards to enhance their international applicability
Amendments to IAS 21	Lack of exchangeability
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to IFRS Accounting Standards Volume 11	Annual Improvements to IFRS Accounting Standards
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The Directors do not expect that the adoption of the IFRS Standards listed above will have a material impact on the Consolidated Financial Statements of the Group in future periods.

1. Basis of preparation and summary of material accounting policies continued

Significant accounting judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported amounts of assets, liabilities, income and expenses, should it be determined that a different choice be more appropriate. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including the impact current macro-economic factors and climate change on the Group.

Critical accounting judgements

There are no critical accounting judgements at 31 December 2024.

Key sources of estimation uncertainty

Management considers the following to be the sole key source of estimation uncertainty for the Group at the end of the current reporting period due to the risk of causing a material change to the carrying amount of assets and liabilities within the next year.

i) Retirement benefit plans

Accounting for retirement benefit plans under IAS 19 (revised) requires an assessment of the future benefits payable in accordance with actuarial assumptions. The discount rate and rate of retail price inflation (RPI) assumptions applied in the calculation of plan liabilities, alongside the potential impact of the Virgin Media case investigation which are set out in note 19, represent a key source of estimation uncertainty for the Group. Details of the related sensitivities are set out on page 195 and the accounting policies applied in respect of retirement benefit plans are set out on page 174.

Climate change is referred to in the Risk Management and Sustainability sections of the Strategic Report. Spectris is well placed to face this global challenge and, although we acknowledge the risks to businesses and trade, we do not consider climate change creates any further key sources of estimation uncertainty at this time.

b) Summary of material accounting policies

The accounting policies set out below have been applied consistently by Group entities to all years presented in these Consolidated Financial Statements.

Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group and the liabilities incurred by the Group to the former owners of the acquiree. The identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date.

Transaction costs on a business combination are expensed as incurred in the Consolidated Income Statement and treated as an adjusting item for the purposes of alternative performance measures (see appendix to the Consolidated Financial Statements).

Goodwill represents the excess of the fair value of the purchase consideration for the interests in subsidiary undertakings over the net fair value to the Group of the identifiable assets, liabilities and contingent liabilities acquired. Where the fair value of the Group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recognised immediately in the Consolidated Income Statement. Contingent consideration is initially recognised as a liability with changes to estimates of contingent consideration reflected in operating profit unless they occur during the 12-month measurement period, in which situation the amount of goodwill recognised on the acquisition is adjusted if they are the result of obtaining additional information about facts and circumstances that existed at the acquisition date. Adjustments to contingent consideration are treated as an adjusting item for the purposes of alternative performance measures (see appendix to the Consolidated Financial Statements).

Goodwill arising on the acquisition of a business is tested annually for impairment. Goodwill is not amortised, and any impairment losses are not subsequently reversed. On the subsequent disposal or discontinuance of a previously acquired business, the relevant goodwill is dealt with in the Consolidated Income Statement except for the goodwill already charged to reserves. Goodwill is allocated on acquisition to cash generating units (CGUs) or group of CGUs that are anticipated to benefit from the combination. Goodwill is tested for impairment by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates and comparing it against the net book value. This estimate of recoverable amount is determined annually and additionally when there is an indication that a CGU or group of CGUs may be impaired. The Group's identified CGUs are equivalent to or smaller than the reportable operating segments in note 2.

The estimate of recoverable amount requires significant assumptions to be made and is based on a number of factors, such as the near-term business outlook for the CGU, including both its operating profit and operating cash flow performance. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the Consolidated Income Statement. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

1. Basis of preparation and summary of material accounting policies continued

Intangible assets and amortisation

The cost of acquiring software (including associated implementation costs where applicable) that is not specific to an item of property, plant and equipment is classified as an intangible asset. The Group only capitalises costs relating to the configuration and customisation of SaaS arrangements as intangible assets where control of the software exists.

Self-funded research and development costs are charged to the Consolidated Income Statement in the year in which they are incurred, unless development expenditure meets certain strict criteria for capitalisation. These criteria include demonstration of the technical feasibility, intent of completing a new intangible asset that is separable, the ability to measure reliably the expenditure attributable to the intangible asset during its development phase and that the asset will generate probable future economic benefits. From the point where expenditure meets the criteria, development costs are capitalised and amortised over the useful economic lives of the assets to which they relate.

Intangible assets arising from a business combination that are separable from goodwill are recognised initially at fair value at the date of acquisition. Other acquired intangible assets (including software not specific to an item of property, plant and equipment) are initially recognised at cost (plus any associated implementation costs where applicable).

Subsequent expenditure is capitalised only when it increases the future economic benefits, otherwise it is expensed as incurred.

Amortisation of intangible assets is charged to administrative expenses in the Consolidated Income Statement on a straight-line basis over the shorter of the estimated useful economic life (determined on an asset-by-asset basis) or underlying contractual life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives are as follows:

- software – three to seven years;
- patents, contractual rights and technology – up to 11 years, dependent upon the nature of the underlying contractual right; and
- customer-related and trade names – three to 20 years, dependent upon the underlying contractual arrangements and specific circumstances such as customer retention experience.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Property, plant and equipment and depreciation

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost comprises the purchase price paid and any costs directly attributable to bringing it into working condition for its intended use. Tangible assets arising from a business combination are recognised initially at fair value at the date of acquisition.

Depreciation is recognised in the Consolidated Income Statement on a straight-line basis to write off the cost, less the estimated residual value (which is reviewed annually) of property, plant and equipment over its estimated useful economic life. Depreciation commences on the date the assets are available for use within the business and the asset carrying values are reviewed for impairment when there is an indication that they may be impaired. The depreciation charge is revised where useful lives are different from those previously estimated, or where technically obsolete assets are required to be written down. Where parts of an item of plant and equipment have separate lives, they are accounted for and depreciated as separate items. Land is not depreciated. Estimated useful lives are as follows:

- freehold and long leasehold property – 20 to 40 years;
- short leasehold property – over the period of the lease; and
- plant and equipment – three to 20 years.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for their intended use are capitalised as part of the cost of the respective asset.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1. Basis of preparation and summary of material accounting policies continued

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The right-of-use assets are presented as a separate line in the Consolidated Statement of Financial Position.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using the initial discount rate; or a lease contract is modified, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The interest portion of lease payments is presented under financing activities in the Consolidated Statement of Cash Flows.

Inventories

Inventories and work in progress are carried at the lower of cost and net realisable value. Inventory acquired as part of business combinations is valued at fair value less cost to sell. Cost represents direct costs incurred and, where appropriate, production or conversion costs and other costs to bring the inventory to its existing location and condition. In the case of manufacturing inventory and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Inventory is accounted for on a first-in, first-out basis or, in some cases, a weighted-average basis, if deemed more appropriate for the business. Provisions are made to write down slow-moving, excess and obsolete items to net realisable value, based on an assessment of technological and market developments and on an analysis of historical and projected usage with regard to quantities on hand.

Trade and other receivables

Trade and other receivables are carried at original invoice amount (which is considered a reasonable proxy for fair value) and are subsequently held at amortised cost less provision for impairment. The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historical credit loss experience, adjusted for factors specific to the receivable and operating company. The movement in the provision is recognised in the Consolidated Income Statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits held on call or with maturities of less than three months at inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash equivalents for the purposes of the Consolidated Statement of Cash Flows.

1. Basis of preparation and summary of material accounting policies continued

Assets and liabilities held for sale

Assets, liabilities and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets, liabilities and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition and when management is committed to the sale which is expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Trade and other payables

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. These are recognised at the amounts expected to be paid to counterparties and subsequently held at amortised cost.

Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources, that can be reliably measured, will be required to settle the obligation. In respect of warranties, a provision is recognised when the underlying products or services are sold. Provisions are recognised at an amount equal to the best estimate of the expenditure required to settle the Group's liability. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefit is probable. Obligations arising from restructuring plans are recognised when detailed formal plans have been established and when there is a valid expectation that such a plan will be carried out.

Taxation

The Group applies IAS 12 including amendments. The International Accounting Standards Board (IASB) recently amended the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This includes tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception, which the Group has applied, to the accounting requirements for deferred taxes in IAS 12, so that an entity should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to separately disclose its current tax expense related to Pillar Two income taxes.

Tax on the profit or loss for the year comprises both current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised either in other comprehensive income or directly in equity, in which case tax is recognised in the Consolidated Statement of Comprehensive Income or the Consolidated Statement of Changes in Equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of prior years. Tax positions are reviewed to assess whether a provision should be made based on prevailing circumstances. Tax provisions are included within current taxation liabilities.

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases. No provision is made for deferred tax which would become payable on the distribution of retained profits by overseas subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is measured using the tax rates expected to apply when the asset is realised, or the liability settled based on tax rates enacted or substantively enacted at the Consolidated Statement of Financial Position date.

Deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

1. Basis of preparation and summary of material accounting policies continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Additional income taxes that arise from the distribution of intra-group dividends are recognised at the same time as the liability to pay the related dividend.

Foreign currency translation

The functional currency for each entity in the Group is determined with reference to the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Consolidated Statement of Financial Position date. Exchange gains and losses on settlement of foreign currency transactions are determined using the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at period end exchange rates and are charged/credited to the Consolidated Income Statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

On consolidation, the Income Statement items of subsidiaries are translated into Sterling at average rates of exchange. Statement of Financial Position items are translated into Sterling at year-end exchange rates. Exchange differences on the retranslation are taken to the translation reserve within equity. Exchange differences on foreign currency borrowings designated as a hedge of the net investment in a foreign operation are reported in the Consolidated Statement of Comprehensive Income. All other exchange differences are charged or credited to the Consolidated Income Statement in the year in which they arise. On disposal of an overseas subsidiary, any cumulative exchange movements relating to that subsidiary held in the translation reserve are transferred to the Consolidated Income Statement.

Derivative financial instruments may be purchased to hedge the Group's exposure to changes in foreign exchange rates. The accounting policies applied in these circumstances are described below.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective-interest basis.

Finance costs and financial income

Finance costs comprise the interest payable on borrowings calculated using the effective interest method, the unwinding of discount factor on lease liabilities and the unwinding of the discount factor on deferred or contingent consideration. Financial income comprises interest income on cash and invested funds, and is recognised in the Consolidated Income Statement as it accrues. The net gain or loss on retranslation of short-term inter-company loan balances is also presented within net finance costs.

Financial instruments

Recognition

The Group recognises financial assets and liabilities on its Consolidated Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Measurement

When financial assets and liabilities are initially recognised, they are measured at fair value, being the consideration given or received plus directly attributable transaction costs. In determining estimated fair value, investments are valued at quoted bid prices on the trade date. When quoted prices on an active market are not available, fair value is determined by reference to price quotations for similar instruments traded. In determining fair value for deferred contingent consideration, the fair value is determined by reference to best estimates of the likely outcome.

Originated loans and receivables are initially recognised in accordance with the policy stated above and subsequently remeasured at amortised cost using the effective-interest method. Allowance for impairment is estimated on a case-by-case basis.

1. Basis of preparation and summary of material accounting policies continued

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge risks associated with foreign exchange fluctuations. These are designated as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement.

Amounts deferred in equity are reclassified to the Consolidated Income Statement in the periods when the hedged item is recognised in the Consolidated Income Statement, in the same line of the Consolidated Income Statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When hedge accounting is discontinued any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Consolidated Income Statement.

Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights to the cash flows from the asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. Originated loans and receivables are derecognised on the date they are transferred by the Group.

Investments in debt instruments

The Group's investment in debt instruments consists of a Vendor Loan Note Receivable. The Vendor Loan Note Receivable was initially recognised at fair value, being the consideration received. The Vendor Loan Note Receivable is measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Investments in equity instruments classified as fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

An investment in equity instruments is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the retained earnings reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends from investments in equity instruments designated as at fair value through other comprehensive income are recognised in profit and loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

Impairment of financial assets

The Group assesses at each Consolidated Statement of Financial Position reporting date whether there is any objective evidence that a financial asset, or group of financial assets, is impaired. A financial asset, or group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For trade receivables, the Group recognises impairment provisions based on lifetime expected credit losses.

1. Basis of preparation and summary of material accounting policies continued

Employee benefits

The Group operates defined benefit post-retirement benefit plans and defined contribution pension plans.

Defined benefit plans

The Group's net obligation recognised in the Consolidated Statement of Financial Position in respect of defined benefit plans is calculated separately for each plan as the present value of the plan's liabilities less the fair value of the plan's assets. The operating and financing costs of defined benefit plans are recognised separately in the Consolidated Income Statement. Operating costs comprise the current service cost, plan administrative expense, any gains or losses on settlement or curtailments, and past service costs where benefits have vested. Finance items comprise the unwinding of the discount on the net asset surplus/deficit. Actuarial gains or losses comprising changes in plans' liabilities due to experience and changes in actuarial assumptions are recognised in the Consolidated Statement of Comprehensive Income.

The amount of any pension fund asset recognised in the Consolidated Statement of Financial Position is limited to any future refunds from the plan or the present value of reductions in future contributions to the plan.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised in the Consolidated Income Statement in the periods during which services are rendered by employees.

In certain countries, the Group participates in industry-wide defined benefit-type pension arrangements. In such circumstances, it is not possible to determine the amount of any surplus or deficit attributable to the Group and the pension costs are accounted for as if the arrangements were defined contribution plans. These are not material to the Group and, accordingly, no additional disclosures are provided.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

Certain employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each Consolidated Statement of Financial Position reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where it is not possible to incentivise managers with equity-settled options, they are issued with cash-settled options. A liability is recognised for the services acquired, measured initially at the fair value of the liability. The charge for these awards is adjusted at each reporting date, with any changes in fair value recognised in profit or loss, to reflect the expected and actual levels of options that vest, and the fair value is based on either the share price at date of exercise or the share price at the Consolidated Statement of Financial Position date if sooner.

Own shares

Own equity instruments which are re-acquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Consolidated Income Statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration paid to acquire such equity instruments is recognised within equity.

Dividends

Dividends are recognised as a liability in the period in which they are approved by shareholders.

1. Basis of preparation and summary of material accounting policies continued

Revenue

Revenue is measured based on the fair value of the consideration specified in a contract with a customer, net of returns and discounts, and excludes amounts collected on behalf of third parties, value added tax and other sales-related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group's major revenue streams are the same as its reportable operating segments (Spectris Scientific, Spectris Dynamics, and Red Lion Controls).

Further details of the nature of each major revenue stream are provided in the following section.

Spectris Scientific

Revenue from the provision of services, including ongoing support, servicing and maintenance, is recognised in line with the delivery of the service, either at a point in time or, for some ongoing services, over time when the performance obligation is satisfied.

Revenue from the sale of goods, where the goods are not required to be installed, is recognised at a point in time when control of the goods has transferred. This may occur, depending on the individual customer terms, when the product is transferred to a freight carrier, or when the customer has received the product.

For contracts where the sale of goods is combined with a complex installation, revenue is recognised at a point in time when installation is complete as the installation is not distinct, since the customer would not expect it to be readily available.

Occasionally, the initial contract covers both the supply of goods and ongoing support, servicing, and maintenance. For such contracts, revenue is allocated across each of the individual components in line with their relative price and value of the performance obligation and each element is accounted for as described above.

Payment is normally due at the point that the performance obligation is completed. For some of the segment's business, the customer may make partial payment in advance. Such payments are recognised as contract liabilities until the performance obligation has been satisfied.

Sales-related warranties associated with the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. These are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' in note 18.

Spectris Dynamics

Revenue from the provision of services, including ongoing support, servicing and maintenance, is recognised in line with the delivery of the service, either at a point in time or, for some ongoing services, over time when the performance obligation is satisfied.

Revenue from the sale of goods, where the goods are not required to be installed, is recognised at a point in time when control of the goods has transferred. This may occur, depending on the individual customer terms, when the product is transferred to a freight carrier, or when the customer has received the product.

Contracts where the sale of goods are combined with a simple installation are those which the customer perceives as a separate performance obligation within the overall contract to deliver goods. Revenue is recognised for these installations separately from the delivery of goods, and only at a point in time when the installation has occurred.

Occasionally, the initial contract covers both the supply of goods and ongoing support, servicing and maintenance. For such contracts revenue is allocated across each of the individual components in line with their relative price and value of the performance obligation and each element is accounted for as described above.

Payment is normally due at the point that the performance obligation is completed. For some of the segment's business the customer may make partial payment in advance. Such payments are recognised as contract liabilities until the performance obligation has been satisfied.

Sales-related warranties associated with the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. These are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' in note 18.

1. Basis of preparation and summary of material accounting policies continued

Red Lion Controls

Revenue from the sale of goods, where the goods are not required to be installed, is recognised at a point in time when control of the goods has transferred. This may occur, depending on the individual customer terms, when the product is transferred to a freight carrier, or when the customer has received the product.

Payment is normally due at the point that the performance obligation is completed. For some of the segment's business, the customer may make partial payment in advance. Such payments are recognised as contract liabilities until the performance obligation has been satisfied.

Sales-related warranties associated with the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. These are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' in note 18.

2. Operating segments

The Group's reportable segments are described below. Following the completion of the sale of the Red Lion Controls business in April 2024, the Servomex business reporting moved to form part of the Spectris Scientific division. The new segmental divisional structure reflects the way the business is managed as well as the current internal reporting provided to the Chief Operating Decision Maker (considered to be the Board) on a regular basis to assist in making decisions on capital allocated to each segment and to assess performance. The segment results include an allocation of head office expenses, where the costs are attributable to a segment. Costs of running the PLC are reported separately as Group costs.

The tables below show restated comparative figures for the reportable operating segments for the year ended 31 December 2023, reflecting the impact of changes the Group made to its operating segments during the year.

- Spectris Scientific provides advanced measurement and materials characterisation, accelerating innovation and efficiency in R&D and manufacturing. The operating companies in this segment are Malvern Panalytical, Particle Measuring Systems, and Servomex;
- Spectris Dynamics provides differentiated sensing, data acquisition, analysis modelling and simulation solutions to help customers accelerate product development and enhance product performance;
- The Red Lion Controls segment is a high value precision in-line sensing and monitoring business;
- Group costs consist of costs of running the PLC.

Further details of the nature of these segments and the products and services they provide are contained in the Strategic Report on pages 2 to 78.

2. Operating segments continued

Information about continuing reportable segments	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	Group costs[1] £m	2024 Total £m
Segment revenues	777.1	501.7	20.3	–	1,299.1
Inter-segment revenue	(0.4)	–	–	–	(0.4)
External revenue	776.7	501.7	20.3	–	1,298.7
Operating profit	86.3	19.5	3.5	(11.7)	97.6
Share of results of associates	(0.9)	0.5	–	–	(0.4)
Fair value through profit and loss movements on debt investments[1]					(1.9)
Profit on disposal of businesses[1]					210.2
Financial income[1]					15.0
Finance costs[1]					(17.8)
Profit before tax[1]					302.7
Taxation charge[1]					(69.5)
Profit after tax[1]					233.2

1. Not allocated to reportable segments.

Information about continuing reportable segments	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	Group costs[1] £m	2023 Total £m
Segment revenues	804.8	542.8	101.8	–	1,449.4
Inter-segment revenue	(0.2)	–	–	–	(0.2)
External revenue	804.6	542.8	101.8	–	1,449.2
Operating profit	140.4	56.1	17.3	(25.2)	188.6
Share of post-tax results of associates	(0.4)	0.3	–	–	(0.1)
Fair value through profit and loss movements on debt investments[1]					2.8
Loss on disposal of businesses[1]					(12.6)
Financial income[1]					11.0
Finance costs[1]					(4.1)
Profit before tax[1]					185.6
Taxation charge[1]					(40.2)
Profit after tax [1]					145.4

1. Not allocated to reportable segments.

Reportable segment profit is consistent with that presented to the Chief Operating Decision Maker. Inter-segment revenue includes the movements in internal cash flow hedges with inter-segment pricing on an arm's-length basis. Segments are presented on the basis of actual inter-segment charges made.

	Carrying amount of segment assets		Carrying amount of segment liabilities	
	2024 £m	2023 £m	2024 £m	2023 £m
Spectris Scientific	1,545.3	746.1	(275.8)	(239.0)
Spectris Dynamics	818.8	746.8	(181.4)	(210.4)
Red Lion Controls	–	97.2	–	(11.1)
Group-related	0.7	0.4	(3.0)	(8.9)
Total segment assets and liabilities	2,364.8	1,590.5	(460.2)	(469.4)
Cash and borrowings	105.7	138.5	(654.7)	–
Derivative financial instruments	2.8	6.2	(1.8)	(0.2)
Assets and liabilities held for sale that are not allocable to a segment	–	0.3	–	(6.7)
Investment in debt instruments	19.8	21.7	–	–
Investment in equity instruments	23.0	24.3	–	–
Retirement benefit assets and liabilities	3.8	2.4	(11.1)	(11.6)
Taxation	39.4	33.8	(50.9)	(13.9)
Consolidated total assets and liabilities	2,559.3	1,817.7	(1,178.7)	(501.8)

Segment assets comprise: goodwill, other intangible assets, property, plant and equipment, right-of-use assets, inventories and trade and other receivables, investments in associates and assets held for sale that are attributable to the reported operating segment. Segment liabilities comprise: trade and other payables, provisions, lease liabilities and other payables which can be reasonably attributed to the reported operating segment. Unallocated items represent all components of cash and borrowings, derivative financial instruments, assets held for sale that are not allocable to a segment, investment in debt instruments, investment in equity instruments, retirement benefit assets and liabilities and current and deferred taxation balances.

	Additions to non-current assets		Depreciation, amortisation and impairment	
	2024 £m	2023 £m	2024 £m	2023 £m
Spectris Scientific	743.8	49.0	32.9	22.6
Spectris Dynamics	133.7	45.7	27.4	30.8
Red Lion Controls	0.2	1.7	–	3.8
Group-related	–	–	0.8	0.5
Consolidated total	877.7	96.4	61.1	57.7

2. Operating segments continued

Geographical segments

The Group's operating segments are each located in several geographical locations and sell on to external customers in all parts of the world. No individual country amounts to more than 3% of revenue, other than those noted below. The following is an analysis of revenue from continuing operations by geographical destination.

	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	2024 Total £m
UK	25.1	18.7	0.5	44.3
Germany	31.9	90.5	0.9	123.3
France	27.8	25.5	0.2	53.5
Rest of Europe	104.3	85.5	1.2	191.0
USA	171.5	139.0	14.7	325.2
Rest of North America	21.1	6.7	1.4	29.2
Japan	38.9	29.9	–	68.8
China	154.6	59.2	0.3	214.1
South Korea	33.8	9.4	–	43.2
Rest of Asia	117.5	27.2	0.9	145.6
Rest of the world	50.2	10.1	0.2	60.5
	776.7	501.7	20.3	1,298.7

	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	2023 Total £m
UK	31.6	21.8	2.7	56.1
Germany	33.7	103.7	4.2	141.6
France	23.0	27.0	1.1	51.1
Rest of Europe	106.2	86.8	4.3	197.3
USA	155.6	145.7	76.2	377.5
Rest of North America	23.7	7.6	5.8	37.1
Japan	48.1	30.1	0.1	78.3
China	173.9	73.9	2.0	249.8
South Korea	41.3	11.2	0.1	52.6
Rest of Asia	115.9	22.8	3.9	142.6
Rest of the world	51.6	12.2	1.4	65.2
	804.6	542.8	101.8	1,449.2

	Non-current assets 2024 £m	Non-current assets 2023 £m
UK	222.1	218.8
Austria	115.1	0.2
Germany	66.3	70.5
France	6.5	7.1
Rest of Europe[1]	290.9	301.0
USA	1,075.9	355.1
Rest of North America	11.9	13.2
Japan	4.4	4.7
China	10.0	9.7
South Korea	2.2	0.9
Rest of Asia	7.0	8.3
Rest of the world	2.8	2.9
	1,815.1	992.4
Deferred tax assets[2]	22.2	26.6
Total non-current assets	1,837.3	1,019.0

1. Principally in Switzerland, Netherlands and Denmark (2023: Switzerland, Netherlands and Denmark).
2. Not allocated to reportable geographic area in reporting to the Chief Operating Decision Maker.

3. Revenue

Disaggregation of revenue

The Group derives its revenue from the provision of goods and services both at a point in time and over time. Product lines are presented consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see note 2).

IFRS 15, paragraph 114, requires an entity to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This disaggregation will depend on the entity's individual facts and circumstances. The Group has assessed that the disaggregation of revenue by reportable operating segments is appropriate in meeting this disclosure requirement as this is the information regularly reviewed by the Chief Operating Decision Maker in order to evaluate the financial performance of the entity. The Group also believes that presenting a disaggregation of revenue based on the timing of transfer of goods or services provides users of the Financial Statements with useful information as to the nature and timing of revenue from contracts with customers.

Timing of revenue recognition from continuing operations	2024 £m	2023 £m
At a point in time:		
Spectris Scientific	712.8	742.8
Spectris Dynamics	438.9	483.4
Red Lion Controls	20.3	101.8
	1,172.0	1,328.0
Over time:		
Spectris Scientific	63.9	61.8
Spectris Dynamics	62.8	59.4
	126.7	121.2
Revenue from continuing operations	1,298.7	1,449.2

The Group's material revenue streams have an expected duration of one year or less. The Group has therefore applied the practical expedient in IFRS 15, paragraph 121, to not disclose information about its remaining performance obligations.

No individual customer accounted for more than 1% of external revenue in 2024 (2023: 1%).

Total revenue for the Group from continuing operations, after including financial income of £15.0m (2023: £11.0m) (see note 6), was £1,313.7m (2023: £1,460.2m).

4. Operating profit

Operating profit from continuing operations is stated after charging/(crediting):

	Note	2024 £m	2023 £m
Net foreign exchange losses included in operating profit		0.8	5.8
Research and development expense		101.4	108.4
Amortisation and impairment of intangible assets	10	29.3	24.9
Depreciation of owned property, plant and equipment	11	18.3	19.4
Depreciation of right-of-use assets	11	13.5	13.4
Income from sub-leasing right-of-use assets		(0.2)	(0.5)
Expenses relating to short-term and low-value leases		0.1	0.1
Donations to the Spectris Foundation		1.0	1.1
Cost of inventories recognised as expense		316.5	361.2
Profit on disposal and remeasurements of property, plant and equipment and associated lease liabilities		(1.2)	(0.5)

The Group's operating profit in the current year includes £3.2m (2023: £1.6m) spend on climate-related transition risk activities. These costs include all the activities disclosed in the sustainability section of this report.

Auditor's remuneration	£m	£m
Fees payable to the Company's auditor for audit of the Company's annual accounts	1.0	0.8
Fees payable to the Company's auditor for the audit of the Company's subsidiaries, pursuant to legislation	1.8	1.7
Total audit-related fees	2.8	2.5
Fees payable to the Company's auditor for other services:		
– audit-related assurance services[1]	0.1	0.1
– other non-audit services[2]	0.1	0.1
	3.0	2.7

1. Review of the half-year Financial Statements.
2. Assurance work over ESG disclosures, audit of special purpose financial statements, and other trivial assurance work involving Group companies.

5. Employee costs and other information

Employee costs, including Directors' remuneration, comprise:

	2024 £m	2023 £m
Wages and salaries	464.8	453.0
Social security costs	78.5	78.5
Defined benefit pension plans:		
– current service cost (see note 19)	1.0	0.7
– past service credit (see note 19)	(0.4)	(0.1)
– curtailment gain (see note 19)	(0.2)	–
Defined contribution pension plans	24.2	22.9
Equity-settled share-based payment expense	8.1	13.1
Cash-settled share-based payment expense	–	1.1
	576.0	569.2

Average number of employees	2024 Number	2023 Number
Production and engineering	3,328	3,569
Sales, marketing and service	2,826	2,767
Administrative	1,103	930
	7,257	7,266

Directors' remuneration	2024 £m	2023 £m
Short-term benefits	3.7	3.1
Equity-settled share-based payment expense	1.4	2.0
	5.1	5.1

Further details of Directors' remuneration and share options are given in the Directors' Remuneration Report on pages 104 to 139.

6. Financial income and finance costs

Financial income	2024 £m	2023 £m
Interest receivable	(7.1)	(5.3)
Net gain on retranslation of short-term inter-company loan balances	(7.9)	(5.7)
	(15.0)	(11.0)

Finance costs	2024 £m	2023 £m
Interest payable on loans and overdrafts	14.5	1.4
Unwinding of discount factor on lease liabilities	2.7	2.4
Unwinding of discount factor on redemption liability	0.4	–
Net interest cost on pension plan obligations	0.2	0.3
	17.8	4.1

	2024	2023
Net finance costs/(credit)	2.8	(6.9)

Net interest charge of £7.4m (2023: £3.9m credit), for the purposes of the calculation of interest cover, comprises interest receivable of £7.1m (2023: £5.3m) and interest payable on loans and overdrafts of £14.5m (2023: £1.4m).

The net finance charge of £2.8m (2023: £6.9m credit) includes £7.9m of unrealised gains on intercompany loan balances (2023: gains of £5.7m).

7. Taxation

	2024 UK £m	2024 Overseas £m	2024 Total £m	2023 UK £m	2023 Overseas £m	2023 Total £m
Current tax charge	3.5	76.6	80.1	5.3	54.3	59.6
Adjustments in respect of current tax of prior years	(1.2)	(1.6)	(2.8)	(0.5)	(0.3)	(0.8)
Deferred tax – origination and reversal of temporary differences (note 20)	2.1	(9.9)	(7.8)	(1.9)	(16.7)	(18.6)
Taxation charge	4.4	65.1	69.5	2.9	37.3	40.2

The standard rate of corporation tax for the year, based on the weighted average of tax rates applied to the Group's profits, is 23.6% (2023: 24.2%). The tax charge for the year is lower (2023: lower) than the tax charge using the standard rate of corporation tax for the reasons set out in the following reconciliation.

	2024 £m	2023 £m
Profit before taxation	302.7	185.6
Corporation tax charge at standard rate of 23.6% (2023: 24.2%)	71.4	44.9
Permanent tax differences on (profit)/loss on disposal of businesses	(0.4)	2.8
Other non-deductible expenditure	4.9	4.5
Movements on unrecognised deferred tax assets	1.0	–
Pillar Two current tax charge	1.5	–
Tax credits and incentives	(6.7)	(9.9)
Adjustments to prior year current and deferred tax charges	(2.2)	(2.1)
Taxation charge	69.5	40.2

The Group's standard rate of corporation tax of 23.6% is marginally lower than the prior year rate (2023: 24.2%), principally due to profits being made in countries with lower statutory tax rates.

'Tax credits and incentives' above, refers principally to research and development tax credits and other reliefs for innovation, such as the UK Patent Box regime and Dutch Innovation Box regime, as well as tax reliefs available for Foreign Derived Intangible Income in the US.

'Permanent tax differences on profit/loss on disposal of businesses' in the prior year relates to the restriction of tax deductions for losses on the sale of shares in certain countries.

Factors that may affect the future tax charge

The Group's tax charge in future years is likely to be affected by the proportion of profits arising, and the effective tax rates, in the various territories in which the Group operates, as well as changes in tax law affecting future periods. Such law changes may affect the future availability or amount of existing tax reliefs or incentives. Furthermore, future tax or other legal cases or investigations may result in a re-assessment of the Group's tax liabilities in respect of prior years.

Tax on items recognised directly in the Consolidated Statement of Comprehensive Income	2024 £m	2023 £m
Tax (credit)/charge on net (loss)/gain on effective portion of changes in fair value of forward exchange contracts	(1.0)	1.1
Tax charge/(credit) on investment in equity instruments designated as at fair value through other comprehensive income	–	(0.1)
Tax credit on remeasurement of net defined benefit obligations, net of foreign exchange	(0.2)	(0.1)
Aggregate current and deferred tax (credit)/charge relating to items recognised directly in the Consolidated Statement of Comprehensive Income	(1.2)	0.9

Tax on items recognised directly in the Consolidated Statement of Changes in Equity	2024 £m	2023 £m
Tax charge/(credit) in relation to share-based payments	1.6	(3.2)
Aggregate current and deferred tax charge/(credit) relating to items recognised directly in the Consolidated Statement of Comprehensive Income	1.6	(3.2)

The following tax (credits)/charges relate to items of income and expense that are excluded from the Group's adjusted performance measures.

Tax on items of income and expense that are excluded from the Group's adjusted profit before tax	2024 £m	2023 £m
Tax credit on amortisation of acquisition-related intangible assets	(4.9)	(4.7)
Tax credit on net transaction-related costs and fair value adjustments	(0.9)	(1.7)
Tax charge on retranslation of short-term inter-company loan balances	0.3	0.3
Tax credit on restructuring costs	(4.9)	–
Tax charge/(credit) on (profit)/loss on disposal of businesses	49.1	(0.2)
Tax credit on contribution to Spectris Foundation	(0.2)	–
Pillar Two current tax charge related to adjusting items	0.7	–
Tax credit on configuration and customisation costs carried out by third parties on material SaaS projects	(12.7)	(10.8)
Tax (credit)/charge on fair value through profit and loss movements on debt investments	(0.5)	0.6
Total tax charge/(credit)	26.0	(16.5)

7. Taxation continued

The effective adjusted tax rate for the year was 22.7% (2023: 21.5%) as set out in the reconciliation below.

Reconciliation of the statutory taxation charge to the adjusted taxation charge	2024 £m	2023 £m
Statutory taxation charge excluding Pillar Two current tax charge	68.0	40.2
Pillar Two current tax charge	1.5	–
Statutory taxation charge	69.5	40.2
Tax (charge)/credit on items of income and expense that are excluded from the Group's adjusted profit before tax	(26.0)	16.5
Adjusted taxation charge	43.5	56.7

The Group has applied the temporary exception included in IAS 12 Income Taxes from recognising or disclosing information about deferred tax related to 'Pillar Two' income taxes. This mandatory temporary exception was included in the narrow scope amendments to IAS 12 published by the International Accounting Standards Board in May 2023.

Management judgement is applied to determine the level of provisions required in respect of both direct and indirect taxes. The Group is potentially subject to tax audits in many jurisdictions. By their nature these are often complex and could take a significant period of time to be agreed with the tax authorities. Judgement is therefore applied based on the interpretation of country-specific tax legislation and the likelihood of settlement. The Group estimates and accrues taxes that will ultimately be payable when reviews or audits by tax authorities of tax returns are completed. These estimates include judgements about the position expected to be taken by each tax authority.

The Group applies judgement in respect of possible tax audit adjustments primarily in respect of transfer pricing. In respect of transfer pricing, the level of provision is determined by reference to management judgements of the adjustments that would arise in the event that certain intra-group transactions are successfully challenged as not being at arm's length.

Management estimates of the level of risk arising from tax audit may change in the next year as a result of changes in legislation or tax authority practice or correspondence with tax authorities during a specific tax audit. It is not possible to quantify the impact that such future developments may have on the Group's tax positions. Actual outcomes and settlements may differ from the estimates recorded in these Consolidated Financial Statements.

Judgement is also applied relating to the recognition of deferred tax assets which are dependent on an assessment of the generation of future taxable income in the countries concerned in which temporary differences become deductible or in which tax losses can be utilised. These estimates may change in the next year if there are changes in the forecast profitability of the relevant company.

8. Dividends

Amounts recognised and paid as distributions to owners of the Company in the year	2024 £m	2023 £m
Interim dividend for the year ended 31 December 2024 of 26.6p (2023: 25.3p) per share	26.3	26.0
Final dividend for the year ended 31 December 2023 of 53.9p (2023: 51.3p) per share	54.2	53.7
	80.5	79.7

Amounts arising in respect of the year	2024 £m	2023 £m
Interim dividend for the year ended 31 December 2024 of 26.6p (2023: 25.3p) per share	26.3	26.0
Proposed final dividend for the year ended 31 December 2024 of 56.6p (2023: 53.9p) per share	59.1	54.8
	85.4	80.8

The proposed final 2024 dividend is subject to approval by shareholders at the AGM on 22 May 2025 and has not been included as a liability in these Financial Statements.

9. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares).

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year but adjusted for the effects of dilutive options. This additional adjustment is not made when there is a net loss attributable to ordinary shareholders.

Basic earnings per share	2024	2023
Profit after tax (£m)	233.2	145.4
Non-controlling interest (£m)	0.4	–
Profit attributable to ordinary equity holders of the parent for basic earnings (£m)	233.6	145.4
Weighted average number of shares outstanding (millions)	100.2	103.6
Basic earnings per share (pence)	233.1	140.3

Diluted earnings per share	2024	2023
Profit after tax (£m)	233.2	145.4
Non-controlling interest (£m)	0.4	–
Profit attributable to ordinary equity holders of the parent for diluted earnings (£m)	233.6	145.4
Basic weighted average number of shares outstanding (millions)	100.2	103.6
Weighted average number of dilutive 5p ordinary shares under option (millions)	0.9	0.9
Weighted average number of 5p ordinary shares that would have been issued at average market value from proceeds of dilutive share options (millions)	–	(0.2)
Diluted weighted average number of shares outstanding (millions)	101.1	104.3
Diluted earnings per share (pence)	231.1	139.4

10. Goodwill and other intangible assets

	Note	Goodwill £m	Patents, contractual rights and technology £m	Customer-related and trade names £m	Software £m	Total £m
Cost						
At 1 January 2023		682.3	168.3	202.0	48.9	1,101.5
Additions – separately acquired		–	–	–	0.8	0.8
Additions – internal development		–	3.2	–	–	3.2
Additions – business combinations	23	24.6	6.9	14.8	–	46.3
Reclassifications		–	–	–	1.9	1.9
Transfers to assets held for sale		(46.0)	(11.0)	(3.1)	(2.8)	(62.9)
Disposals		–	–	(0.4)	(7.3)	(7.7)
Disposals of business	24	(38.6)	(11.8)	(40.6)	(0.1)	(91.1)
Foreign exchange difference		(16.2)	(4.6)	(8.0)	(0.9)	(29.7)
At 31 December 2023		606.1	151.0	164.7	40.5	962.3
Additions – separately acquired		–	–	–	0.8	0.8
Additions – internal development		–	5.8	–	–	5.8
Additions – business combinations	23	510.4	107.4	157.9	0.9	776.6
Disposals		–	–	–	(3.6)	(3.6)
Foreign exchange difference		9.7	2.3	8.5	(0.9)	19.6
At 31 December 2024		1,126.2	266.5	331.1	37.7	1,761.5
Accumulated amortisation and impairment						
At 1 January 2023		76.2	91.2	100.0	43.9	311.3
Charge for the year		–	15.1	7.2	2.6	24.9
Reclassifications		–	–	–	0.1	0.1
Transfers to assets held for sale	24	–	(4.5)	(0.7)	(2.8)	(8.0)
Disposals		–	–	(0.4)	(7.3)	(7.7)
Disposals of business	24	(35.1)	(9.7)	(38.7)	–	(83.5)
Foreign exchange difference		(0.5)	(3.4)	(2.8)	(0.7)	(7.4)
At 31 December 2023		40.6	88.7	64.6	35.8	229.7
Charge for the year		–	14.6	10.9	2.0	27.5
Disposals		–	–	–	(3.6)	(3.6)
Impairment charge		–	1.8	–	–	1.8
Foreign exchange difference		(1.9)	(1.0)	1.0	(0.8)	(2.7)
At 31 December 2024		38.7	104.1	76.5	33.4	252.7
Carrying amount						
At 31 December 2024		1,087.5	162.4	254.6	4.3	1,508.8
At 31 December 2023		565.5	62.3	100.1	4.7	732.6

10. Goodwill and other intangible assets continued

Goodwill is allocated to the cash-generating units or a group of cash-generating units that are anticipated to benefit from the acquisition. Goodwill arising on a bolt-on acquisition is combined with the goodwill in the existing Group company and is not considered separately for impairment purposes, since such acquisitions are quickly integrated.

The Group's identified cash-generating units total six, smaller than the two reportable segments, being within the Spectris Scientific Division (Malvern Panalytical, Micromeritics, Particle Measuring Systems, SciAps, and Servomex), and Spectris Dynamics Division (2023: five). The goodwill relating to Malvern Panalytical, SciAps and Micromeritics are allocated to these cash-generating units as a group rather than individually as it is the group of cash generating units (Malvern Panalytical group) that benefits from the acquisitions.

The most significant amounts of goodwill are as follows:

	2024 £m	2023 £m
Malvern Panalytical group	685.3	235.8
Spectris Dynamics	367.7	294.9
Non-significant CGUs	34.5	34.8
	1,087.5	565.5

Included within 'Non-significant CGUs' are two – Particle Measuring Systems and Servomex (2023: two – Particle Measuring Systems and Servomex) cash-generating units, in which none of the goodwill balances are considered to be individually significant. The Group defines significant as 10% of the total carrying value of goodwill.

Goodwill is not amortised but is tested for impairment annually or whenever there is an indication that the asset may be impaired. As part of the annual impairment review, the carrying amount of goodwill has been assessed with reference to its recoverable amount determined based on value in use. In assessing value in use, the forecast projected cash flows of each cash-generating unit, which are based on actual operating results, the most recent budget for the next financial year as approved by the Board, detailed strategic review projections and an assumed long-term growth rate to perpetuity, are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the cash-generating unit.

Key assumptions used in the value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

- CGU specific operating assumptions on business performance over the forecast period to December 2029 (five years);
- discount rates; and
- projected growth rates used to extrapolate risk adjusted cash flows beyond the forecast period.

CGU specific operating assumptions are applicable to the forecasted cash flows for the forecast period to December 2029 and relate to revenue forecasts, expected project outcomes and forecast operating margins in each of the operating companies. Impact of macro-economic trends such as rising inflation rates has been applied to CGUs. The relative value ascribed to each assumption will vary between CGUs as the forecasts are built up from the underlying operating companies within each CGU group. A long-term rate is applied to these values for the year to December 2029 and onwards.

The Group has considered the potential impact of climate change on future cash flows in the impairment test. This took into consideration the quantification of the risks and opportunities identified in the TCFD disclosures on pages 144 to 149, as well as the commitments made in our journey towards achieving our Net Zero ambition. This included assessing the impact and likelihood of Climate change as set out in the Principal risks and Uncertainties on pages 58 to 60. In terms of physical risk, this could result in reduction of our ability to conduct business operations from certain locations on a temporary or permanent basis or risk of harm to employees or physical assets. In terms of transition risk this could lead to increased costs through market regulation or additional taxes. After taking into account the potential impact of climate change, significant headroom remained in the model.

10. Goodwill and other intangible assets continued

The Group calculates value in use using the strategic plans relevant to each CGU. A long-term growth rate of 2.0% (2023: 2.0%) has been applied consistently across each CGU. Discount rates are based on estimations of the assumptions that market participants operating in similar sectors to Spectris would make, using the Group's economic profile as a starting point and adjusting appropriately. The Directors do not currently expect any significant change in the present base discount rate of 12.4% (2023: 14.1%). The base discount rate, which is pre-tax and is based on short-term variables, may differ from the Weighted Average Cost of Capital (WACC). Discount rates are adjusted for economic risks that are not already captured in the specific operating assumptions for each CGU group. This results in the impairment testing using discount rates ranging from 12.5% to 14.4% (2023: 14.6% to 15.9%) across the CGU groups. The table below discloses the discount rates and short-term growth rates for each significant CGU, and the average across the non-significant CGUs. The Group defines significant as 10% of the total carrying value of goodwill.

	Risk Adjusted discount rates		Short-term growth rates	
	2024 %	2023 %	2024 %	2023 %
Malvern Panalytical group	12.5	14.6	29.2	9.8
Spectris Dynamics	14.4	14.7	14.2	9.4
Non-significant CGUs	13.8	15.9	6.8	10.1

Impairment of goodwill and acquisition-related intangible assets

Sensitivity analysis

For all cash-generating units with goodwill balances at 31 December 2024 the Directors do not consider that there are any reasonably possible sensitivities for the business that could arise in the next 12 months that could result in an impairment charge being recognised.

Other intangible assets

Internally generated assets arising from the capitalisation of qualifying development expenditure typically have a finite expected useful life of four to ten years. Capitalised development expenditure is amortised on a straight-line basis. All amortisation charges for the year have been charged against operating profit. The Group has capitalised £5.8m of internally-generated intangible assets from development expenditure in 2024 (2023: £3.2m). Accumulated amortisation on internally-generated intangible assets was £6.8m (2023: £8.6m).

The following is a summary of significant intangible assets:

	Acquisition Year	Useful economic life Years	Remaining life Years	Carrying Amount 2024	Carrying Amount 2023	% of total asset 2024	% of total asset 2023
Customer-related assets							
Concurrent Real Time	2021	20	15.5	46.3	48.4	19%	50%
Dytran Instruments Inc	2022	20	17.8	23.6	23.4	11%	28%
MicroStrain	2023	15	13.4	6.9	7.3	5%	10%
SciAps	2024	10	9.6	2.6	–	6%	–
Micromeritics	2024	11	10.6	104.6	–	52%	–
Technology assets							
Concurrent Real Time	2021	10	5.5	13.4	15.3	10%	22%
Creoptix AG	2022	10	7.0	16.3	16.9	12%	25%
SciAps	2024	10	9.6	24.3	–	17%	–
Micromeritics	2024	11	10.6	38.7	–	28%	–
Piezocryst	2024	11	10.6	21.5	–	15%	–

11. Property, plant and equipment

Property, plant and equipment: owned

	Note	Freehold property £m	Leasehold property £m	Plant and equipment £m	Total £m
Cost					
At 1 January 2023		139.1	27.2	207.6	373.9
Additions – separately acquired		2.7	1.9	16.0	20.6
Additions – business combinations	23	–	–	0.7	0.7
Reclassifications		(4.5)	4.7	(2.1)	(1.9)
Transfer to assets held for sale	24	(6.3)	(1.4)	(9.2)	(16.9)
Disposals		(3.9)	(1.0)	(21.9)	(26.8)
Disposal of business	24	(4.1)	(0.3)	(13.5)	(17.9)
Foreign exchange difference		(3.7)	(1.0)	(5.5)	(10.2)
At 31 December 2023		119.3	30.1	172.1	321.5
Additions – separately acquired		24.0	2.6	18.2	44.8
Additions – business combinations	23	3.2	0.5	6.5	10.2
Reclassifications		–	–	3.9	3.9
Disposals		(1.5)	(1.2)	(5.5)	(8.2)
Foreign exchange difference		(2.2)	(0.5)	(3.6)	(6.3)
At 31 December 2024		142.8	31.5	191.6	365.9
Accumulated depreciation and impairment					
At 1 January 2023		52.1	14.6	146.5	213.2
Charge for the year		3.4	2.3	13.7	19.4
Reclassifications		(1.0)	1.0	(0.1)	(0.1)
Transfers to assets held for sale	24	(0.3)	(1.3)	(7.0)	(8.6)
Disposals		(3.5)	(0.9)	(21.4)	(25.8)
Disposal of business	24	(1.7)	(0.1)	(4.7)	(6.5)
Foreign exchange difference		(1.4)	(0.8)	(4.1)	(6.3)
At 31 December 2023		47.6	14.8	122.9	185.3
Charge for the year		3.0	1.8	13.5	18.3
Reclassifications		0.5	(0.5)	2.8	2.8
Disposals		(1.3)	(1.2)	(4.8)	(7.3)
Foreign exchange difference		(0.8)	(0.4)	(3.1)	(4.3)
At 31 December 2024		49.0	14.5	131.3	194.8
Carrying amount					
At 31 December 2024		93.8	17.0	60.3	171.1
At 31 December 2023		71.7	15.3	49.2	136.2

The amount included in the cost of plant and equipment of assets in the course of construction was £25.7m (2023: £15.4m).

No borrowing costs were capitalised during either year.

There were no additions relating to the receipt of government grants in 2024 (2023: £nil).

Of the total additions of £44.8m (2023: £20.6m) the amount attributable to climate-related capital expenditure is £3.5m (2023: £1.6m) that has been counted towards achieving our Net Zero ambition. These costs contribute to the activities disclosed in the sustainability section of this report.

Property, plant and equipment: right-of-use

	Note	Property £m	Plant and equipment £m	Total £m
At 1 January 2023		53.8	5.9	59.7
Additions		10.6	5.4	16.0
Depreciation and impairment		(9.5)	(3.9)	(13.4)
Disposals		(0.1)	(0.4)	(0.5)
Disposal of business	24	(3.2)	–	(3.2)
Transfers to assets held for sale		(0.8)	–	(0.8)
Additions – business combinations		1.1	–	1.1
Remeasurement		–	0.4	0.4
Foreign exchange difference		(1.1)	(0.1)	(1.2)
At 31 December 2023		50.8	7.3	58.1
Additions		15.9	5.1	21.0
Depreciation		(9.4)	(4.1)	(13.5)
Disposals		(0.2)	–	(0.2)
Additions – business combinations	23	5.7	1.5	7.2
Remeasurement		0.4	–	0.4
Foreign exchange difference		(1.4)	(0.3)	(1.7)
At 31 December 2024		61.8	9.5	71.3

	2024 £m	2023 £m
Property, plant and equipment: owned	171.1	136.2
Property, plant and equipment: right-of-use	71.3	58.1
	242.4	194.3

12. Investments in equity instruments, investment in associates and joint operation

Investments in equity instruments

	2024 £m	2023 £m
Investments in equity instruments designated as at fair value through other comprehensive income	23.0	24.3
Total investment in equity instruments at 31 December	23.0	24.3

At 31 December 2024, the Group's investments in equity instruments designated to be measured at fair value through other comprehensive income consists of a) 27,752,567 A1 investment units in the EZ Ring FPCI (the fund holding the combined UTAC-Millbrook group), which has a fair value of £22.7m (2023: £23.9m) b) 10,000,000 shares in Envirosuite Ltd, which has a fair value of £0.3m (2023: £0.4m).

These investments were not held for trading at initial recognition and were not contingent consideration. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the Group elected to designate these investments in equity instruments as at fair value through other comprehensive income at initial recognition as it believes that recognising short-term fluctuations in these investments' fair value in profit and loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising its performance potential in the long run.

The Group does not consider that it is able to exercise significant influence over any of the above investments as its percentage ownership and voting rights of the businesses is small and it does not have any unusual powers or rights over the businesses.

No dividends have been recognised on investments in equity instruments during the year (2023: £nil).

Investment in associates

The Group's investments in associates at 31 December 2024 were as follows:

Name of associates	Principal activity	Country of incorporation or registration	Percentage shareholding
CM Labs Simulations Inc.	Manufacturer of turnkey solutions	Canada	19.4%
LumaCyte Incorporated	Bioanalytic instrumentation	United States	12.2%

Summarised financial information in respect of the Group's immaterial associates are set out below. The summarised information has been presented in accordance with IFRS (after adjustments by the Group for equity accounting purposes and to comply with the Group's accounting policies).

	2024 £m	2023 £m
At 1 January	10.8	2.9
Arising on acquisition of associates	–	7.8
Share of loss of associates	(0.4)	(0.1)
Foreign exchange difference	(0.1)	0.2
At 31 December	10.3	10.8

There was no comprehensive income or dividends received from associates in the year (2023: £nil).

2023

On 21 August 2023, the Group acquired 12.2% (10.9% fully diluted) of the shares of LumaCyte Incorporated (LumaCyte) for total consideration of USD10.0m (£7.8m), settled in cash. LumaCyte is an advanced bioanalytic instrumentation company based in Virginia, United States, and will provide Spectris with further exposure and deeper insights into the high growth and disruptive area of Cell & Gene Therapy and vaccine markets. As a result of the rights and powers attached to the Group's shareholding, the Group has concluded that it has significant influence and, as result, will equity account for its share of LumaCyte's results, as an investment in associate. This investment in associate is not considered individually material to the Group.

Joint operation

The Group's immaterial joint operation has share capital consisting solely of ordinary shares and is indirectly held, and principally operates in Slovenia. The financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for all but an insignificant amount of the output to be consumed by the shareholders.

Name of joint operation	Principal activity	Country of incorporation or registration	Percentage shareholding
Blueberry d.o.o.	Research and development activities	Slovenia	50%

Significant judgement made by Group in determining the nature of its interest and the type of joint arrangement

Blueberry d.o.o. is a joint arrangement that is primarily designed for the provision of output to the parties sharing joint control; this indicates that the parties have rights to substantially all the economic benefits of the assets. The liabilities of the arrangements are in essence satisfied by cash flows received from both parties; this dependence indicates that the parties in effect have obligations for the liabilities. It is these facts and circumstances that give rise to the classification of this entity as a joint operation.

13. Inventories

	2024 £m	2023 £m
Raw materials	149.4	110.3
Work in progress	48.5	43.5
Finished goods and goods held for resale	52.3	78.0
	250.2	231.8

In the ordinary course of business, the Group makes provision for slow-moving, excess and obsolete inventory to write it down to its net realisable value based on an assessment of technological and market developments specific to the relevant business, and an analysis of historical and projected usage on an individual item or product line basis.

Expenses relating to inventories written down during the year totalled £15.8m (2023: £12.9m) for the Group.

Finished goods and goods held for resale expected to be utilised after 12 months amounted to £nil (2023: £0.3m).

14. Trade and other receivables

Current	2024 £m	2023 £m
Trade receivables	285.7	239.5
Prepayments	32.1	27.6
VAT and similar taxes receivable	10.5	32.2
Research and development credits recoverable	0.1	1.6
Deferred and contingent consideration on acquisitions	–	0.5
Other receivables	8.9	8.6
Contract assets	9.7	7.9
	347.0	317.9

Non-current	2024 £m	2023 £m
Prepayments	6.1	3.7
Other receivables	–	2.2
	6.1	5.9

Other current and non-current receivables include advances to suppliers of £1.2m (2023: £4.1m) and other debtors of £7.7m (2023: £6.7m).

Trade receivables are non-interest bearing. Standard credit terms provided to customers differ according to business and country, and are typically between 30 and 60 days. Trade receivables are stated after the provision for impairment of £8.0m (2023: £7.5m).

The fair value of trade and other receivables approximates to its carrying amount due to the short-term maturities associated with these items. There is no impairment risk identified with regards to other receivables where no amounts are past due.

The maximum exposure to credit risk for trade receivables at 31 December by geographic region was:

	2024 £m	2023 £m
UK	10.7	9.1
Germany	20.2	19.0
France	19.0	15.7
Rest of Europe	54.9	43.9
USA	85.3	55.3
Rest of North America	8.6	8.3
Japan	15.5	14.8
China	14.7	20.2
South Korea	7.1	8.6
Rest of Asia	36.1	30.5
Rest of the world	13.6	14.1
	285.7	239.5

Expected credit losses

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

14. Trade and other receivables continued

The ageing of trade receivables and related provisions for impairment at 31 December was:

	2024 Gross £m	2024 Impairment £m	2023 Gross £m	2023 Impairment £m
Not past due	184.4	–	161.4	–
One month past due	44.1	–	33.6	–
Two months past due	20.7	–	15.6	–
Three months past due	13.1	–	7.3	–
Four months past due	7.5	–	5.7	–
More than four months past due	23.9	8.0	23.4	7.5
	293.7	8.0	247.0	7.5

The movement in the provision for impairment in respect of trade receivables during the year was as follows:

	2024 £m	2023 £m
At 1 January	7.5	5.3
Provision for impairment of receivables	0.2	2.9
Impairment loss utilised	(0.3)	(0.5)
Acquisition of business	0.8	–
Disposal of business	–	(0.1)
Foreign exchange difference	(0.2)	(0.1)
At 31 December	8.0	7.5

All of the above impairment losses relate to receivables arising from contracts with customers.

Significant changes in contract assets during the year

2024

There were no significant movement in contract assets in 2024.

2023

There were no significant movement in contract assets in 2023.

15. Cash and cash equivalents

	Note	2024 £m	2023 £m
Cash and cash equivalents included in current assets		105.7	138.5
Cash and cash equivalents included in assets held for sale	24	–	0.3
Cash and cash equivalents		105.7	138.8

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 27.

16. Borrowings

Current	Interest rate	Repayable date	2024 £m	2023 £m
Bank overdrafts facility (£20.0m)	Variable daily rate	On demand	13.3	–
Bank loans unsecured (£45.0m) uncommitted facility	Determined on draw down	On demand	–	–
Total current borrowings			13.3	–

Non-current	Interest rate	Maturity date	2024 £m	2023 £m
Revolving credit facility (£400.0m)	RFR plus margin based on leverage (margin currently 0.55%)	07 May 2029	131.3	–
USPP Notes (US$300.0m)	Blended fixed rate 5.15%	06 Nov 2029–2034	239.5	–
USPP Notes (€92.0m)	Blended fixed rate 3.66%	26 Nov 2029/ 26 Nov 2031	76.4	–
Term facility (US$125.0m)	RFR plus margin based on leverage (margin currently 1.00%)	02 Aug 2027	99.8	–
Term facility (€113.8m)	RFR plus margin based on leverage (margin currently 0.75%)	02 Aug 2027	94.4	–
Total non-current borrowings			641.4	–
Total current and non-current borrowings			654.7	–
Total unsecured borrowings			654.7	–

At 31 December 2024, the £400m revolving credit facility had EUR, GBP and USD drawings totalling £131.3m (31 December 2023: the $500m (£393.1m) facilities were undrawn).

Movements in total unsecured borrowings are reconciled as follows:

	2024 £m	2023 £m
At 1 January	–	0.1
Proceeds from borrowings	954.1	–
Debt acquired with acquisitions	39.6	–
Repayment of borrowings	(347.4)	(0.1)
Effect of foreign exchange rates	8.4	–
At 31 December	654.7	–

16. Borrowings continued

Changes in liabilities arising from financing arrangements

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flow from financing activities.

£m	Note	At 31 December 2023	Financing cash flows[1]	New leases	Acquisitions of businesses	Disposal of businesses	Other non-cash movement	Exchange movement	At 31 December 2024
Bank overdrafts (including notional cash-pool related bank overdrafts)	15	–	13.3	–	–	–	–	–	13.3
Debt		–	593.4	–	39.6	–	–	8.4	641.4
Total borrowings		–	606.7	–	39.6	–	–	8.4	654.7
Lease liabilities (including lease liabilities classified as liabilities held for sale)[2]		63.5	(15.2)	21.0	7.1	(0.7)	3.0	(2.0)	76.7
Total liabilities from financing arrangements		63.5	591.5	21.0	46.7	(0.7)	3.0	6.4	731.4

£m	Note	At 31 December 2022	Financing cash flows[1]	New leases	Acquisitions of businesses	Disposal of businesses	Other non-cash movement	Exchange movement	At 31 December 2023
Bank overdrafts (including notional cash-pool related bank overdrafts)	15	0.1	(0.1)	–	–	–	–	–	–
Total borrowings		0.1	(0.1)	–	–	–	–	–	–
Lease liabilities		65.1	(15.6)	16.1	1.0	(3.6)	2.1	(1.6)	63.5
Total liabilities from financing arrangements		65.2	(15.7)	16.1	1.0	(3.6)	2.1	(1.6)	63.5

1. The cash flows from bank overdrafts (including notional cash-pool related bank overdrafts) and debt make up the net amount of proceeds from borrowings, repayment of borrowings and notional cash-pooling movement in the Consolidated Statement of Cash Flows.
2. No lease liabilities were classified as held for sale as at 31 December 2024 (2023: £0.8m, 2022: £nil).

17. Trade and other payables

Current	2024 £m	2023 £m
Trade payables	50.1	42.8
Accruals	98.5	114.9
Customer advances	33.3	31.8
Contract liabilities	106.6	85.5
Deferred and contingent consideration on acquisitions	15.8	10.6
VAT and similar taxes payable	8.7	27.6
Goods received not invoiced	15.6	7.9
Share buyback accrual	–	45.9
Other payables	2.2	2.4
	330.8	369.4

Non-current	2024 £m	2023 £m
Contract liabilities	3.1	4.0
Deferred and contingent consideration on acquisitions	13.7	–
Accruals	10.8	11.1
	27.6	15.1

See note 21 for further details on the Group's share buyback accrual in 2023.

The fair value of trade and other payables approximates to their carrying amount due to the short-term maturities associated with these items.

Total contract liabilities relate to the following product groups:

	2024 £m	2023 £m
Spectris Scientific	75.0	58.1
Spectris Dynamics	31.6	31.4
	106.6	89.5

Revenue recognised in 2024 that was included in the contract liability balance at the beginning of the year amounts to £75.8m (2023: £48.1m).

Significant changes in contract liabilities during the year

2024

The increase in contract liabilities is due to the acquisition of Micromeritics within Spectris Scientific. Details are presented in note 23.

2023

The decrease in contract liabilities reflects a decrease in systems-related orders in Spectris Scientific.

18. Provisions

	Note	Reorganisation £m	Product warranty £m	Legal, contractual and other £m	Total £m
At 1 January 2024		0.6	6.7	3.8	11.1
Provision during the year		15.1	4.1	5.2	24.4
Recognised on acquisitions	23	–	1.6	–	1.6
Utilised during the year		(5.3)	(4.2)	(1.2)	(10.7)
Released during the year		(0.3)	(0.8)	(0.2)	(1.3)
At 31 December 2024		10.1	7.4	7.6	25.1

Reorganisation

Reorganisation provisions relate to committed restructuring plans in place within the business. Costs are mostly expected to be incurred within one year and there is little judgement in determining the amount.

Product warranty

Product warranty provisions reflect commitments made to customers on the sale of goods in the ordinary course of business and included within the Group's standard terms and conditions. Warranty commitments typically apply for a 12-month period, but can extend to 36 months. These extended warranties are not individually significant.

Legal, contractual and other

Legal, contractual and other provisions mainly comprise amounts provided against open legal and contractual disputes arising in the normal course of business. The Group has on occasion been required to take legal or other actions to protect its intellectual property rights, to enforce commercial contracts or otherwise and similarly to defend itself against proceedings brought by other parties. Provisions are made for the expected costs associated with such matters, based on past experience of similar items and other known factors, taking into account professional advice received, and represent management's best estimate of the most likely outcome. The timing of utilisation of these provisions is frequently uncertain, reflecting the complexity of issues and the outcome of various court proceedings and negotiations. Contractual and other provisions represent the Directors' best estimate of the cost of settling current obligations.

No provision is made for proceedings which have been or might be brought by other parties against Group companies unless management, taking into account professional advice received, assesses that it is probable that such proceedings may be successful. Contingent liabilities associated with such proceedings have been identified, but the Directors are of the opinion that any associated claims that might be brought can be defeated successfully and, therefore, the possibility of any material outflow in settlement is assessed as remote.

19. Retirement benefit plans

Spectris plc operates funded defined benefit and defined contribution pension plans for the Group's qualifying employees in the UK. At 31 December 2024, 17 overseas subsidiaries (2023: 17) in six overseas countries (2023: six) provided defined benefit plans. Other UK and overseas subsidiaries have their own defined contribution plans invested in independent funds.

Defined benefit plans

The UK, German, Dutch, Swiss, French, Italian and Japanese plans provide pension benefits in and at retirement, death in service and, in some cases, disability benefits to members. The pension benefits are linked to members' final salary at retirement and their service life. Since 31 December 2009, the UK plan has been closed to all service accruals. The German and Dutch plans are closed to new members. The Italian plan is a mandatory Trattamento di Fine Rapporto (TFR) severance plan, whilst the Japanese and French plans provide lump sum benefits to members on retirement.

The UK plan is administered by a pension fund, but the Swiss and Dutch plans are held by insurance companies that are legally separate from the Group. The majority of the overseas plan assets are insurance policies. The UK plan is managed by a Board of Trustees that represents both employees and employer, who is required to act in the best interest of the plan's participants and is responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the various funds.

The plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. Inflation and interest rate hedges are taken out to mitigate against risks arising on the UK plan and some reinsurance exists in respect of the overseas plans.

The overseas plans are funded by the Group's overseas subsidiaries, and the UK plan has been funded by both the Group's UK subsidiaries and the Company. The assets of the UK plan are invested in accordance with Section 40 of the Pensions Act 1995. Although the Act permits 5% of the plan's assets to be invested in 'employer-related investments', the Trustee has elected that none of the plan assets are to be invested directly in Spectris plc shares. The Trustee also holds interest rate and inflation swaps to help protect against the impact of changes in prevailing interest rates and price inflation, which in conjunction with the corporate bond portfolio aims to fully hedge against interest and inflation rate risks on the basis used by the Trustee to fund the plan. Trustee investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

The Trustee of the UK plan has invested a large proportion of the plan's assets in a buy and maintain corporate bond portfolio, designed to move in a similar way to the value of the plan's liabilities. The Trustee has also entered into a swaps strategy which seeks to further mitigate against movement in interest rates and price inflation over time.

The funding requirements are based on the individual fund's actuarial measurement framework set out in the funding policies of the various plans.

The Group has determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (including minimum funding requirements) of the plans of the respective jurisdictions, the present value of the refunds or reductions in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. This determination has been made on a plan-by-plan basis. As such, no decrease in the defined benefit asset was necessary at 31 December 2024.

The last full actuarial valuation for the UK plan was 31 December 2023 and for the overseas plans was 31 December 2024, where available. The UK plan valuation is ongoing and the preliminary results have been projected to 31 December 2024 under the IAS 19 assumptions set out below. Where applicable, the overseas valuations were updated to 31 December 2024 for IAS 19 (Revised) 'Employee Benefits' purposes by qualified independent actuaries.

The Group's contributions to defined benefit plans during the year ended 31 December 2024 were £2.6m (2023: £2.5m). Contributions for 2025 are expected to be £1.2m for the UK plan and £1.2m for the overseas plans.

As a result of the UK plan's full actuarial valuation at 31 December 2023, it has been agreed that the Group will continue to make payments totalling £1.2m a year until the next actuarial valuation as at 31 December 2026. The contribution rates are subject to review at future valuations and periodic certifications of the schedule of contributions.

The assumptions used by the actuary to value the liabilities of the defined benefit plans were:

	2024		2023	
	UK plan % p.a.	Overseas plans % p.a.	UK plan % p.a.	Overseas plans % p.a.
Discount rate	5.40	1.00–3.40	4.54	1.35–3.30
Salary increases	3.10	1.35–3.50	n/a	1.50–3.00
Pension increases in payment	2.00–3.67	0.00–2.00	1.95–3.62	0.00–2.25
Pension increases in deferment	2.69–3.10	n/a	2.52–2.95	n/a
Inflation assumption	2.69–3.10	1.10–3.50	2.52–2.95	1.25–3.5
Interest credit rate	n/a	1.00	n/a	1.00

The weighted average duration of the defined benefit obligation at 31 December 2024 was approximately 11 years (2023: 11 years) for the UK plan and 15 years (2023: 15 years) for the overseas plans.

19. Retirement benefit plans continued

Pensioner life expectancy assumed in the 31 December 2024 valuation is based on the following tables:

UK plan	109% of the S4PA and S4DA tables centred in 2017 for the first and second lives respectively. Future improvements in line with the core CMI_2023 model subject to a long-term improvement rate of 1.50% per annum for males and 1.05% per annum for females, an initial addition of 0.2%, no weighting to 2020 and 2021 mortality experience and a 15% weighting on 2022 and 2023.
French plans	INSEE 2018-2020 tables (TD/TV or France Métropolitaine depending on plan)
German plans	Dr K Heubeck pension tables 2018 G
Dutch plans	A.G. Prognosetafel 2024 tables
Swiss plan	BVG 2020 – CMI 1.50%
Italian plans	SI 2019

Samples of the ages which pensioners are assumed to live to across the Group's defined benefit plans are as follows:

	Male	Female
Pensioners aged 65 in 2024	85.9–87.1	88.1–89.3
Pensioners aged 65 in 2044	87.5–89.1	89.3–91.5

	UK plan		Overseas plans		Total	
Amounts recognised in the Consolidated Income Statement	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Current service cost	–	–	1.0	0.7	1.0	0.7
Past service credit	(0.4)	–	–	(0.1)	(0.4)	(0.1)
Administrative cost	–	–	–	0.1	–	0.1
Settlement/curtailment	–	–	(0.2)	–	(0.2)	–
Net interest (credit)/cost	(0.1)	–	0.3	0.3	0.2	0.3
	(0.5)	–	1.1	1.0	0.6	1.0

The current service cost, past service credit, administrative cost and settlement/curtailment are recognised in administrative expenses in the Consolidated Income Statement. The net interest cost on the net defined benefit obligation is recognised in finance costs in the Consolidated Income Statement. Actuarial gains and losses are recognised in the Consolidated Statement of Comprehensive Income.

During the year, insurance premiums for death-in-service benefits amounting to £0.4m (2023: £0.4m) were paid.

The total return on plan assets in the year was a loss of £1.7m (2023: gain of £8.0m).

	UK plan		Overseas plans		Total	
Amounts recognised in the Consolidated Statement of Comprehensive Income	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Actuarial (losses)/gains recognised in the current year	(0.3)	1.4	(0.4)	(2.0)	(0.7)	(0.6)
Foreign exchange gains in the current year	–	–	0.5	0.2	0.5	0.2
Total (losses)/gains recognised in the current year	(0.3)	1.4	0.1	(1.8)	(0.2)	(0.4)

	UK plan		Overseas plans		Total	
Amounts recognised in the Consolidated Statement of Financial Position	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Present value of defined benefit obligations	(81.9)	(91.0)	(27.3)	(27.0)	(109.2)	(118.0)
Fair value of plan assets	85.7	93.4	16.2	15.4	101.9	108.8
Net surplus/(deficit) in plans	3.8	2.4	(11.1)	(11.6)	(7.3)	(9.2)

	UK plan		Overseas plans		Total	
Reconciliation of movement in net deficit	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
At 1 January	2.4	(0.2)	(11.6)	(8.7)	(9.2)	(8.9)
Balance transferred from other operating provisions	–	–	–	(1.4)	–	(1.4)
Current service cost	–	–	(1.0)	(0.7)	(1.0)	(0.7)
Net interest credit/(cost)	0.1	–	(0.3)	(0.3)	(0.2)	(0.3)
Plan administrative cost	–	–	–	(0.1)	–	(0.1)
Settlement/curtailment	–	–	0.2	–	0.2	–
Past service credit	0.4	–	–	0.1	0.4	0.1
Contributions from sponsoring company and plan members	1.2	1.2	0.8	0.7	2.0	1.9
Benefits paid	–	–	0.7	0.6	0.7	0.6
Actuarial (losses)/gains	(0.3)	1.4	(0.4)	(2.0)	(0.7)	(0.6)
Foreign exchange difference	–	–	0.5	0.2	0.5	0.2
At 31 December	3.8	2.4	(11.1)	(11.6)	(7.3)	(9.2)

19. Retirement benefit plans continued

Analysis of movement in the present value of the defined benefit obligation	UK plan 2024 £m	UK plan 2023 £m	Overseas plans 2024 £m	Overseas plans 2023 £m	Total 2024 £m	Total 2023 £m
At 1 January	91.0	90.6	27.0	22.4	118.0	113.0
Balance transferred from other operating provisions	–	–	–	1.3	–	1.3
Current service cost	–	–	1.0	0.7	1.0	0.7
Interest cost	4.0	4.3	0.7	0.7	4.7	5.0
Settlement/curtailment	–	–	(0.2)	–	(0.2)	–
Acquisitions of businesses	–	–	–	–	–	–
Past service credit	(0.4)	–	–	(0.1)	(0.4)	(0.1)
Contributions from plan members	–	–	0.3	0.4	0.3	0.4
Actuarial (gains)/losses – financial	(6.5)	1.9	–	1.8	(6.5)	3.7
Actuarial gains – demographic	(1.3)	(0.9)	(0.2)	–	(1.5)	(0.9)
Actuarial losses – experience	1.1	0.5	1.3	0.5	2.4	1.0
Benefits paid	(6.0)	(5.4)	(1.3)	(0.8)	(7.3)	(6.2)
Foreign exchange difference	–	–	(1.3)	0.1	(1.3)	0.1
At 31 December	81.9	91.0	27.3	27.0	109.2	118.0
Analysed as:						
Present value of unfunded defined benefit obligation	–	–	8.4	8.9	–	8.9
Present value of funded defined benefit obligation	81.9	91.0	18.9	18.1	109.2	109.1

Reconciliation of movement in fair value of plan asset	UK plan 2024 £m	UK plan 2023 £m	Overseas plans 2024 £m	Overseas plans 2023 £m	Total 2024 £m	Total 2023 £m
At 1 January	93.4	90.4	15.4	13.7	108.8	104.1
Interest income on assets	4.1	4.3	0.4	0.4	4.5	4.7
Plan administration cost	–	–	–	(0.1)	–	(0.1)
Contributions from sponsoring company	1.2	1.2	0.8	0.7	2.0	1.9
Contributions from plan members	–	–	0.3	0.4	0.3	0.4
Actuarial (losses)/gains	(7.0)	2.9	0.7	0.4	(6.3)	3.3
Benefits paid	(6.0)	(5.4)	(0.6)	(0.2)	(6.6)	(5.6)
Foreign exchange difference	–	–	(0.8)	0.1	(0.8)	0.1
At 31 December	85.7	93.4	16.2	15.4	101.9	108.8

Fair value of assets	UK plan 2024 £m	UK plan 2023 £m	Overseas plans 2024 £m	Overseas plans 2023 £m	Total 2024 £m	Total 2023 £m
Equity instruments	3.7	3.0	–	–	3.7	3.0
Corporate bonds	65.1	71.5	–	–	65.1	71.5
Government bonds	17.6	14.0	–	–	17.6	14.0
Cash and financial derivatives and other (net)	(0.7)	4.8	–	–	(0.7)	4.8
Insurance policies	–	0.1	16.2	15.4	16.2	15.5
	85.7	93.4	16.2	15.4	101.9	108.8

Asset class	UK plan 2024 %	UK plan 2023 %	Overseas plans 2024 %	Overseas plans 2023 %
i. Equity	4.3	3.2	–	–
ii. Corporate Bonds	76.0	76.6	–	–
iii. Government Bonds	20.5	15.0	–	–
iv. Cash and financial derivatives and other (net)	(0.8)	5.1	–	–
v. Insurance contracts	–	0.1	100.0	100.0
	100.0	100.0	100.0	100.0

The UK plan assets are invested in active markets which have a quoted market price. The overseas plan assets are invested in insurance policies.

19. Retirement benefit plans continued

Sensitivity analysis

The table below shows the sensitivity of the Consolidated Statement of Financial Position to changes in the significant pension assumptions based on a reasonably expected change given current market conditions:

		Impact on plan liabilities as at 31 December 2024	
	Change in assumption	UK plan	Overseas plans
Discount rate	+1%	(7.3)	(3.0)
Inflation	+1%	3.9	1.4
Assumed life expectancy at age 65	+1 year	2.1	0.7

The sensitivity analysis is approximate and extrapolation beyond the ranges shown may not be appropriate.

Virgin Media case

On 16 June 2023, the High Court handed down a judgement in the Virgin Media case. The case concerns the validity of historic rule amendments made to pension schemes that were contracted-out of the state pension between 6 April 1997 and 5 April 2016 under the Inland Revenue's 'Reference Scheme Test'.

The Board of Trustees that manage the UK plan have received legal advice on this matter which has been shared with Spectris plc. They have determined that only the benefits of Former Servomex members are potentially in scope (which is around one third of the liabilities). An initial review has concluded that 7 of the 19 available documents would require further investigation. Whilst the investigation remains at an early stage, with the Trustees monitoring developments closely, there is the possibility that there could be a material change to the valuation of the defined benefit obligation in future periods, once the investigation has fully concluded. No specific allowance has been made in the 31 December 2024 valuation.

Defined contribution plans

The total cost of the defined contribution plans for the year was £24.2m (2023: £22.9m). There were no outstanding or prepaid contributions to these plans as at the end of the year.

20. Deferred tax

The movement in the net deferred tax (assets)/liability is shown below.

	Note	2024 £m	2023 £m
At 1 January		(25.3)	(0.6)
Foreign exchange difference		3.0	0.3
Acquisition of subsidiary undertakings	23	51.3	0.6
Disposal of businesses		(0.5)	(0.6)
Transfer of liabilities held for sale		–	(6.0)
Deferred tax on changes in fair value of forward exchange contracts recognised in the Consolidated Statement of Comprehensive Income		(0.8)	0.9
Deferred tax on remeasurement of net defined benefit liability recognised in the Consolidated Statement of Comprehensive Income		0.2	0.3
Deferred tax on share-based payments recognised in equity		2.3	(1.6)
Credited to the Consolidated Income Statement	7	(7.8)	(18.6)
At 31 December		22.4	(25.3)

Comprising:		
Deferred tax liabilities	44.6	1.3
Deferred tax assets	(22.2)	(26.6)
	22.4	(25.3)

The movements in deferred tax assets and liabilities during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and they relate to income taxes levied by the same taxation authority.

20. Deferred tax continued

Net deferred tax (assets)/liabilities	Accelerated tax depreciation £m	Accruals and provisions £m	Tax losses £m	Unrealised profit on inter-company transactions £m	Pension plans £m	Goodwill and other intangible assets £m	Other £m	2024 Total £m
At 1 January 2024	1.3	(29.6)	(4.7)	(9.4)	(2.2)	24.8	(5.5)	(25.3)
Foreign exchange difference	–	0.1	–	0.1	–	2.8	–	3.0
Acquisition of subsidiary undertakings	0.8	(5.0)	(7.5)	–	–	63.0	–	51.3
Disposal of businesses	–	–	–	–	–	(0.5)	–	(0.5)
Deferred tax on changes in fair value of forward exchange contracts recognised in the Consolidated Statement of Comprehensive Income	–	–	–	–	–	–	(0.8)	(0.8)
Deferred tax on remeasurement of net defined benefit obligation recognised in the Consolidated Statement of Comprehensive Income	–	–	–	–	0.2	–	–	0.2
Deferred tax on share-based payments recognised in equity	–	–	–	–	–	–	2.3	2.3
Charged/(credited) to the Consolidated Income Statement	1.9	(3.7)	1.3	(0.2)	0.4	(5.5)	(2.0)	(7.8)
At 31 December 2024	4.0	(38.2)	(10.9)	(9.5)	(1.6)	84.6	(6.0)	22.4

Net deferred tax (assets)/liabilities	Accelerated tax depreciation £m	Accruals and provisions £m	Tax losses £m	Unrealised profit on inter-company transactions £m	Pension plans £m	Goodwill and other intangible assets £m	Other £m	2023 Total £m
At 1 January 2023	2.1	(23.4)	(4.3)	(10.5)	(2.7)	35.1	3.1	(0.6)
Foreign exchange difference	–	–	–	0.6	–	(0.3)	–	0.3
Acquisition of subsidiary undertakings	–	–	–	–	–	0.6	–	0.6
Disposal of businesses	–	–	–	–	–	(0.6)	–	(0.6)
Transfer of liabilities held for sale	(0.8)	2.2	–	–	–	(7.4)	–	(6.0)
Deferred tax on changes in fair value of forward exchange contracts recognised in the Consolidated Statement of Comprehensive Income	–	–	–	–	–	–	0.9	0.9
Deferred tax on remeasurement of net defined benefit obligation recognised in the Consolidated Statement of Comprehensive Income	–	–	–	–	0.3	–	–	0.3
Deferred tax on share-based payments recognised in equity	–	–	–	–	–	–	(1.6)	(1.6)
(Credited)/charged to the Consolidated Income Statement	–	(8.4)	(0.4)	0.5	0.2	(2.6)	(7.9)	(18.6)
At 31 December 2023	1.3	(29.6)	(4.7)	(9.4)	(2.2)	24.8	(5.5)	(25.3)

20. Deferred tax continued

Unrecognised temporary differences

Deferred tax assets have not been recognised on the following temporary differences due to the degree of uncertainty over both the amount and utilisation of the underlying tax losses and deductions in certain jurisdictions. £5.0m will expire between 2025 and 2026. There is no expiry date associated with the remaining tax losses of £18.2m which mainly comprise of UK capital losses.

	2024 £m	2023 £m
Tax losses	23.2	21.0

It is likely that the unremitted earnings of overseas subsidiaries would qualify for the UK dividend exemption such that no UK tax would be due upon remitting these earnings to the UK. However, £267.3m (2023: £287.1m) of those earnings may still result in a tax liability, principally as a result of the dividend withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate. These tax liabilities are not expected to exceed £14.0m (2023: £14.9m), of which £2.3m (2023: £3.2m) has been provided for as the Group is able to control the timing of the dividends. It is not expected that further amounts will crystallise in the foreseeable future.

21. Share capital and reserves

	2024		2023	
	Number of shares Millions	£m	Number of shares Millions	£m
Issued and fully paid (ordinary shares of 5p each):				
At 1 January and 31 December	104.4	5.2	105.8	5.3

During the year ended 31 December 2024, 3,099,667 ordinary shares were repurchased by the Group as part of the first and second tranches of the £150m share buyback announced on 11 December 2023. Of those shares repurchased, 1,313,979 were cancelled and 1,785,688 were transferred to Treasury shares in relation to the first and second tranches respectively. This resulted in a cash outflow of £96.7m, including transaction fees of £0.4m. There is no accrual for share buyback in the Statement of Financial Position (2023: £45.9m).

During the year ended 31 December 2023, 3,382,896 ordinary shares were repurchased and cancelled by the Group, in the final tranches of the £300m share buyback programme announced on 19 April 2022 and part of the first tranche of the £150m share buyback announced on 11 December 2023. This resulted in a cash outflow of £114.9m, including transaction fees of £1.2m.

No ordinary shares were issued upon exercise under share option schemes during the year (2023: nil).

At 31 December 2024, the Group held 5,545,700 treasury shares (2023: 4,128,036). During the year, 368,024 of these shares were issued to satisfy options exercised by, and SIP Matching shares awarded to, employees which were granted under the Group's share schemes (2023: 468,662).

The Group has an employee benefit trust (EBT), which operates the Spectris Share Incentive Plan (SIP) to all eligible UK-based employees. The EBT holds shares in Spectris plc for the purposes of the SIP, further details of which are disclosed in the Directors' Remuneration Report. At 31 December 2024, the EBT held 58,493 shares which were purchased from the market during the year (31 December 2023: 51,807). The costs of funding and administering the plan are charged to the Consolidated Income Statement in the period to which they relate.

Other reserves

Movements in reserves are set out in the Consolidated Statement of Changes in Equity. The retained earnings reserve also includes own shares purchased by the Company and treated as treasury shares. The nature and purpose of other reserves forming part of equity are as follows:

Translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of foreign subsidiaries, including gains or losses arising on net investment hedges.

Hedging reserve

This reserve records the cumulative net change in the fair value of forward exchange contracts where they are designated as effective cash flow hedge relationships.

Merger reserve

This reserve arose on the acquisition of Servomex Limited in 1999, a purchase satisfied substantially by the issue of share capital and therefore eligible for merger relief under the provisions of Section 612 of the Companies Act 2006.

Capital redemption reserve

This reserve records the repurchase of the Company's own shares. During the year, as a result of the share buyback programme, the capital redemption reserve increased by £0.1m (2023: £0.2m), reflecting the nominal value of the cancelled ordinary shares.

22. Share-based payments

Spectris Long Term Incentive Plan (LTIP) – awards granted from 2020 onwards with performance conditions attached

The LTIP is used to grant share awards with performance conditions attached to senior executives and key employees that are settled in either equity or cash.

Both cash and equity-settled LTIP awards are expected to vest, subject to their performance conditions, after three years. Vested equity settled awards, which are granted in the form of nominal share options, must be exercised within the next seven years, whereas vested conditional share awards and cash-settled awards are paid out on or shortly after the vesting date. All LTIP awards granted to Executive Directors are subject to an additional two-year holding period. The Executive Directors' LTIP awards vest after five years (three-year performance period plus two-year holding period) and must be exercised within the next five years.

Subject to the LTIP awards vesting, participants receive additional dividend shares on the vested shares under the LTIP award. Dividend shares of equivalent value to the Company's dividends are paid between the date of grant and the vesting date.

Spectris Performance Share Plan (PSP) – awards granted prior to 2020

The PSP was used to grant share awards to senior executives and key employees that are settled in either equity or cash however the only outstanding PSP awards remaining are all settled in equity.

Both cash and equity-settled PSP awards are expected to vest, subject to their performance conditions, after three years. Vested equity settled awards must be exercised within the next seven years, whereas vested cash-settled awards are paid out on or shortly after the vesting date. Outstanding PSP awards granted to Executive Directors are subject to an additional two-year holding period. The Executive Directors' PSP awards vest after five years (three-year performance period plus two-year holding period) and must be exercised within the next five years.

Subject to the PSP awards vesting, participants receive additional dividend shares on the vested shares under the PSP award. Dividend shares of equivalent value to the Company's dividends are paid between the date of grant and the vesting date.

Linked (tax-advantaged) awards

Some PSP and LTIP awards granted to UK employees are linked to a grant of market value share options under the terms of HMRC's tax-advantaged Company Share Option Plan (Linked (tax-advantaged) awards). Linked (tax-advantaged) awards are granted up to an aggregate value of the HMRC's limit at time of grant (£30,000 up to 5 April 2023, £60,000 from 6 April 2023 onwards). The Linked (tax-advantaged) awards have the same performance and vesting conditions as the PSP/LTIP awards to which they are linked.

When an employee chooses to exercise a PSP/LTIP award which is linked to a Linked (tax-advantaged) award, both parts are also automatically exercised at the same time. Should there be a gain on exercise from the Linked (tax-advantaged) award part, then a proportion of the PSP/LTIP award will lapse to ensure that the overall gross value received from the combined exercise of these awards is no more than would have been delivered from a stand-alone equivalent PSP/LTIP award. Should there be no gain on exercise from the Linked (tax-advantaged) award part, then this part is forfeited and there is no reduction in the remaining PSP/LTIP award.

LTIP performance conditions

From 2023 onwards, the LTIP base awards granted to Executive Directors and Executive Committee members are subject to an adjusted earnings per share growth target (EPS), a return on gross capital employed (ROGCE) target and an Environmental, Social and Governance (ESG) target. Any vesting under these performance conditions will then be further assessed against both absolute and relative Total Shareholder Return (TSR) metrics which can potentially increase the vested award via a multiplier (maximum 1.4 times).

The performance conditions attached to LTIP awards granted to senior managers are two-ninths EPS, two-ninths ROGCE, two-ninths ESG and the remaining one-third solely subject to continuous employment over the three-year vesting period. LTIP Awards below senior management level are subject to one-third EPS, one-third ROGCE and one-third ESG.

Prior to 2023, LTIP awards did not have any ESG condition so the performance related part of the LTIP base award was evenly split between the EPS and ROGCE targets and the TSR Multiplier still being applied to Executive Directors and Executive Committee members' awards.

22. Share-based payments continued

PSP performance conditions

PSP awards granted to Executive Directors and other members of the Executive Committee in 2017 and 2018 were subject to the following performance conditions: one-third EPS; one-third economic profit (EP); and one-third relative TSR. In 2019, the same conditions applied for Head Office Executive Directors and Executive Committee roles, however the EP target was replaced for an operating company profit target for the Executive Committee members who are Presidents of an operating company.

PSP awards granted to other senior head office managers were, until 2016, 50% subject to EPS and 50% subject to TSR. From 2017 onwards, senior head office management have two-thirds of their PSP awards subject to EPS and the remaining one-third solely subject to continuous employment over the three-year vesting period.

PSP awards granted to executives and senior managers of the Group's operating companies until 2016 had two-thirds subject to an operating company profit target and one-third subject to EPS. In 2017 and 2018, the performance conditions have been two-thirds operating company profit targets and one-third continuous employment over the three-year vesting period. In 2019, the performance conditions were one-third operating company profit targets, one-third EPS and one-third continuous employment over the three-year vesting period.

Normally, PSP awards granted to participants who leave employment prior to vesting will be forfeited. In the event a participant leaves due to a qualifying reason, they receive a time pro-rated entitlement.

Spectris Spectris Reward Plan (SRP) – awards granted from 2020 onwards with no performance conditions attached

The SRP is used to grant share awards with no performance conditions attached to key employees that are settled in equity or, in limited circumstances, in cash. SRP awards cannot be granted to an Executive Director of Spectris plc.

Both cash and equity-settled SRP awards are expected to vest after three years. Vested equity settled awards, which are granted in the form of nominal share options, must be exercised within the next seven years, whereas vested conditional share awards and cash-settled awards are paid out on or shortly after the vesting date.

On vesting, participants receive additional dividend shares on the vested shares under the SRP award. Dividend shares of equivalent value to the Company's dividends are paid between the date of grant and the vesting date.

Spectris Deferred Bonus Plan (DBP) – awards granted from 2021 onwards with no performance conditions attached

The DBP is used to grant share awards with no performance conditions attached to Executive Directors and are settled in equity. This represents the 50% of the Executive Directors' annual bonus that is deferred into shares each year.

DBP awards are expected to vest after three years and must be exercised within the next seven years. On vesting, the Executive Directors receive additional dividend shares on the vested shares under the DBP award. Dividend shares of equivalent value to the Company's dividends are paid between the date of grant and the vesting date.

Spectris Share Incentive Plan (SIP)

The SIP, a UK tax-advantaged share matching plan, was launched after it was approved by shareholders at the May 2018 AGM. UK employees can invest up to £150 per month to buy ordinary shares in the Company (Partnership shares) tax efficiently and for every five Partnership shares purchased, the Company will gift one free ordinary share (Matching share). Matching shares need to be held in the SIP Trust for at least three years otherwise these shares are potentially subject to forfeiture. The Company incurs a charge on any Matching shares awarded under the SIP. The charge in 2024 was £0.1m (2023: £0.1m).

The number of outstanding share incentives are summarised below:

Incentive plan	2024 Number thousands	2023 Number thousands
Equity-settled:		
Long Term Incentive Plan	1,597	1,423
Performance Share Plan	27	76
Long Term Incentive Plan (Linked tax-advantaged)	153	92
Performance Share Plan (Linked tax-advantaged)	2	3
Spectris Reward Plan	160	183
Deferred Bonus Plan	76	57
Total equity-settled	2,015	1,834
Cash-settled:		
Long Term Incentive Plan Cash	71	64
Spectris Reward Plan Cash	11	13
Total cash-settled	82	77
Total outstanding	2,097	1,911

22. Share-based payments continued

Share options outstanding at the end of the year (equity settled)

Long Term Incentive Plan, Performance Share Plan, Spectris Reward Plan and Deferred Bonus Plan Year of grant		2024 Remaining contractual life of options	2024 Number thousands	2024 Weighted average exercise price £	2023 Number thousands	2023 Weighted average exercise price £
2015	PSP	1 year	–	–	1	0.05
2016	PSP	2 years	3	0.05	6	0.05
2017	PSP	3 years	7	0.05	10	0.05
2018	PSP	4 years	4	0.05	11	0.05
2019	PSP	5 years	13	0.05	48	0.05
2020	LTIP/SRP	6 years	155	0.05	170	0.05
2021	LTIP/SRP/DBP	7 years	150	0.05	428	0.05
2022	LTIP/SRP/DBP	8 years	532	0.05	583	0.05
2023	LTIP/SRP/DBP	9 years	431	0.05	482	0.05
2024	LTIP/SRP/DBP	10 years	565	0.05	–	–
			1,860	0.05	1,739	0.05

The weighted average remaining contractual life of these LTIP, SRP and PSP equity settled awards is 8.53 years (2023: 8.68 years).

Long Term Incentive Plan, Spectris Reward Plan and Performance Share Plan (equity awards)	2024 Number thousands	2024 Weighted average exercise price £	2024 Weighted average fair value at grant date £	2023 Number thousands	2023 Weighted average exercise price £	2023 Weighted average fair value at grant date £
At 1 January	1,739	0.05		1,820	0.05	
Shares granted	598	0.05	21.69	508	0.05	30.22
Addition of reinvested dividends	32	–		38	–	
Exercised	(350)	0.05		(436)	0.05	
Forfeited	(159)	0.05		(191)	0.05	
At 31 December	1,860	0.05		1,739	0.00	
Exercisable at 31 December	156	0.05		128	0.05	

Long Term Incentive Plan and Performance Share Plan (Linked tax-advantaged) Year of grant		2024 Remaining contractual life of options	2024 Number thousands	2024 Weighted average exercise price £	2023 Number thousands	2023 Weighted average exercise price £
2017	PSP	3 years	1	26.31	1	26.31
2018	PSP	4 years	–	–	–	26.77
2019	PSP	5 years	1	26.69	2	26.69
2020	LTIP	6 years	3	22.39	4	22.39
2021	LTIP	7 years	7	31.44	27	32.01
2022	LTIP	8 years	37	26.77	38	26.77
2023	LTIP	9 years	22	34.54	23	34.54
2024	LTIP	10 years	84	32.60	–	–
			155	31.16	95	29.99

The weighted average remaining contractual life of the PSP and LTIP (Linked tax-advantaged) awards is 9.09 years (2023: 8.77 years).

Long Term Incentive Plan and Performance Share Plan (Linked tax-advantaged)	2024 Number thousands	2024 Weighted average exercise price £	2024 Weighted average fair value at grant date £	2023 Number thousands	2023 Weighted average exercise price £	2023 Weighted average fair value at grant date £
At 1 January	95	29.99		107	27.11	
Shares granted	92	32.53	7.62	28	34.55	7.84
Exercised	(15)	30.61		(28)	23.60	
Forfeited	(17)	32.57		(12)	29.86	
At 31 December	155	31.16		95	29.99	
Exercisable at 31 December	13	28.49		7	24.13	

22. Share-based payments continued

Share options outstanding at the end of the year (cash-settled)

Long Term Incentive Plan, Spectris Reward Plan and Performance Share Plan (Phantom allocations) Year of grant		2024 Remaining contractual life of options	2024 Number thousands	2024 Weighted average exercise price £	2023 Number thousands	2023 Weighted average exercise price £
2021	LTIP/SRP	–	–	–	22	0.05
2022	LTIP/SRP	1 year	26	0.05	28	0.05
2023	LTIP/SRP	2 years	26	0.05	27	0.05
2024	LTIP/SRP	3 years	30	0.05	–	–
			82	0.05	77	0.05

The weighted average remaining contractual life of the cash-settled awards is 2.04 years (2023: 2.06 years).

Long Term Incentive Plan, Spectris Reward Plan and Performance Share Plan (Phantom allocations)	2024 Number thousands	2024 Weighted average exercise price £	2024 Weighted average fair value at grant date £	2023 Number thousands	2023 Weighted average exercise price £	2023 Weighted average fair value at grant date £
At 1 January	77	0.05		86	0.05	
Shares granted	31	0.05	32.90	30	0.05	34.64
Addition of reinvested dividends	1	–		2	–	
Exercised	(24)	0.05		(31)	0.05	
Forfeited	(3)	0.05		(10)	0.05	
At 31 December	82	0.05		77	0.05	
Exercisable at 31 December	–	–		–	0.00	

Share-based payment expense

Share options are valued using the stochastic option pricing model (also known as the Monte Carlo model) in respect of TSR, and the Black-Scholes model for all other options, with support from an independent remuneration consultant. For options granted in 2024 and 2023, the fair value of options granted and the assumptions used in the calculation, are as follows:

	Equity-settled				Cash-settled	
	Share awards LTIP & SRP		(Linked tax-advantaged) LTIP & SRP		LTIP Cash & SRP Cash	
	2024	2023	2024	2023	2024	2023
Weighted average share price at date of grant (£)	32.23	34.68	32.66	34.60	32.94	34.69
Weighted average exercise price (£)	0.05	0.05	32.53	34.55	0.05	34.61
Expected volatility	25.61%	26.67%	25.61%	26.61%	25.52%	26.67%
Expected life	3.42 yrs	3.36 yrs	3.10 yrs	3 yrs	3 yrs	3 yrs
Risk-free rate	4.01%	3.31%	4.05%	3.40%	4.08%	3.31%
Expected dividends (expressed as a yield)	–	–	–	–	–	–
Weighted average fair values at date of grant (£):						
TSR condition	15.35	25.19	n/a	n/a	n/a	n/a
ESG condition	19.42	29.49	7.64	7.84	33.03	34.64
ROGCE condition	19.44	29.49	7.64	7.84	33.03	34.64
EPS condition	19.43	29.49	7.64	7.84	33.03	34.64
Service condition	30.94	33.83	7.53	7.83	32.67	34.64
Weighted average fair values at 31 December (£):						
ROGCE condition (cash-settled)					23.66	36.86
ESG condition (cash-settled)					24.17	36.09
EPS condition (cash-settled)					24.17	36.86
Service condition (cash-settled)					24.02	36.81

The expected volatility is based on historical volatility over the expected term. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The weighted average share price at the date of exercise for share options exercised in 2024 was £32.40 (2023: £35.50). The weighted average fair value of cash-settled options outstanding at 31 December 2024 is £24.04 (2024: £36.79). The Group recognised a total share-based payment charge of £8.1m (2023: £14.2m) in the Consolidated Income Statement, of which £8.1m (2021: £13.1m) related to equity-settled share-based payment transactions.

23. Acquisitions

2024

Dimer

On 25 April 2024, the Group acquired 5.74% of the share capital of Dimer Instruments Inc (Dimer), together with various rights for a total purchase consideration of £7.7m. These rights include a series of call and put options that trigger when certain developmental milestones are achieved, this will increase the Group's holding over time to 40.11%. Dimer is an analytical instruments company, which supports the development of protein screening technology to assist in drug discovery. The transaction is in line with Spectris' strategy to make synergistic acquisitions to enhance and grow its businesses. Dimer has been integrated into the Spectris Scientific reportable segment and Malvern Panalytical cash generating unit.

The Group has allocated £6.9m of deferred consideration (equal to the total discounted future payments) to the milestone call and put options. The remaining £0.8m purchase consideration is primarily allocable to the 5.74% initial shareholding, together with a call option to purchase the remaining shareholding at any time in the next seven years at a pre-set price.

Having evaluated the options and other rights attached to the acquisition, the Group has concluded that, on balance, they are able to substantively exercise control over Dimer and as such its results are fully consolidated from the acquisition date, with a corresponding non-controlling interest (NCI) being recognised in equity in accordance with IFRS 10. The NCI has been calculated with reference to the 40.11% in-substance ownership of Dimer at the acquisition date.

The excess of the fair value of consideration paid over the fair value of the net assets acquired is represented by goodwill. Goodwill arising is attributable to the assembled workforce, in process research, expected future customer relationships and synergies from cross-selling goods and services.

The call option to purchase the remaining share capital of Dimer and the right of first refusal if a third party makes an offer to acquire some or all of Dimer's other shareholders equity have been assessed to be £0.8m.

In the Consolidated Income Statement for the year ended 31 December 2024, a statutory operating loss of £0.8m has been included for the acquisition of Dimer. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2024 would have been £1,298.7m and £97.5m, respectively, had this acquisition taken place on the first day of the financial year.

Acquisition-related costs (included in administrative expenses) amount to £0.3m.

SciAps

On 21 August 2024, the Group acquired 100% of the share capital of SciAps Incorporated (SciAps) and its subsidiaries for net consideration of £145.3m, made up of £134.9m gross consideration plus £10.4m net debt acquired. SciAps is a Boston-based instrumentation company that designs and manufactures handheld analytical instruments used to identify critical compounds, minerals, and elements. The transaction is in line with Spectris' strategy to make synergistic acquisitions to enhance and grow its businesses.

SciAps will be integrated into the Spectris Scientific reportable segment and Malvern Panalytical group of cash generating units.

The excess of the fair value of consideration paid over the fair value of the net assets acquired is represented by the following intangible assets: customer-related relationships, technology-based patents and know-how, technology-based software, marketing-related brand and goodwill. Goodwill arising is attributable to the assembled workforce, synergies from cross-selling goods and the potential for development of new technology.

In the Consolidated Income Statement for the year ended 31 December 2024, revenue of £16.9m and a statutory operating loss of £2.3m have been included for the acquisition of SciAps. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2024 would have been £1,323.7m and £89.1m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amount to £3.5m.

23. Acquisitions continued

Micromeritics

On 23 August 2024, the Group acquired 100% of the share capital of Micromeritics Instrument Corporation (Micromeritics) and its subsidiaries. Net consideration was £489.7m, consisting of £471.7m gross consideration (made up of £454.1m cash paid and £17.6m deferred consideration) plus £18.0m net debt acquired. Micromeritics' products are primarily focused on particle technology and are critical for research and quality control in industries such as pharmaceuticals, energy, chemicals, and materials engineering. The integration of Micromeritics' product portfolio with Spectris' will establish a leading particle characterisation business for advanced materials analysis.

Micromeritics will be integrated into the Spectris Scientific reportable segment and Malvern Panalytical group of cash generating units.

The excess of the fair value of consideration paid over the fair value of the net assets acquired is represented by the following intangible assets: customer-related relationships, technology-based, marketing-related brand and goodwill. Goodwill arising is attributable to the assembled workforce, synergies from cross-selling goods and the potential for development of new technology.

In the Consolidated Income Statement for the year ended 31 December 2024, revenue of £34.7m and statutory operating profit of £2.7m have been included for the acquisition of Micromeritics. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2024 would have been £1,356.5m and £97.5m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amounted to £10.8m.

Piezocryst

On 2 December 2024, the Group acquired 100% of the share capital of Piezocryst Advanced Sensorics GmbH (Piezocryst) for net consideration of £108.8m, made up of £110.1m gross consideration in cash less £1.3m net cash acquired. Gross consideration includes £0.7m estimated completion true-up payable included in deferred consideration. Piezocryst has been a leading provider of piezoelectric sensors since the 1950s, specialising in high-precision pressure sensors and accelerometers for demanding applications. Piezocryst's sensors are known for their quality, durability and precision, helping optimise engines, machines and processes in the harshest of environments. The transaction is in line with Spectris' strategy to make synergistic acquisitions to enhance and grow its businesses.

Piezocryst has been integrated into the Spectris Dynamics reportable segment and cash generating unit.

The excess of the fair value of consideration paid over the fair value of the net assets acquired is represented by the following intangible assets: customer-related relationships, technology-based, marketing-related brand and goodwill. Goodwill arising is attributable to the assembled workforce, synergies from cross-selling goods and the potential for development of new technology.

In the Consolidated Income Statement for the year ended 31 December 2024, revenue of £2.1m and statutory operating profit of £0.2m have been included for the acquisition of Piezocryst. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2024 would have been £1,320.9m and £102.3m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amount to £1.7m.

23. Acquisitions continued

The accounting for all current year acquisitions is provisional. The fair values included in the table below relate to the acquisitions of Dimer, SciAps, Micromeritics and Piezocryst during the year:

	2024				
	Dimer £m	SciAps £m	Micromeritics £m	Piezocryst £m	Total fair value £m
Intangible assets	–	62.0	171.5	32.7	266.2
Property, plant and equipment	–	0.5	6.2	3.5	10.2
Right-of-use assets	–	2.9	2.1	2.2	7.2
Inventories	–	7.3	31.9	5.6	44.8
Trade and other receivables	0.8	6.2	16.6	4.9	28.5
Cash and cash equivalents	–	4.3	6.9	1.3	12.5
Borrowings	–	(14.7)	(24.9)	–	(39.6)
Trade and other payables	(0.1)	(15.8)	(34.4)	(4.5)	(54.8)
Provisions	–	(0.5)	(0.4)	(0.7)	(1.6)
Lease liabilities	–	(2.9)	(2.1)	(2.2)	(7.2)
Current tax assets/(liabilities)	–	–	0.1	(1.4)	(1.3)
Deferred tax liabilities	–	(5.1)	(37.9)	(8.3)	(51.3)
Net assets acquired	0.7	44.2	135.6	33.1	213.6
Non-controlling interest	(0.4)	–	–	–	(0.4)
Call option	0.8	–	–	–	0.8
Goodwill	6.6	90.7	336.1	77.0	510.4
Gross consideration	7.7	134.9	471.7	110.1	724.4
Adjustment for net debt/(cash) acquired	–	10.4	18.0	(1.3)	27.1
Net consideration	7.7	145.3	489.7	108.8	751.5

Analysis of cash outflow in Consolidated Statement of Cash Flows	2024 £m	2023 £m
Gross consideration in respect of acquisitions during the year	724.4	51.1
Adjustment for net debt/(cash) acquired	27.1	(2.6)
Net consideration in respect of acquisitions during the year	751.5	48.5
Deferred and contingent consideration on acquisitions included in net consideration during the year to be paid in future years	(22.6)	(2.5)
Cash paid during the year in respect of acquisitions during the year	728.9	46.0
Cash paid in respect of prior years' acquisitions	2.3	3.5
Net cash outflow relating to acquisitions	731.2	49.5

2023

MicroStrain

On 19 September 2023, the Group acquired the MicroStrain Sensing Systems business (MicroStrain) for a gross consideration of £29.1m (consisting of £29.6m of cash paid and £0.5m estimated completion true-up receivable included in deferred consideration). MicroStrain is an OEM and retailer of inertial and wireless sensor systems serving industrial and tactical applications across different industries. The transaction is in line with Spectris' strategy to make synergistic acquisitions to enhance and grow its businesses. MicroStrain has been integrated into the Spectris Dynamics reportable segment and cash generating unit.

The fair value of the assets and liabilities acquired have been provisionally determined based on the information available at the time. The excess of the fair value of consideration paid over the fair value of the net tangible assets acquired is represented by the following intangible assets: customer-related relationships, order book and goodwill. Goodwill arising is attributable to the assembled workforce, synergies from cross-selling goods and services and cost synergies.

In the Consolidated Income Statement for the year ended 31 December 2023, sales of £3.9m and statutory operating loss of £0.8m have been included for the acquisition of MicroStrain. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2023 would have been £1,461.0m and £189.9m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed, supported by the use of third-party experts. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, expected inflation and attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amount to £1.5m in 2023.

23. Acquisitions continued

EMS

On 2 October 2023, the Group acquired 100% of the share capital of Particle Measuring Technique Ireland Limited (EMS) and its subsidiaries for net consideration of £6.4m, made up of £9.0m gross consideration in cash less £2.6m net cash acquired. There was £0.4m deferred consideration recognised on this acquisition, which is payable at a future date subject to no unexpected disputes relating to the acquisition arising. EMS is a long-established partner and exclusive distributor of Spectris Scientific's PMS products in the UK and Ireland. The transaction is in line with Spectris' strategy to make synergistic acquisitions to enhance and grow its businesses. EMS has been integrated into the Spectris Scientific reportable segment and the PMS cash generating unit.

The excess of the fair value of consideration paid over the fair value of the net tangible assets acquired is represented by the following intangible assets: customer-related relationships, order book and goodwill. Goodwill arising is attributable to the assembled workforce, synergies from cross-selling goods and services and cost synergies.

In the Consolidated Income Statement for the year ended 31 December 2023, sales of £0.4m and statutory operating loss of £0.2m have been included for the acquisition of EMS. Group revenue and statutory operating profit from continuing operations for the year ended 31 December 2023 would have been £1,453.9m and £189.6m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amount to £0.3m in 2023.

XRD product line

On 27 October 2023, the Group completed a technology and asset purchase agreement with Freiberg to acquire the technology of the product line for six X-ray diffraction (XRD) products for gross consideration of £13.0m. There was £2.6m deferred consideration recognised on this acquisition. The transaction strengthens Spectris Scientific portfolio in the semiconductor market. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised). The fair value of the net assets is final. The acquisition is included in the Spectris Scientific reportable segment and the Malvern Panalytical cash generating unit.

The excess of the fair value of consideration paid over the fair value of the net tangible assets acquired is represented by a technology intangible asset and goodwill. Goodwill arising is attributable to the synergies from cross-selling goods and services and cost synergies.

In the Consolidated Income Statement for the year ended 31 December 2023, statutory operating profit included £0.1m of costs relating to the XRD product line. Group revenue and statutory operating profit for the year ended 31 December 2023 would have been £1,452.0m and £188.9m, respectively, had this acquisition taken place on the first day of the financial year.

Where appropriate, a detailed exercise has been undertaken to assess the fair value of assets acquired and liabilities assumed, supported by the use of third-party experts. The valuation of the above intangible and tangible assets requires the use of assumptions and estimates. Intangible asset assumptions consist of future growth rates, expected inflation and attrition rates, discount rates used and useful economic lives. Due to their contractual due dates, the fair value of receivables approximates to the gross contractual amounts receivable. The amount of gross contractual receivables not expected to be recovered is immaterial. There are no material contingent liabilities recognised in accordance with IFRS 3 (Revised).

Acquisition-related costs (included in administrative expenses) amounted to £0.8m in 2023.

The fair values included in the table below relate to the acquisition of MicroStrain, EMS and XRD product line during 2023:

	MicroStrain £m	EMS £m	XRD product line £m	2023 Total fair value £m
Intangible assets	11.2	4.5	6.0	21.7
Property, plant and equipment	0.7	–	–	0.7
Right-of-use assets	1.0	0.1	–	1.1
Inventories	2.8	0.2	–	3.0
Trade and other receivables	0.2	1.4	–	1.6
Cash and cash equivalents	–	2.6	–	2.6
Trade and other payables	(1.0)	(1.5)	–	(2.5)
Lease liabilities	(1.0)	–	–	(1.0)
Current tax liabilities	–	(0.1)	–	(0.1)
Deferred tax liabilities	–	(0.6)	–	(0.6)
Net assets acquired	13.9	6.6	6.0	26.5
Goodwill	15.2	2.4	7.0	24.6
Gross consideration	29.1	9.0	13.0	51.1
Adjustment for cash acquired	–	(2.6)	–	(2.6)
Net consideration	29.1	6.4	13.0	48.5

24. Business disposals and disposal groups held for sale

Business disposals

2024

On 3 April 2024, the Group disposed of its Red Lion Controls business, which formed the Red Lion Controls operating segment. The consideration received was £280.9m, settled in cash. This generated a pre-tax profit on disposal of £210.7m. The divestment was effected to offer a better opportunity to generate returns for shareholders and further enhance Group margins.

The profit on disposal of the Red Lion Controls business was calculated as follows:

	2024 Red Lion Controls £m
Goodwill	46.5
Other intangible assets	8.9
Property, plant and equipment – owned and right-of-use assets	9.4
Current tax assets	0.1
Inventories	22.0
Trade and other receivables	10.8
Cash and cash equivalents	2.0
Trade and other payables	(8.3)
Lease liabilities	(0.6)
Provisions	(0.8)
Current and deferred tax liabilities	(6.5)
Net assets of disposed business	83.5
Consideration received	
Settled in cash	280.9
Total consideration received	280.9
Transaction expenses booked to profit on disposal of business	(4.6)
Net consideration from disposal of business	276.3
Net assets disposed of (including cash and cash equivalents held by disposal group)	(83.5)
Currency translation differences transferred from translation reserve	17.9
Pre-tax profit on disposal of business	210.7
Net proceeds recognised in the Consolidated Statement of Cash Flows	
Consideration received settled in cash	280.9
Cash and cash equivalents held by disposed business	(2.0)
Transaction fees paid	(4.6)
Tax paid on current period disposal of business	(48.1)
Net proceeds recognised in the Consolidated Statement of Cash Flows in respect of current year disposals	226.2
Payments made in respect of prior years' disposals of businesses	(0.5)
Net proceeds recognised in the Consolidated Statement of Cash Flows	225.7

Also included in profit on disposal of business in the Consolidated Income Statement in 2024 is £0.5m of transaction costs relating to prior year disposals.

2023

On 31 March 2023, the Group disposed of 100% of the remaining part of its Concept Life Sciences business, which formed part of the Spectris Scientific Division. The consideration received was £15.5m, settled in cash received. The divestment was effected to offer a better opportunity to generate returns for shareholders and further enhance Group margins.

The loss on disposal of the Concept Life Sciences business was calculated as follows:

	2023 Concept Life Sciences £m
Goodwill	3.5
Other intangible assets	4.1
Property, plant and equipment – owned and right-of-use assets	14.6
Inventories	0.6
Trade and other receivables	6.1
Cash and cash equivalents	1.9
Trade and other payables	(3.0)
Lease liabilities	(3.6)
Current and deferred tax liabilities	(0.6)
Net assets of disposed business	23.6
Consideration received	
Settled in cash	15.5
Total consideration received	15.5
Transaction expenses booked to profit on disposal of business	(2.2)
Net consideration from disposal of business	13.3
Net assets disposed of (including cash and cash equivalents held by disposal group)	(23.6)
Loss on disposal of business	(10.3)
Net proceeds recognised in the Consolidated Statement of Cash Flows	
Consideration received settled in cash	15.5
Cash and cash equivalents held by disposed business	(1.9)
Transaction fees paid	(2.2)
Net proceeds recognised in the Consolidated Statement of Cash Flows in respect of current year disposals	11.4
Payments made in respect of prior years' disposals of businesses	(2.2)
Tax paid on prior year disposal of businesses	(5.9)
Net proceeds recognised in the Consolidated Statement of Cash Flows	3.3

Also included in loss on disposal of business in the Consolidated Income Statement in 2023 is £2.3m of transaction costs relating to prior year disposals.

24. Business disposals and disposal groups held for sale continued

Disposal groups held for sale

2024

There were no disposal groups, assets or liabilities classified as held for sale at 31 December 2024.

2023

The disposal group held for sale at 31 December 2023 consisted of the Red Lion Controls business. The net assets held for sale at the year-end did not meet the definition of discontinued operations given in IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' and, therefore, no disclosures in relation to discontinued operations were made. The disposal was completed on 3 April 2024 as disclosed above.

25. Cash generated from operations

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Profit after tax		233.2	145.4
Adjustments for:			
Taxation charge		69.5	40.2
Share of post-tax results of associates		0.4	0.1
(Profit)/Loss on disposal of businesses	24	(210.2)	12.6
Finance costs	6	17.8	4.1
Financial income	6	(15.0)	(11.0)
Depreciation and impairment of property, plant and equipment	11	31.7	32.8
Amortisation, impairment and other non-cash adjustments made to intangible assets	10	29.3	24.9
Transaction-related fair value adjustments	27	(2.2)	7.5
Fair value through profit and loss movements on debt investments	27	1.9	(2.8)
Profit on disposal and remeasurements of property, plant and equipment and associated lease liabilities		(1.2)	(0.5)
Equity-settled share-based payment expense	5	8.1	13.1
Operating cash flow before changes in working capital and provisions		163.3	266.4
(Increase)/decrease in trade and other receivables		(26.7)	16.0
Decrease in inventories		24.0	1.5
Decrease in trade and other payables		(27.5)	(33.0)
Increase/(decrease) in provisions and retirement benefits		5.4	(5.4)
Cash generated from operations		138.5	245.5

26. Financial risk management

The Group's multinational operations and debt financing expose it to a variety of financial risks. In the course of its business, the Group is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk. Financial risk management is an integral part of the way the Group is managed. Financial risk management policies are set by the Board of Directors. These policies are implemented by a central treasury department that has formal procedures to manage foreign exchange risk, interest rate risk and liquidity risk, including, where appropriate, the use of derivative financial instruments. The Group has clearly defined authority and approval limits. The central treasury department operates as a service centre to the Group and not as a profit centre.

In accordance with its treasury policy, the Group does not hold or use derivative financial instruments for trading or speculative purposes. Such instruments are only used to manage the risks arising from operating or financial assets or liabilities, or highly probable future transactions. The quantitative analysis of financial risk is included in note 27.

Foreign currency risk

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of Group companies (transactional exposures) and where the results of overseas companies are consolidated into the Group's reporting currency of Sterling (translational exposures). The Group has operations around the world which record their results in a variety of different local functional currencies. In countries where the Group does not have operations, it invariably has some customers or suppliers that transact in a foreign currency. The Group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies, but the Group's primary exposures relate to the US Dollar, Euro, Chinese Yuan Renminbi and Japanese Yen. Where appropriate, the Group manages its foreign currency exposures using derivative financial instruments.

The Group's translational exposures to foreign currency risks can relate both to the Consolidated Income Statement and net assets of overseas subsidiaries. The Group's policy is not to hedge the translational exposure that arises on consolidation of the Consolidated Income Statement of overseas subsidiaries. The Group finances overseas company investments partly through the use of foreign currency borrowings in order to provide a natural hedge of foreign currency risk arising on translation of the Group's foreign currency subsidiaries. The quantitative analysis of foreign currency risk is included in note 27.

26. Financial risk management continued

The Group manages its transactional exposures to foreign currency risks through the use of forward exchange contracts. Forward exchange contracts are used to hedge highly probable transactions which can be forecast to occur typically up to 18 months into the future. For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and the underlying) of the forward exchange contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying exchange rates.

The main potential source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness emerged from these hedging relationships.

The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or liabilities) within the Consolidated Statement of Financial Position.

Hedging instruments – outstanding contracts

	Change in fair value for recognising hedge ineffectiveness		Carrying amount of the hedging instruments	
	2024 £m	2023 £m	2024 £m	2023 £m
Cash flow hedges[1]				
Currency risk – forward exchange contracts				
Less than 6 months	1.0	4.2	1.0	4.2
6 to 12 months	(0.1)	1.5	(0.1)	1.5
12 to 18 months	(0.7)	0.3	(0.7)	0.3
	0.2	6.0	0.2	6.0

1. Cash flow hedges in 2023 includes £0.1m liability in assets held for sale split evenly between less than 6 months and 6 to 12 months.

Hedging instruments – hedged items

	Change in value used for calculating hedge effectiveness		Balance in cash flow hedge reserve/foreign currency translation reserve for continuing hedges	
	2024 £m	2023 £m	2024 £m	2023 £m
Currency risk				
Forecast sales[1]	(0.2)	(6.0)	(0.2)	(6.0)

1. Cash flow hedges in 2023 includes £0.1m liability in assets held for sale split evenly between less than 6 months and 6 to 12 months.

Interest rate risk

Interest rate risk comprises both the interest rate price risk that results from borrowing at fixed rates of interest and also the interest cash flow risk that results from borrowing at variable rates. Where appropriate, interest rate swaps are used to manage the Group's interest rate profile.

Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk through the use of regularly updated cash flow and covenant compliance forecasts and a liquidity headroom analysis which is used to determine funding requirements. Adequate committed lines of funding are maintained from high-quality investment grade lenders. The facilities committed to the Group as at 31 December 2024 are set out in note 16.

26. Financial risk management continued

Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, derivative financial instruments and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts recognised in the Consolidated Statement of Financial Position are net of appropriate allowances for doubtful receivables, estimated by the Group's management based on whether receivables are past due based on contractual terms, payment history and other available evidence of collectability. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. Due to its large geographical base and number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables. The quantitative analysis of credit risk relating to receivables is included in note 14.

Credit risk associated with cash balances and derivative financial instruments is managed centrally by transacting with existing relationship banks with strong investment grade ratings, with a Moody's LT Counterparty Risk ratings range of A1(cr) to Baa2(cr). Accordingly, the Group's associated credit risk is limited. The Group has no significant concentration of credit risk.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, as shown in note 27.

Capital management

The Board considers equity shareholders' funds, together with undrawn committed debt facilities, as capital for the purposes of funding the Group's operations.

Total managed capital at 31 December is:

	2024 £m	2023 £m
Equity shareholders' funds	1,380.6	1,315.9
Undrawn committed debt facilities	268.7	393.1
	1,649.3	1,709.0

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of Directors monitors both the geographic spread of shareholders and the level of dividends to ordinary shareholders.

The Board encourages employees to hold shares in the Company. This is carried out through the Spectris Share Incentive Plan in the UK, as well as Long Term Incentive, Performance and Restricted Share Plans. Full details of these schemes are given in note 22.

The main financial covenants in the Company's debt facilities are the ratio of net debt to adjusted earnings before interest, tax, depreciation and amortisation, and the ratio of finance charges to adjusted earnings before interest, tax, amortisation and impairment. Covenant testing is completed twice a year based on the half-year and year-end Financial Statements. At 31 December 2024, the Company had, and is expected to continue to have, headroom under these financial covenant ratios.

From time to time the Group purchases its own shares in the market; the timing of these purchases depends on market prices. Buy and sell decisions are made on a specific transaction basis by the Board. On 11 December 2023 the Group announced a further £150.0m share buyback programme, of which the first tranche of £50.0m commenced in December 2023. The first and second tranches, of £50.0m each, completed in 2024, with the latter completing on 2 October 2024. During the year ended 31 December 2024, 3,099,667 ordinary shares were repurchased by the Group. Of those shares repurchased, 1,313,979 were cancelled and 1,785,688 were transferred to Treasury shares in relation to the first and second tranches respectively. This resulted in a cash outflow of £96.7m, including transaction fees of £0.4m.

There were no changes to the Group's approach to capital management during 2024 and 2023.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

27. Financial instruments

The following tables show the fair value measurement of financial instruments by level following the fair value hierarchy:

> Level 1: quoted listed stock exchange prices (unadjusted) in active markets for identical assets;
> Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
> Level 3: inputs for assets and liabilities derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

	2024			
Fair value and carrying amount of financial instruments	Level 1 fair value £m	Level 2 fair value £m	Level 3 fair value £m	Carrying amount £m
Trade and other receivables excluding prepayments and contract assets	–	–	–	305.2
Trade and other payables excluding contract liabilities and customer advances	–	–	(29.5)	(215.4)
Investments in equity instruments designated at initial recognition at fair value through other comprehensive income (see note 12)	0.3	–	22.7	23.0
Investment in debt instruments	–	–	19.8	19.8
Forward exchange contract assets	–	2.8	–	2.8
Cash and cash equivalents	–	105.7	–	105.7
Floating rate borrowings and bank overdrafts	–	(338.8)	–	(338.8)
Fixed rate borrowings and bank overdrafts	–	(309.4)	–	(315.9)
Forward exchange contract liabilities	–	(1.8)	–	(1.8)
				(415.4)

	2023			
Fair value and carrying amount of financial instruments	Level 1 fair value £m	Level 2 fair value £m	Level 3 fair value £m	Carrying amount £m
Trade and other receivables excluding prepayments and contract assets	–	–	0.5	284.6
Trade and other payables excluding contract liabilities and customer advances	–	–	(10.6)	(263.2)
Investments in equity instruments designated at initial recognition at fair value through other comprehensive income (see note 12)	0.4	–	23.9	24.3
Investment in debt instruments	–	–	21.7	21.7
Financial instruments included in assets held for sale (see note 24)	–	0.3	–	10.6
Financial instruments included in liabilities held for sale (see note 24)	–	(0.1)	(1.3)	(9.5)
Forward exchange contract assets	–	6.2	–	6.2
Cash and cash equivalents	–	138.5	–	138.5
Forward exchange contract liabilities	–	(0.1)	–	(0.1)
				213.1

There were no movements between the different levels of the fair value hierarchy in the year.

The fair value of floating rate borrowings approximates to the carrying amount because interest rates are at floating rates where payments are reset to market rates at intervals of less than one year.

The fair value of fixed rate borrowings is estimated by discounting the future contracted cash flow, using appropriate yield curves, to the net present values.

The level 1 £0.3m (2023: £0.4m) of investments in equity instruments is calculated using quoted market prices in an active market at the balance sheet date.

The level 2 fair value of forward exchange contracts is determined using discounted cash flow techniques based on readily available market data.

The fair value of forward exchange contracts outstanding as at 31 December 2024 is a net asset of £0.2m (2023: liability £0.1m), of which £1.6m has been credited to the hedging reserve (2023: £2.0m debited) and £6.2m credited to the Consolidated Income Statement (2023: £4.5m credited). These contracts mature over periods typically not exceeding 18 months. A summary of the movements in the hedging reserve during the year is presented below. All of the cash flow hedges in 2024 and 2023 were deemed to be effective.

27. Financial instruments continued

The level 2 and level 3 fair value of cash and cash equivalents, receivables and payables approximates to the carrying amount because of the short maturity of these instruments.

The level 3 fair value of deferred and contingent consideration is determined by considering the performance expectations of the acquired entity or the likelihood of non-financial integration milestones whilst applying the entity-specific discount rates. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of deferred and contingent consideration relating to updated projected forecast performance measures are recognised in the Consolidated Income Statement within administrative expenses in the Consolidated Income Statement in the period that the change occurs.

Deferred and contingent consideration relates to financial (2024: £21.1m, 2023: £0.9m) and non-financial (2024: £8.4m, 2023: £9.3m) milestones on current and prior year acquisitions. The financial milestones are mainly sensitive to annual future EBITDA targets.

Reconciliation of level 3 fair value for deferred and contingent consideration receivable/payable on acquisitions	2024 £m	2023 £m
At 1 January	(10.1)	(3.3)
Deferred and contingent consideration arising from current year acquisitions payable in future years	(22.6)	(3.0)
Deferred and contingent consideration arising from current year acquisitions receivable in future years	–	0.5
Deferred and contingent consideration paid in the current year relating to previous years' acquisitions	2.3	1.9
Deferred and contingent consideration transferred to liabilities held for sale	–	1.3
Costs charged to the Consolidated Income Statement:		
Subsequent adjustments on acquisitions and disposals	2.2	(7.5)
Foreign exchange difference	(1.3)	–
At 31 December	(29.5)	(10.1)

The level 3 £22.7m (2022: £23.9m) of investment in equity instruments consists of the investment units in EZ Ring FPCI, the fund holding the combined UTAC-Millbrook group. This investment is recognised at fair value, using the income approach, with the key input being a discounted cash flow. A 1% to 5% decrease in net asset value per share would cause a £0.2m to £1.1m decrease in the fair value.

Reconciliation of level 3 fair value for investment in equity instruments	2024 £m	2023 £m
At 1 January	23.9	28.6
Fair value movement on level 3 investment in equity instruments	(0.1)	(4.2)
Foreign exchange difference	(1.1)	(0.5)
At 31 December	22.7	23.9

The level 3 £19.8m (2023: £21.7m) of investment in debt instruments consists of a vendor loan note receivable received as part of the sales proceeds from the Millbrook business disposal in 2021. This investment is recognised at fair value by establishing an appropriate market yield. The key inputs used were synthetic credit ratings and market interest rates. The Group has performed a sensitivity analysis of reasonable possible changes in key inputs. A 1% decrease in market interest rates would cause a £0.5m increase in the fair value and 1% increase would cause a £0.5m decrease in the fair value.

Reconciliation of level 3 fair value for investment in debt instruments	2024 £m	2023 £m
At 1 January	21.7	18.9
Fair value movement on level 3 investment in debt instruments	(1.9)	2.8
At 31 December	19.8	21.7

Analysis of movements in hedging reserve, net of tax	2024 £m	2023 £m
At 1 January	1.9	(3.1)
Amounts removed from the Consolidated Statement of Changes in Equity and included in the Consolidated Income Statement during the year	(6.2)	(4.5)
Amounts recognised in the Consolidated Statement of Changes in Equity during the year	1.6	9.5
At 31 December	(2.7)	1.9

The amount included in the Consolidated Income Statement is split between revenue and administrative expenses depending on the nature of the hedged item.

The following table shows the total outstanding contractual forward exchange contracts hedging designated transactional exposures split by currencies which have been sold back into the functional currency of the underlying business. These contracts typically mature in the next 18 months and, therefore, the cash flows and resulting effect on the Consolidated Income Statement are expected to occur within this time period.

Forward exchange contracts at 31 December	2024	2023
Foreign currency sale amount (£m)	144.4	175.4
Percentage of total:		
US Dollar	49%	44%
Chinese Yuan Renminbi	19%	23%
Euro	8%	10%
Japanese Yen	14%	14%
Other	10%	9%

27. Financial instruments continued

A maturity profile of the gross cash flows related to financial liabilities is:

Maturity of financial liabilities[1]	2024 Derivative financial liabilities	2024 Overdrafts £m	2024 Unsecured loans £m	2024 Total £m	2023 Derivative financial liabilities	2023 Overdrafts £m	2023 Unsecured loans £m	2023 Total £m
Due within one year	0.5	13.3	–	13.8	0.1	–	–	0.1
Due between one and two years	1.3	–	–	1.3	0.1	–	–	0.1
Due between two and five years	–	–	443.5	443.5	–	–	–	–
Due in more than five years	–	–	197.9	197.9	–	–	–	–
	1.8	13.3	641.4	656.5	0.2	–	–	0.2

1. Includes £0.1m in assets held for sale.

Trade and other payables (note 17) are substantially due within one year.

It is not expected that the cash flows described above could occur significantly earlier or at substantially different amounts.

Interest rate exposure of financial assets and liabilities by currency	Financial assets Fixed Rate £m	Financial assets Floating Rate £m	Financial assets Non-interest bearing £m	Financial assets Total £m	Financial liabilities Fixed rate £m	Financial liabilities Floating rate £m	Financial liabilities Total £m	2024 Net financial assets £m
Sterling	2.1	–	7.6	9.7	–	(18.0)	(18.0)	(8.3)
Euro	0.4	1.4	18.7	20.5	(76.4)	(136.3)	(212.7)	(192.2)
US Dollar	0.1	4.8	27.7	32.6	(239.5)	(184.5)	(424.0)	(391.4)
Other	5.6	21.2	16.1	42.9	–	–	–	42.9
	8.2	27.4	70.1	105.7	(315.9)	(338.8)	(654.7)	(549.0)

Interest rate exposure of financial assets and liabilities by currency[1]	Financial assets Fixed Rate £m	Financial assets Floating Rate £m	Financial assets Non-interest bearing £m	Financial assets Total £m	Financial liabilities Fixed rate £m	Financial liabilities Floating rate £m	Financial liabilities Total £m	2023 Net financial assets £m
Sterling	35.1	1.9	7.1	44.1	–	–	–	44.1
Euro	2.0	0.6	19.5	22.1	–	–	–	22.1
US Dollar	4.5	4.2	17.4	26.1	–	–	–	26.1
Other	3.4	23.9	19.2	46.5	–	–	–	46.5
	45.0	30.6	63.2	138.8	–	–	–	138.8

1. Includes £0.1m in assets held for sale.

27. Financial instruments continued

Sensitivity analysis

The tables below show the Group's sensitivity to foreign exchange rates and interest rates. The US Dollar, Euro, Danish Krone and Chinese Yuan Renminbi represent the main foreign exchange translational exposures for the Group.

	2024		2023	
Impact on foreign exchange translational exposures against Sterling	Decrease/(increase) in equity £m	Decrease/(increase) in profit before tax £m	Decrease/(increase) in equity £m	Decrease/(increase) in profit before tax £m
10% weakening in the US Dollar	58.9	6.0	101.0	7.9
10% weakening in the Euro/Danish Krone	39.5	5.1	64.7	8.0
10% weakening in the Chinese Yuan Renminbi	4.0	1.9	4.2	2.0
Impact of interest rate movements				
1pp increase in interest rates	(3.1)	(3.1)	(0.3)	(0.3)

28. Contingent liabilities

In the normal course of business, Group companies have provided bonds and guarantees through local banking arrangements amounting to £23.7m (2023: £22.7m). Contingent liabilities in respect of taxation are disclosed in note 7.

29. Lease liabilities

	2024			2023		
Undiscounted lease liability maturity analysis under IFRS 16	Property £m	Plant and equipment £m	Total £m	Property £m	Plant and equipment £m	Total £m
Less than one year	7.6	3.8	11.4	9.7	3.6	13.3
One to five years	24.6	4.8	29.4	23.8	5.2	29.0
More than five years	40.4	0.2	40.6	33.9	–	33.9
Total undiscounted lease liabilities at 31 December	72.6	8.8	81.4	67.4	8.8	76.2

The total cash outflow on lease liabilities made in the year was £15.2m (2023: £15.6m).

30. Capital commitments

At 31 December 2024, the Group had entered into contractual commitments for the purchase of property, plant and equipment and software amounting to £3.2m (2023: £3.1m) and £0.1m (2023: £0.1m), respectively, which have not been accrued.

31. Related party transactions

The Group has related party relationships with its subsidiaries (a list of all related undertakings is shown in note 14 of the Company Financial Statements) on pages 225 to 228, with its associate and with its Executive Directors and members of the Executive Management Committee.

The remuneration of key management personnel during the year was as follows:	2024 £m	2023 £m
Short-term benefits	6.1	6.8
Post-employment benefits	0.1	0.1
Equity-settled share-based payment expense	2.3	3.5
	8.5	10.4

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel comprise the Directors and the other members of the Executive Management Committee.

Further details of the Executive Directors' remuneration are included in the Directors' Remuneration Report on pages 104 to 139.

Transactions with associates

There were no related party transactions and no balance payables/receivable with the Group's associates, CM Labs and LumaCyte, in 2024 (2023: nil). See note 12 for further details.

There were no other related party transactions in either 2024 or 2023.

32. Subsidiary undertakings

The table below lists the Group's principal subsidiary undertakings at 31 December 2024. They operate mainly in the countries of incorporation. All of the subsidiaries are involved in the manufacture and sale of highly-specialised measuring instruments and controls, together with the provision of services.

Spectris plc holds 100% of the ordinary share capital of all the subsidiaries either directly or indirectly through intermediate holding companies.

Name	Country of incorporation
Hottinger Brüel & Kjær GmbH	Germany
Malvern Panalytical Limited	England & Wales
Particle Measuring Systems, Inc.	USA
Servomex Group Limited	England & Wales

A full list of subsidiaries is given in note 14 of the Company Financial Statements on pages 225 to 228.

33. Events after the balance sheet date

There were no material post balance sheet events.

SPECTRIS PLC STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £m	2023 £m
ASSETS			
Non-current assets			
Property, plant and equipment	5	6.6	0.3
Investments in subsidiary undertakings	6	1,249.1	1,134.6
Derivative financial instruments		0.9	0.4
Deferred tax assets		2.0	5.2
Retirement benefit assets		3.8	2.4
		1,262.4	1,142.9
Current assets			
Current tax assets		18.1	16.9
Other receivables (due after more than one year: £654.8m (2023: £138.4m))	7	775.5	194.1
Derivative financial instruments		2.9	5.9
Cash and cash equivalents		16.4	59.4
		812.9	276.3
Total assets		2,075.3	1,419.2
LIABILITIES			
Current liabilities			
Derivative financial instruments		(2.7)	(5.9)
Borrowings	8	(13.3)	–
Other payables	9	(502.5)	(538.1)
		(518.5)	(544.0)
Net current liabilities		294.4	(267.7)

	Note	2024 £m	2023 £m
Non-current liabilities			
Derivative financial instruments		(0.9)	(0.4)
Borrowings	8	(641.4)	–
Other payables	9	(62.5)	(42.4)
		(704.8)	(42.8)
Total liabilities		(1,223.3)	(586.8)
Net assets		852.0	832.4
EQUITY			
Share capital	10	5.2	5.3
Share premium		231.4	231.4
Retained earnings		576.9	557.3
Merger reserve	10	3.1	3.1
Capital redemption reserve	10	1.3	1.2
Special reserve	10	34.1	34.1
Total equity		852.0	832.4

The Company's profit for the year was £142.7m (2023: profit £295.5m).

The Financial Statements on pages 215 to 228 were approved by the Board of Directors on 27 February 2024 and were signed on its behalf by:

Angela Noon OBE
Chief Financial Officer

Company Registration No. 02025003

SPECTRIS PLC STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Retained earnings £m	Merger reserve £m	Capital redemption reserve £m	Special reserve £m	Total equity £m
At 1 January 2024		5.3	231.4	557.3	3.1	1.2	34.1	832.4
Profit for the year		–	–	142.7	–	–	–	142.7
Other comprehensive income:								
Re-measurement of net defined benefit obligations, net of tax		–	–	0.1	–	–	–	0.1
Total comprehensive income for the year		–	–	142.8	–	–	–	142.8
Transactions with owners recorded directly in equity:								
Own shares acquired for share buyback programme	10	(0.1)	–	(50.9)	–	0.1	–	(50.9)
Equity dividends paid	13	–	–	(80.5)	–	–	–	(80.5)
Capital contribution relating to share-based payments		–	–	4.5	–	–	–	4.5
Share-based payments, net of tax		–	–	3.2	–	–	–	3.2
Utilisation of treasury shares		–	–	0.5	–	–	–	0.5
At 31 December 2024		5.2	231.4	576.9	3.1	1.3	34.1	852.0

	Note	Share capital £m	Share premium £m	Retained earnings £m	Merger reserve £m	Capital redemption reserve £m	Special reserve £m	Total equity £m
At 1 January 2023		5.5	231.4	486.7	3.1	1.0	34.1	761.8
Profit for the year		–	–	295.5	–	–	–	295.5
Other comprehensive income:								
Re-measurement of net defined benefit obligations, net of tax		–	–	1.2	–	–	–	1.2
Total comprehensive income for the year		–	–	296.7	–	–	–	296.7
Own shares acquired for share buyback programme	10	(0.2)	–	(160.8)	–	0.2	–	(160.8)
Equity dividends paid	13	–	–	(79.7)	–	–	–	(79.7)
Capital contribution relating to share-based payments		–	–	7.5	–	–	–	7.5
Share-based payments, net of tax		–	–	6.3	–	–	–	6.3
Utilisation of treasury shares		–	–	0.6	–	–	–	0.6
At 31 December 2023		5.3	231.4	557.3	3.1	1.2	34.1	832.4

NOTES TO THE COMPANY ACCOUNTS

1. Basis of preparation and summary of significant accounting policies

The separate Financial Statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate Financial Statements have been prepared in accordance with applicable accounting standards in the United Kingdom. In accordance with the exemption provided by Section 408 of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income.

a) Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The Company's shareholders were notified in 2015 of the use of the UK-adopted IFRS disclosure exemptions and there were no objections to the adoption of FRS 101.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes.
- Comparative period reconciliations for share capital, property, plant and equipment and intangible assets.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new but not yet effective IFRSs.
- Disclosures in respect of the compensation of key management personnel.
- The requirement to present a statement of financial position at the beginning of the preceding period when retrospectively applying an accounting policy.

As the Consolidated Financial Statements of Spectris plc (pages 160 to 214) include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 'Share Based Payments' in respect of Group-settled share-based payments.
- Certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instrument Disclosures'.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own Income Statement or Statement of Comprehensive Income for the year. The profit attributable to the Company is disclosed in the footnote to the Company's Statement of Financial Position.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Significant accounting judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported amounts of assets, liabilities, income and expenses, should it later be determined that a different choice be more appropriate. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

In the course of preparing these Financial Statements in accordance with the Group's accounting policies, no judgements that have a significant effect on the amounts recognised in the Financial Statements have been made, other than those involving estimation. Management consider the following to be areas of estimation for the Company due to greater complexity and/or are particularly subject to uncertainty.

Key sources of estimation uncertainty

Retirement benefit plans

Accounting for retirement benefit plans under IAS 19 (revised) requires an assessment of the future benefits payable in accordance with actuarial assumptions. The discount rate and rate of retail price inflation (RPI) assumptions applied in the calculation of plan liabilities, which are set out in note 19, represent a key source of estimation uncertainty for the Company. Details of the accounting policies applied and the related sensitivities in respect of the UK scheme for the Company retirement benefit plans are set out on page 195.

1. Basis of preparation and summary of significant accounting policies continued

b) Summary of significant accounting policies

Intangible assets

Intangible assets purchased by the Company are capitalised at their cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated useful economic lives are as follows:

– Software – three to seven years

The cost of acquiring software (including associated implementation costs where applicable) that is not specific to an item of property, plant and equipment is classified as an intangible asset. The Company only capitalises costs relating to the configuration and customisation of SaaS arrangements as intangible assets where control of the software exists.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost comprises the purchase price paid and any costs directly attributable to bringing it into working condition for its intended use.

Depreciation is recognised in the Income Statement on a straight-line basis to write off the cost, less the estimated residual value (which is reviewed annually), of property, plant and equipment over its estimated useful economic life. Depreciation commences on the date the assets are available for use within the business and the asset carrying values are reviewed for impairment when there is an indication that they may be impaired. Land is not depreciated. Estimated useful lives are as follows:

– Short leasehold property – over the period of the lease.
– Office equipment – 3 to 20 years.

Investments

Investments in subsidiaries are stated at historical cost, less provision for any impairment in value.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the Statement of Financial Position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The right-of-use assets are presented as a separate line in the Statement of Financial Position.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate; the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using the initial discount rate; or a lease contract is modified, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Other receivables

Other receivables are carried at original invoice amount (which is considered a reasonable proxy for fair value) and are subsequently held at amortised cost less provision for impairment. The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, adjusted for factors specific to the receivable and operating company.

1. Basis of preparation and summary of significant accounting policies continued

Cash and cash equivalents

This comprises cash at bank and in hand and short-term deposits held on call or with maturities of less than three months at inception.

Other payables

Other payables are recognised at the amounts expected to be paid to counterparties and subsequently held at amortised cost.

Taxation

Tax on the profit or loss for the year comprises both current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised either in other comprehensive income or directly in equity, in which case tax is recognised in the Statement of Comprehensive Income or the Statement of Changes in Equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustments to tax payable in respect of prior years. Tax positions are reviewed to assess whether a provision should be made based on prevailing circumstances. Tax provisions are included within current taxation liabilities.

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases. Deferred tax is measured using the tax rates expected to apply when the asset is realised or the liability settled based on tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised or that they will reverse. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group has applied the temporary exception included in IAS 12 Income Taxes from recognising or disclosing information about deferred tax related to ‘Pillar Two’ income taxes. This mandatory temporary exception was included in the narrow scope amendments to IAS 12 published by the International Accounting Standards Board in May 2023.

Foreign currency translation

The functional currency of the Company is Pounds Sterling and is determined with reference to the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Exchange gains and losses on settlement of foreign currency transactions are translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at period end exchange rates, and are charged/credited to the Income Statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective-interest basis.

Financial instruments

Recognition

The Company recognises financial assets and liabilities on its Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Measurement

When financial assets and liabilities are initially recognised, they are measured at fair value, being the consideration given or received plus directly attributable transaction costs.

Originated loans and receivables are initially recognised in accordance with the policy stated above and subsequently re-measured at amortised cost using the effective interest method. Allowance for impairment is estimated on a case-by-case basis.

1. Basis of preparation and summary of significant accounting policies continued

The Company uses derivative financial instruments such as forward foreign exchange contracts to hedge risks associated with foreign exchange fluctuations. These are designated as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

Amounts deferred in equity are reclassified to the Income Statement in the periods when the hedged item is recognised in the Income Statement, in the same line of the Income Statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When hedge accounting is discontinued any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

Derecognition

A financial asset is derecognised when the Company loses control over the contractual rights to the cash flows from the asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Originated loans and receivables are derecognised on the date they are transferred by the Company.

Impairment of financial assets

The Company assesses at each Statement of Financial Position reporting date whether there is any objective evidence that a financial asset, or group of financial assets, is impaired. A financial asset, or group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Employee benefits

The Company operates a defined benefit post-retirement benefit plan and a defined contribution pension plan.

Defined benefit plan

The Company's net obligation recognised in the Statement of Financial Position in respect of its defined benefit plan is calculated as the present value of the plan's liabilities less the fair value of the plan's assets. The operating and financing costs of the defined benefit plan are recognised separately in the Income Statement. Operating costs comprise the current service cost, plan administrative expense, any gains or losses on settlement or curtailments, and past service costs where benefits have vested. Finance items comprise the unwinding of the discount on the net asset/deficit. Actuarial gains or losses comprising changes in plan liabilities due to experience and changes in actuarial assumptions are recognised in other comprehensive income.

The amount of any pension fund asset recognised in the Statement of Financial Position is limited to any future refunds from the plan or the present value of reductions in future contributions to the plan.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised in the Income Statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

1. Basis of preparation and summary of significant accounting policies continued

Share-based payments

Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each Statement of Financial Position reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where it is not possible to incentivise managers of the Company with equity-settled options, they are issued with cash-settled options. The charge for these awards is adjusted to reflect the expected and actual levels of options that vest and the fair value is based on either the share price at date of exercise or the share price at the Statement of Financial Position date if sooner.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share based payment charge recognised in the subsidiary's Financial Statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share based payment expense, no such increase in investment is recognised which may result in a credit in a particular year.

Dividends

Dividends are recognised as a liability in the period in which they are approved by shareholders.

Treasury shares

Shares held in treasury are treated as a deduction from equity until the shares are cancelled, reissued or disposed. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental costs and related tax effects, is included in equity attributable to the Company's equity shareholders.

2. Auditor's remuneration

The details regarding the remuneration of the Company's auditor are included in note 4 to the Group Consolidated Financial Statements under 'Fees payable to the Company's auditor for audit of the Company's annual accounts'.

3. Employee costs and other information

Average number of employees on a full-time equivalent basis:

	2024 Number	2023 Number
Administrative	**86**	66

Employee costs, including Directors' remuneration, are as follows:

	2024 £m	2023 £m
Wages and salaries	**11.7**	13.7
Social security costs	**0.3**	4.0
Defined contribution pension plans	**0.8**	0.7
Equity-settled share-based payment expense	**3.0**	5.2
Cash-settled share-based payment expense	**–**	0.1
	15.8	23.7

Directors' remuneration

Further details of Directors' remuneration and share options are given in note 5 to the Group Consolidated Financial Statements and in the Directors' Remuneration Report on pages 104 to 139.

Tax losses

As at 31 December 2024, the Company had capital tax losses of £15.0m (2023: £16.1m). No provision has been made for deferred tax on the basis that there is insufficient evidence that suitable taxable profits will arise in the future against which the losses may be offset and the asset recovered.

4. Intangible assets

	Software £m
Cost	
At 1 January 2024	1.9
Disposals	(1.9)
At 31 December 2024	–
Accumulated amortisation and impairment	
At 1 January 2024	1.9
Disposals	(1.9)
At 31 December 2024	–
Carrying amount	
At 31 December 2024	–
At 31 December 2023	–

5. Property, plant and equipment

	Leasehold Improvements £m	Right of Use PPE £m	Office equipment £m	Total £m
Cost				
At 1 January 2024	0.4	0.3	0.4	1.1
Additions	1.0	5.3	0.4	6.7
Disposals	(0.2)	–	–	(0.2)
At 31 December 2024	1.2	5.6	0.8	7.6
Accumulated depreciation and impairment				
At 1 January 2024	0.3	0.2	0.3	0.8
Charge for the year	0.2	0.1	0.1	0.4
Disposals	(0.2)	–	–	(0.2)
At 31 December 2024	0.3	0.3	0.4	1.0
Carrying amount				
At 31 December 2024	0.9	5.3	0.4	6.6
At 31 December 2023	0.1	0.1	0.1	0.3

6. Investments in subsidiary undertakings

	Investment in subsidiary undertakings £m
Cost and carrying amount	
At 1 January 2024	1,134.6
Additions	114.5
Disposals	(3.6)
Movements relating to share options granted to subsidiary employees	3.6
At 31 December 2024	1,249.1

Details of the Company's subsidiaries are given in note 14.

During 2024, Spectris Plc increased its investment in Spectris Group Holdings Limited by £114.5m to fund the acquisitions made by the Group.

During 2024, Spectris Plc disposed of its investment relating to share options granted to Red Lion Controls employees as part of the disposal of Red Lion Controls, given in note 24 to the Consolidated Financial Statements.

7. Other receivables

Current	2024 £m	2023 £m
Amounts owed by Group undertakings	15.7	2.4
Loans owed by Group undertakings	91.0	44.9
Prepayments	5.9	4.8
Other receivables	8.1	3.6
	120.7	55.7

Non-current	2024 £m	2023 £m
Loans owed by Group undertakings	653.4	138.1
Prepayments	1.4	0.3
	654.8	138.4
Total other receivables	775.5	194.1

All loans owed by Group undertakings are in relation to interest bearing intra-group loans which are formalised arrangements on an arm's length basis. Interest is charged at market reference rate plus 2%. The structure and terms of these intra-group loans are unchanged from 2023. Other amounts owed by Group undertakings are non-interest bearing and repayable on demand.

8. Borrowings

Current	Interest rate	Repayable date	2024 £m	2023 £m
Bank overdraft facility (£20.0m)	Variable daily rate	on demand	13.3	–
Bank loans unsecured (£45.0m) uncommitted facility	determined on drawdown	on demand	–	–
Total current borrowings			13.3	–

Non-current	Interest rate	Maturity date	2024 £m	2023 £m
Revolving credit facility (£400.0m)	RFR plus margin based on leverage (margin currently 0.55%)	07 May 2029	131.3	–
USPP Notes (US$300.0m)	Blended fixed rate 5.15%	06 Nov 2029–2034	239.5	
USPP Notes (€92.0m)	Blended fixed rate 3.66%	26 Nov 2029/ 26 Nov 2031	76.4	–
Term facility (US$125.0m)	RFR plus margin based on leverage (margin currently 1.00%)	02 Aug 2027	99.8	–
Term facility (€113.8m)	RFR plus margin based on leverage (margin currently 0.75%)	02 Aug 2027	94.4	–
Total non-current borrowings			641.4	–
Total current and non-current borrowings			654.7	–
Total unsecured borrowings			654.7	–

Further details of borrowings are provided in note 16 to the Group Consolidated Financial Statements.

9. Other payables

Current	2024 £m	2023 £m
Amounts owed to Group undertakings	35.6	15.6
Loans owed to Group undertakings	447.6	460.3
Share buyback accrual	–	45.9
Accruals	19.3	16.3
	502.5	538.1

Non-current	2024 £m	2023 £m
Loans owed to Group undertakings	62.5	42.4
	62.5	42.4

9. Other payables continued

All loans owed to Group undertakings are in relation to interest bearing intra-group loans which are formalised arrangements on an arm's length basis. Interest is charged at market reference rate minus 0.25%. The structure and terms of these intra-group loans are unchanged from 2023. Other amounts owed to Group undertakings are non-interest bearing and repayable on demand.

See note 10 for further details on the Company's for share buyback accrual in 2023.

10. Share capital and reserves

	2024 Number of shares millions	2024 £m	2023 Number of shares millions	2023 £m
Allotted, called-up and fully paid				
Issued and fully paid (ordinary shares of 5p each): At 1 January and 31 December	104.4	5.2	105.8	5.3

During the year ended 31 December 2024, 3,099,667 ordinary shares were repurchased by the Company as part of the first and second tranches of the £150m share buyback announced on 11 December 2023. Of those shares repurchased, 1,313,979 were cancelled and 1,785,688 were transferred to Treasury shares in relation to the first and second tranches respectively. This resulted in a cash outflow of £96.7m, including transaction fees of £0.4m. There is no accrual for share buyback in the Statement of Financial Position as at 31 December 2024 (2023: £45.9m).

During the year ended 31 December 2023, 3,382,896 ordinary shares were repurchased and cancelled by the Company, in the final tranches of the £300m share buyback programme announced on 19 April 2022 and part of the first tranche of the £150m share buyback announced on 11 December 2023. This resulted in a cash outflow of £114.9m, including transaction fees of £1.2m.

No ordinary shares were issued upon exercise under share option schemes during the year (2023: nil).

At 31 December 2024, the Company held 5,545,700 treasury shares (2023: 4,128,036). During the year, 368,024 of these shares were issued to satisfy options exercised by, and SIP Matching shares awarded to, employees which were granted under the Company's share schemes (2023: 468,662).

10. Share capital and reserves continued

The Company has an employee benefit trust (EBT), which operates the Spectris Share Incentive Plan (SIP) to all eligible UK-based employees. The EBT holds shares in Spectris plc for the purposes of the SIP, further details of which are disclosed in the Directors' Remuneration Report. At 31 December 2024, the EBT held 58,493 shares which were purchased from the market during the year (31 December 2023: 51,807). The costs of funding and administering the plan are charged to the Income Statement in the period to which they relate.

Distributable reserves at 31 December 2024 are £525.6m (2023: £512.9m).

Other reserves

Movements in reserves are set out in the Statement of Changes in Equity. The retained earnings reserve also includes own shares purchased by the Company and treated as treasury shares. The nature and purpose of other reserves forming part of equity are as follows:

Merger reserve

This reserve arose on the acquisition of Servomex Limited in 1999, a purchase satisfied substantially by the issue of share capital and therefore eligible for merger relief under the provisions of Section 612 of the Companies Act 2006.

Capital redemption reserve

This reserve records the repurchase of the Company's own shares.

During the year, as a result of the share buyback programme, the capital redemption reserve increased by £0.1m (2023: £0.2m), reflecting the nominal value of the cancelled ordinary shares.

Special reserve

The special reserve was created historically following the cancellation of an amount of share premium for the purpose of writing off goodwill. The special reserve is not distributable.

11. Retirement benefit plan

The Company participates in, and is the sponsoring employer of the UK Group defined benefit plan. The plan provides pensions in retirement, death in service and in some cases disability benefit to members. The pension benefit is linked to members' final salary at retirement and their service life. Since 31 December 2009, the UK plan has been closed to new members.

In accordance with IAS 19 (Revised 2011), there were £1.2m of Company contributions made to the defined benefit plan during the year (2023: £1.2m).

Further details of the Spectris Pension Plan (UK) including all disclosures required under FRS 101 are contained in note 19 to the Group Consolidated Financial Statements.

12. Contingent liabilities

The cross-guarantee arrangements to support trade finance facilities are included in note 28 of the Group Consolidated Financial Statements.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group the Company considers these to be insurance arrangements in accordance with the requirements of IFRS 4 and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

In the normal course of business, the Company has provided bonds and guarantees through local banking arrangements amounting to £23.7m (2023: £22.7m).

13. Dividends

Amounts recognised and paid as distributions to owners of the Company in the year	2024 £m	2023 £m
Interim dividend for the year ended 31 December 2024 of 26.6p (2023: 25.3p) per share	26.3	26.0
Final dividend for the year ended 31 December 2023 of 53.9p (2023: 51.3p) per share	54.2	53.7
	80.5	79.7

Amounts arising in respect of the year	2024 £m	2023 £m
Interim dividend for the year ended 31 December 2024 of 26.6p (2023: 25.3p) per share	26.3	26.0
Proposed final dividend for the year ended 31 December 2024 of 56,6p (2023: 53.9p) per share	59.1	54.8
	85.4	80.8

The proposed final 2024 dividend is subject to approval by shareholders at the AGM on 22 May 2025 and has not been included as a liability in these Financial Statements.

14. Related undertakings

In accordance with Section 409 of the Companies Act 2006, detailed below is a full list of related undertakings as at 31 December 2024.

All entities listed below have their registered office in their country of incorporation.

Subsidiaries

All wholly owned subsidiaries listed below are owned through intermediate holding companies, unless otherwise indicated.

Shareholdings are held in the class of ordinary shares, unless otherwise indicated.

Name	Registered address	Country of incorporation
openDAQ, skupina za DAQ tehnologije d.o.o.	12, Gabrsko (dvanajst), Trbovlje, 1420, Slovenia	Slovenia
Bruel & Kjaer UK Limited[1]	Jarman Way, Royston, Hertfordshire, SG8 5BQ	England & Wales
Bruel & Kjaer VTS Limited[3]	Jarman Way, Royston, Hertfordshire, SG8 5BQ	England & Wales
Burnfield Limited[5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
Concurrent High Performance Solutions Europe S.A.	Immeuble Uranus Parc Ariane, Rue Hélène Boucher, 78280 Guyancourt	France
Concurrent Nippon Kabushiki Kaisha	Yanagibashi First Bldg, 4F 19-6, 2-chome, Taito-ku, Tokyo 111-0052	Japan
Concurrent Real-Time Asia, Inc.	Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, DE, 19904, United States	USA
Concurrent Real-Time, Inc.	Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, DE, 19904, United States	USA
Creoptix AG	Zugerstrasse 76, 8820 Wädenswil	Switzerland
DYTRAN Instruments, Inc	21592 Marilla Street, Chatsworth, CA 91311	USA
Freeman Technology Limited	1 Miller Court, Severn Drive, Tewkesbury, Gloucestershire, GL20 8DN	UK
HBK FiberSensing SA	Via José Régio, 256, 4485-860 Vilar do Pinheiro,	Portugal
Hottinger Bruel & Kjaer Solutions LLC	100 Research Boulevard, Starkville, Mississippi, 39759	USA
HBM Prenscia s.p. z.o.o.	Aleje Jerozolimskie 181 A, 02-222 Warsaw	Poland
Hottinger Bruel & Kjaer Inc.	19 Bartlett Street, Marlborough, Massachusetts 01752	USA
Hottinger Brüel & Kjær A/S	Teknikerbyen 28, 2830 Virum	Denmark
Hottinger Bruel & Kjaer Austria GmbH	Lemboeckgasse 63/2, A-1230, Wien, Vienna	Austria
Hottinger Bruel & Kjaer Benelux B.V.	Schutweg 15a, Waalwijk, 5145 NP	Netherlands
Hottinger Bruel & Kjaer Co., Ltd	106 Henshan Road, Suzhou New District, Suzhou, Jiangsu Province, 215009	China
Hottinger Bruel & Kjaer France SAS	2 Rue Benjamin Franklin, 94370 Sucy-en-Brie, France	France
Hottinger Brüel & Kjær GmbH	Im Tiefen See 45, Darmstadt, D-64293	Germany
Hottinger Brüel & Kjaer Ibérica, S.L.U.	Calle Teide número 5, San Sebastián de los Reyes, Madrid	Spain
Hottinger Bruel & Kjaer Italy SRL	Milano (MI), Via Pordenone 8, Milan 20132	Italy
Hottinger Bruel & Kjær Norway AS	Rosenholmveien 25, Trollasen, 1414	Norway
Hottinger Bruel & Kjaer Poland Sp z.o.o.	Aleje Jerozolimskie 181 A, 02-222 Warsaw	Poland
Hottinger Bruel & Kjaer UK Limited	Technology Centre, Advanced Manufacturing Park, Brunel Way, Catcliffe, Rotherham, South Yorkshire, S60 5WG	England & Wales
International Applied Reliability Symposium LLC[2]	5210 E Williams Cir, 2nd Floor, Suite 240, Tucson Arizona 85711	USA
Kunash Instruments Private Limited	Cosmos Mary Park, Office 202, 2nd Floor, Kolbad, Thane-West, Mumbai – 400601, Maharashtra, India	India
Malvern Panalytical B.V.	Lelyweg 1, 7602EA, Almelo	Netherlands
Malvern Panalytical GmbH	Nürnbergerstr 113, D 34123 Kassel	Germany
Malvern Panalytical Inc	2400 Computer Drive, Suite 201, Westborough Massachusetts 01581-1042	USA
Malvern Panalytical Limited	Enigma Business Park, Grovewood Road, Malvern, Worcestershire, WR14 1XZ	England & Wales
Malvern Panalytical Nordic AB	Vallongatan 1, 752 28 Uppsala	Sweden
Malvern Panalytical S.A.S.	24 Rue Émile Baudot, Bâtiment le Phénix 91120 Pdelawarealaiseau	France

14. Related undertakings continued

Name	Registered address	Country of incorporation
Malvern Panalytical srl	Via G. Oberdan, 36, Lissone, 20851	Italy
Malvern Panalytical (Pty) Limited	Unit 4, Bush Hill Office Park, Jan Frederick Avenue, Randpark Ridge, 2169	South Africa
Malvern-Aimil Instruments Pvt Limited	Naimex House, A-8, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110044	India
Micromeritics Instrument Corporation	Corporation Trust Center,1209 Orange St, Wilmington, New Castle, Delaware	USA
Micromeritics NV	BDC/Esplanade 1 box 40, 1020 Brussels	Belgium
Micromeritics Limited	1 Miller Court Severn Drive, Tewkesbury Business Park, Tewkesbury, England, GL20 8DN	UK
Micromeritics Korea Co., Ltd.	(34025) Room 437-438, 187, Techno 2-ro, Yuseong-gu, Daejeon	Korea
Micromeritics GmbH	Geschäftsanschrift: Einsteinstraße 14, 85716 Unterschleißheim	Germany
Micromeritics Instrument (Shanghai), Ltd.	1F, Building D, Sanyin Fund Park, 88 Shuanglian Rd, Qingpu District, Shanghai 201702	China
Micromeritics France, S.A.R.L	Parc Cadéra Sud, 22, rue Ariane, 33700 Merignac	France
Micromeritics S.R.L	C/O Elabora S.R.L., Via A. Mantegna 21, 20096 Pialtello (Milano)	Italy
Micromeritics B.V.	Croy 7, 5653 LC Eindhoven	Netherlands
Nanosight Limited	Enigma Business Park, Grovewood Road, Malvern, Worcestershire, WR14 1XZ	England & Wales
Novisim Limited	Jarman Way, Royston, Hertfordshire, SG8 5BQ	England & Wales
PANalytical Limited[1]	Enigma Business Park, Grovewood Road, Malvern, Worcestershire, WR14 1XZ	England & Wales
Particle Holdings Inc.	251 Little Falls Drive, Wilmington, New Castle, Delaware	USA
Particle Measuring Systems AG	Reinluftweg 1, Wattwill, CH-9630	Switzerland
Particle Measuring Systems Germany GmbH	Im Tiefen See 45, Darmstadt, D-64293	Germany
Particle Measuring Systems S.R.L.	Via di Grotte Portella, Frascati, Rome, 34-00044	Italy
Particle Measuring Systems, Inc.	5475 Airport Boulevard, Boulder, Colorado 80301	USA
Particles Measuring Systems U.K. Limited	12 Phorpres Close, Hampton, Peterborough, United Kingdom	England & Wales
Particle Measuring Systems Ireland Limited	Unit 1c Three Rock Road, Sandyford Industrial Estate, Sandyford Dublin 18, D18PR84, Ireland	Ireland
Particle Measuring Technique Ireland Limited	Unit 1c Three Rock Road, Sandyford Industrial Estate, Sandyford Dublin 18, D18PR84, Ireland	Ireland
Piezocryst Advanced Sensorics GmbH	Hans-List-Platz 1, 8020, Austria	Austria
Process Integral Development Eng & Tech S.L.	Calle de Francisco Gervás, 11, 28108 Alcobendas, Madrid	Spain
RealTime Acquisition Co.	Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, DE, 19904, United States	USA
RealTime Holdco, LLC[2]	Cogency Global Inc, 850 New Burton Road, Suite 201, Dover, DE, 19904, United States	USA
Red Lion Controls B.V.	De Nieuwe Erven 3, Unit 10200, 5431NL, Cujik	Netherlands
ReliaSoft India Private Limited	5th Floor, Arihant Nitco Park, 90, Dr.Radhakrishnan Salai, Mylapore Chennai – 600 004 India	India
RightHook Inc	45 Jackson Street, San Jose, CA 95112-5102	USA
SciAps Inc.	251 Little Falls Drive, Wilmington, New Castle, Delaware	USA
SciAps Analytical Instruments (Shanghai) Co., Ltd)	Room 405, Building 1 No. 1, Caosong Road, Shanghai	China
SciAps Europe BV	Kasteleinenkampweg 9 B, 5222AX 's-Hertogenbosch	Germany
Servomex B.V.	Lelyweg 1, 7602EA, Almelo	Netherlands
Servomex Company	12300 Dairy Ashford Road #400, Sugar Land, Texas 77478	USA
Servomex GmbH	Im Tiefen See 45, Darmstadt, D-64293	Germany
Servomex Group Limited	Jarvis Brook, Crowborough, East Sussex, TN6 3FB	England & Wales
Servomex Middle East L.L.C.[2]	Office No. 113, Business Park 01, Abu Dhabi International Airport, PO Box 147939	United Arab Emirates
Servomex S.A.	23 Rue de Roule, Paris, 75001	France
Spectris Australia Pty Ltd	C/- Intertrust Australia PTY Ltd, Suite 2, Level 25, 100 Miller Street, North Sydney, NSW 2060	Australia
Spectris Canada Inc.	4915 Place Olivia, St-Laurent, Quebec, H4R 2V6	Canada
Spectris China Limited	Unit A, 22/F, Wing Cheong Comm. Bldg., 23 Jervois Street, Sheung Wan, Hong Kong	Hong Kong

14. Related undertakings continued

Name	Registered address	Country of incorporation
Spectris Co., Ltd.	Kawasaki Nisshincho Building, 7-1 Nisshincho, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-0024, Japan	Japan
Spectris Denmark ApS	Teknikerbyen 28, 2830 Virum	Denmark
Spectris Do Brasil Instrumentos Eletronicos Ltda.	Rua Luis Correia de Melo, 92 – Conj. 251-252, Vila Cruzeiro, CEP 04726-220, Sao Paulo SP	Brazil
Spectris Funding B.V.	Lelyweg 1, 7602EA, Almelo	Netherlands
Spectris Germany GmbH	Im Tiefen See 45, Darmstadt, D-64293	Germany
Spectris Group Holdings Limited[1,4]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
Spectris Holdings Inc.	2400 Computer Drive, Suite 201, Westborough Massachusetts 01581	USA
Spectris Inc.	2400 Computer Drive, Suite 201, Westborough Massachusetts 01581	USA
Spectris Instrumentation and Systems Shanghai Ltd.	Bldg 9,No. 88, Lane 2888, HuaNing Road, MingHang District, Shanghai, 201108	China
Spectris Korea Ltd.	7F, N Tower Garden Bldg., 26, HwangSaeWool-ro 200beon-gil, Bundang-gu, Seongnam-si, Kyunggi-do, 13595, Korea.	Korea, Republic of
Spectris Mexico, S. De R.L. De C.V.	Av. Pedro Ramirez Vazquez No. 200–13, Nivel 1, Col. Valle Oriente, San Pedro Garza Garcia, C.P. 66269	Mexico
Spectris Netherlands B.V.	Lelyweg 1, 7602 EA Almelo	Netherlands
Spectris Netherlands Cooperatief W.A.[1,2]	Lelyweg 1, 7602 EA Almelo	Netherlands
Spectris Pension Trustees Limited[1,5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
Spectris Pte Ltd	31 Kaki Bukit Road 3, Techlink #04-05/07, 417818	Singapore
Spectris Taiwan Limited	4F., No. 417, Ruiguang Rd., Neihu Dist., Taipei City 114690, Taiwan	Taiwan
Spectris Technologies Private Limited	A-1/367, 2nd Floor, Janakpuri A-3, New Delhi-110058, India	India
Spectris UK Holdings Limited[3,5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
Spectris US Holdings Limited[5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
System Level Simulation Inc.	75 East Santa Clara St., Suite 900, San Jose, CA 95113	United States
VI-grade GmbH	Im Tiefen See 45, Darmstadt, D-64293	Germany
VI-grade Limited[5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
VI-grade s.r.l.	Via Galileo Galilei 42, 33010 Tavagnacco (Udine)	Italy
Viscotek Europe Limited[5]	6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA	England & Wales
Zhuhai Omec Instruments Co., Ltd	2F, No.3 Factory, No.33 Keji San Road, Tangjiawan Town, Gaoxin District, Zhuhai City, Guangdong Province, China	China

1. Wholly owned by Spectris plc.
2. All LLC, Cooperatief and other non-equity owned entities listed are wholly owned and controlled by Spectris plc directly or indirectly through intermediate holding companies.
3. Share capital consists of ordinary shares and deferred shares.
4. Share capital consists of ordinary shares and redeemable shares.
5. As at 1 January 2025, the registered office changed to 6th Floor, The Block, Space House, 12 Keeley Street, London, England, WC2B 4BA

14. Related undertakings continued

UK registered subsidiaries exempt from audit

UK incorporated subsidiaries which have taken exemption from audit per section 479A of the Companies Act 2006 for the year ended 31 December 2024 are listed below.

Spectris plc will guarantee the gross debts and liabilities of the companies claiming the statutory audit exemption at the balance sheet date of £24.5m in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

Name	Company number
Bruel & Kjaer VTS Limited	01539186
Bruel & Kjaer UK Limited	04066051
Burnfield Limited	01522736
Freeman Technology Limited	04978827
Hottinger Bruel & Kjaer UK Limited	01589921
Micromeritics Limited	02229749
Novisim Ltd	05269664
Particle Measuring Systems U.K. Limited	07786895
Spectris UK Holdings Ltd	04451903
Spectris US Holdings Ltd	04451883
VI Grade Limited	08245242

14. Related undertakings continued

Associated undertakings

Name	% Shareholding	Registered address	Country of incorporation
CMLabsHoldings Inc.	19.4%	301-645 Wellington Street, Montréal QC H3C 1T2, Canada	Canada
Lumacyte Inc.	10.78% fully diluted (or 12.16% outstanding)	Registered Agent Solutions, Inc., 838 Walker Road Suite 21-2 Dover, DE 19904	United States
Dimer Instruments Inc.[1]	18.77% fully diluted (or 21.5% on an outstanding basis)	The Corporation Trust Centre, 1209 Orange St, Wilmington, New Castle, Delaware 19801	United States

1. The Group has substantive control over the company due to the rights and other options associated with its shareholding. Further details are provided in note 23 to the Group Consolidated Financial Statements.

APPENDIX – ALTERNATIVE PERFORMANCE MEASURES

Policy

Spectris uses adjusted and underlying figures as key performance measures in addition to those reported under IFRS, as management believe these measures enable management and stakeholders to assess the underlying performance of the businesses as they exclude certain items that are considered to be significant in nature or quantum, foreign exchange movements and the impact of acquisitions and disposals. The APMs may not be comparable with similarly titled measures presented in other companies and should be viewed not in isolation but as supplementary information

The alternative performance measures (APMs) are consistent with how the businesses' performance is planned and reported within the internal management reporting to the Board and Operating Committees. Some of these measures are used for the purpose of setting remuneration targets. The key APMs that the Group uses include like-for-like (LFL) organic performance measures and adjusted measures for the income statement together with adjusted financial position and cash flow measures. Explanations of how they are calculated and how they are reconciled to an IFRS statutory measure are set out below.

Adjusted measures

The Group's policy is to exclude items that are considered to be significant in nature or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to better assess the period-on-period trading performance of the Group. Some of these items are material in nature and the costs are expected to be incurred over more than one reporting period.

The Group excludes such items which management have defined for 2024 and 2023 as:

Items excluded	Significant in nature/quantum
Restructuring costs from significant programmes[1]	Nature
Amortisation of acquisition-related intangible assets	Nature
Transaction-related costs, deferred and contingent consideration fair value adjustments and release of fair value adjustments to inventory	Nature
Spectris Foundation Contribution[1]	Nature
Configuration and customisation costs carried out by third parties on material SaaS projects[1]	Quantum
Profits or losses on termination or disposal of businesses	Nature
Unrealised changes in the fair value of financial instruments	Nature
Fair value through profit and loss movements on debt investments	Nature
Gains or losses on retranslation of short-term inter-company loan balances	Nature
Related tax effects on the above and other tax items which do not form part of the underlying tax rate (see note 7)	Dependent on above classification

1. Multi-year project, where the cost is expected to continue beyond the current reporting period

LFL measures

Reference is made to LFL and organic measures throughout this document. LFL and organic have the same definition, as set out below.

The Board reviews and compares current and prior period segmental sales and adjusted operating profit at constant exchange rates and excludes the impact of acquisitions and disposals during the year.

The constant exchange rate comparison uses the current year segmental information, stated in each entity's functional currency, and translates the results into its presentation currency using the prior year's monthly exchange rates, irrespective of the underlying transactional currency.

The incremental impact of business acquisitions is excluded for the first twelve months of ownership from the month of purchase. For business disposals, comparative figures for segmental sales and adjusted gross profit, overheads and operating profit (adjusted results) are adjusted to reflect the comparable periods of ownership.

On 3 April 2024, the Red Lion Controls business was disposed of and, as a result, the segmental LFL adjusted results for the Red Lion Controls segment for 2023 exclude the trading results of the Red Lion Controls business for the period from April 2023 to December 2023.

On 31 March 2023, the Concept Life Sciences business was disposed of and, as a result, the segmental LFL adjusted results for the Spectris Scientific segment for 2023 exclude the trading results of the Concept Life Sciences business for the period from January 2023 to March 2023.

The tables on the following pages show restated comparative figures for the reportable operating segments for the year ended 31 December 2023, reflecting the impact of changes the Group made following the completion of the sale of the Red Lion Controls business in April 2024, the Servomex business reporting moved to form part of the Spectris Scientific division.

The LFL measure is presented as a means of eliminating the effects of exchange rate fluctuations on the period-on-period statutory results as well as allowing the Board to assess the underlying trading performance of the businesses on a LFL basis for both sales and operating profit.

Based on the above policy, the adjusted performance measures are derived from the statutory figures as follows:

Income statement measures

a) LFL adjusted sales by segment

2024 LFL adjusted sales versus 2023 LFL adjusted sales

2024 sales by segment	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	2024 Total £m
Sales	776.7	501.7	20.3	1,298.7
Constant exchange rate adjustment to 2023 exchange rates	26.5	16.8	0.9	44.2
Acquisitions	(55.6)	(11.8)	–	(67.4)
LFL adjusted sales	747.6	506.7	21.2	1,275.5

2023 sales by segment	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	2023 Total £m
Sales	804.6	542.8	101.8	1,449.2
Disposal of businesses	(5.5)	–	(72.3)	(77.8)
LFL adjusted sales	799.1	542.8	29.5	1,371.4

b) Adjusted operating profit and operating margin

2024 LFL adjusted operating profit versus 2023 LFL adjusted operating profit

2024 adjusted operating profit	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	Group costs £m	2024 Total £m
Statutory operating profit	86.3	19.5	3.5	(11.7)	97.6
Restructuring costs	7.5	10.8	–	–	18.3
Net transaction-related costs and fair value adjustments	12.4	3.6	0.2	–	16.2
Spectris Foundation Contribution	–	–	–	0.8	0.8
Configuration and customisation costs carried out by third parties on material SaaS projects	17.0	27.7	–	–	44.7
Amortisation of acquisition-related intangible assets	14.3	10.7	–	–	25.0
Adjusted operating profit	137.5	72.3	3.7	(10.9)	202.6
Constant exchange rate adjustment to 2023 exchange rates	3.0	2.4	0.2	–	5.6
Acquisitions	(9.5)	(0.2)	–	–	(9.7)
LFL adjusted operating profit	131.0	74.5	3.9	(10.9)	198.5

2023 adjusted operating profit	Spectris Scientific £m	Spectris Dynamics £m	Red Lion Controls £m	Group costs £m	2023 Total £m
Statutory operating profit	140.4	56.1	17.3	(25.2)	188.6
Net transaction-related costs and fair value adjustments	7.1	3.1	3.8	–	14.0
Spectris Foundation Contribution	–	–	–	1.0	1.0
Configuration and customisation costs carried out by third parties on material SaaS projects	19.4	20.6	–	–	40.0
Amortisation of acquisition-related intangible assets	5.0	13.2	0.7	–	18.9
Adjusted operating profit	171.9	93.0	21.8	(24.2)	262.5
Disposal of businesses	0.5	–	(14.6)	–	(14.1)
LFL adjusted operating profit	172.4	93.0	7.2	(24.2)	248.4

2024 operating margin	Spectris Scientific %	Spectris Dynamics %	Red Lion Controls %	2024 Total %
Statutory operating margin[1]	11.1	3.9	17.2	7.5
Adjusted operating margin[2]	17.7	14.4	18.2	15.6
LFL adjusted operating margin[3]	17.5	14.7	18.4	15.6

2023 operating margin	Spectris Scientific %	Spectris Dynamics %	Red Lion Controls %	2023 Total %
Statutory operating margin[1]	17.4	10.3	17.0	13.0
Adjusted operating margin[2]	21.4	17.1	21.4	18.1
LFL adjusted operating margin[3]	21.6	17.1	24.4	18.1

1. Statutory operating margin is calculated as statutory operating profit divided by sales.
2. Adjusted operating margin is calculated as adjusted operating profit divided by sales.
3. LFL adjusted operating margin is calculated as LFL adjusted operating profit divided by LFL adjusted sales. Refer to the tables above for a reconciliation of the nearest GAAP measure (sales/operating profit respectively) to LFL adjusted sales/LFL adjusted operating profit.

Income statement measures continued

c) Adjusted gross profit and adjusted gross margin

2024 LFL adjusted gross profit versus 2023 LFL adjusted gross profit

2024 LFL adjusted gross profit	2024 £m
Statutory gross profit	715.9
Constant exchange rate adjustment to 2023 exchange rates	20.7
Acquisitions	(33.7)
LFL adjusted gross profit	702.9

2023 LFL adjusted gross profit	2023 £m
Statutory gross profit	838.1
Disposal of businesses	(42.1)
LFL adjusted gross profit	796.0

2024 adjusted gross margin	2024 %
Statutory gross margin[1]	55.1
LFL adjusted gross margin[2]	55.1

2023 adjusted gross margin	2023 %
Statutory gross margin[1]	57.8
LFL adjusted gross margin[2]	58.0

1. Statutory gross margin is calculated as statutory gross profit divided by sales.
2. LFL adjusted gross margin is calculated as LFL adjusted gross profit divided by LFL adjusted sales. Refer to the tables above for a reconciliation of the nearest GAAP measure (sales/gross profit respectively) to LFL adjusted sales/LFL adjusted gross profit.

d) LFL adjusted overheads

2024 LFL adjusted overheads	2024 £m
Statutory indirect production and engineering expenses	(112.3)
Statutory sales and marketing expenses	(215.7)
Statutory administrative expenses	(290.3)
Total overheads	(618.3)
Restructuring costs	18.3
Net transaction-related costs and fair value adjustments	16.2
Spectris Foundation Contribution	0.8
Configuration and customisation costs carried out by third parties on material SaaS projects	44.7
Amortisation of acquisition-related intangible assets	25.0
Constant exchange rate adjustment to 2023 exchange rates	(15.1)
Acquisitions	24.0
LFL adjusted overheads	(504.4)

2023 LFL adjusted overheads	2023 £m
Statutory indirect production and engineering expenses	(126.9)
Statutory sales and marketing expenses	(249.6)
Statutory administrative expenses	(273.0)
Total overheads	(649.5)
Net transaction-related costs and fair value adjustments	14.0
Spectris Foundation Contribution	1.0
Configuration and customisation costs carried out by third parties on material SaaS projects	40.0
Amortisation of acquisition-related intangible assets	18.9
Disposal of businesses	28.0
LFL adjusted overheads	(547.6)

2024 LFL adjusted overheads as a percentage of sales	2024 %
LFL adjusted overheads as a percentage of sales[1]	39.5

2023 LFL adjusted overheads as a percentage of sales	2023 Total %
LFL adjusted overheads as a percentage of sales[1]	39.9

1. LFL overheads as a percentage of sales is calculated as LFL adjusted overheads divided by LFL adjusted sales. Refer to the tables above for a reconciliation of the nearest GAAP measure (sales/total overheads respectively) to LFL adjusted sales/LFL adjusted overheads.

Income statement measures continued

e) Adjusted net finance costs

	Note	2024 £m	2023 £m
Statutory net finance (costs)/credit	6	(2.8)	6.9
Net gain on retranslation of short-term inter-company loan balances	6	(7.9)	(5.7)
Adjusted net finance (costs)/credit		(10.7)	1.2

f) Adjusted profit before taxation

	2024 £m	2023 £m
Adjusted operating profit	202.6	262.5
Share of post-tax results of associates	(0.4)	(0.1)
Adjusted net finance (costs)/credit	(10.7)	1.2
Adjusted profit before taxation	191.5	263.6

g) Adjusted earnings per share

	Note	2024 £m	2023 £m
Statutory profit after tax		233.2	145.4
Adjusted for:			
Restructuring costs		18.3	–
Net transaction-related costs and fair value adjustments		16.2	14.0
Spectris Foundation Contribution		0.8	1.0
Configuration and customisation costs carried out by third parties on material SaaS projects		44.7	40.0
Amortisation of acquisition-related intangible assets	10	25.0	18.9
Fair value through profit and loss movements on debt investments	27	1.9	(2.8)
(Profit)/loss on disposal of businesses	24	(210.2)	12.6
Net gain on retranslation of short-term inter-company loan balances	6	(7.9)	(5.7)
Tax effect of the above and other non-recurring items	7	26.0	(16.5)
Non-controlling interest		0.4	–
Adjusted earnings from operations		148.4	206.9
Weighted average number of shares outstanding (millions)	9	100.2	103.6
Adjusted earnings per share (pence)		148.1	199.7

Basic earnings per share in accordance with IAS 33 ‘Earnings Per Share’ are disclosed in note 9.

Financial position measures

h) Net (debt)/cash

	Note	2024 £m	2023 £m
Bank overdrafts	16	(13.3)	–
Bank loans unsecured	16	(641.4)	–
Total borrowings		(654.7)	–
Cash and cash equivalents included in current assets	15	105.7	138.5
Cash and cash equivalents included in assets held for sale	15, 24	–	0.3
Net (debt)/cash		(549.0)	138.8

Net (debt)/cash excludes lease liabilities arising under IFRS 16 as this aligns with the definition of net cash under the Group’s bank covenants.

Reconciliation of changes in cash and cash equivalents to movements in net (debt)/cash	2024 £m	2023 £m
Net decrease in cash and cash equivalents	(15.7)	(85.7)
Proceeds from borrowings	(954.1)	–
Debt acquired with acquisitions	(39.6)	–
Repayment of borrowings	347.4	0.1
Effect of foreign exchange rate changes	(25.8)	(3.6)
Movement in net cash	(687.8)	(89.2)
Net cash at beginning of year	138.8	228.0
Net (debt)/cash at end of year	(549.0)	138.8

Cash flow measures

i) Adjusted operating cash flow

	2024 £m	2023 £m
Cash generated from operations	138.5	245.5
Net income taxes paid	(45.3)	(50.3)
Net cash inflow from operating activities	93.2	195.2
Transaction-related costs paid	34.1	5.8
Spectris Foundation Contribution	1.8	–
Restructuring cash outflow	8.1	1.4
Net income taxes paid	45.3	50.3
Purchase of property, plant and equipment and intangible assets	(51.7)	(24.7)
SaaS-related cash expenditure	44.7	40.0
Proceeds from disposal of property, plant and equipment and software	2.1	3.1
Adjusted operating cash flow	177.6	271.1
Adjusted cash flow conversion[1]	88%	103%

1. Adjusted cash flow conversion is calculated as adjusted cash flow as a proportion of adjusted operating profit.

Other measures

j) Return on gross capital employed (ROGCE)

The return on gross capital employed is calculated as adjusted operating profit from continuing and discontinued operations for the last 12 months divided by the average of opening and closing gross capital employed. Gross capital employed is calculated as net assets excluding net debt/(cash) and excluding accumulated amortisation and impairment of acquisition-related intangible assets including goodwill.

	2024 £m	2023 £m
Net debt/(cash) (see APM h)	549.0	(138.8)
Accumulated impairment losses on goodwill including items transferred to assets held for sale (see note 10)	38.7	40.6
Accumulated amortisation and impairment of acquisition-related intangible assets including items transferred to assets held for sale	172.1	149.9
Shareholders' equity	1,380.6	1,315.9
Gross capital employed	2,140.4	1,367.6
Average gross capital employed (current and prior year)[1]	1,754.0	1,419.2
Adjusted operating profit (see APM b)	202.6	262.5
Total adjusted operating profit for last 12 months	202.6	262.5
Return on gross capital employed	11.6%	18.5%

1. Average gross capital employed is calculated as the average of current year gross capital employed and comparative year gross capital employed.

k) Net transaction-related costs and fair value adjustments

Net transaction-related costs and fair value adjustments comprise transaction costs of £18.4m (2023: £6.5m) that have been recognised in the continuing Consolidated Income Statement under IFRS 3 (Revised) 'Business Combinations' and other fair value adjustments relating to deferred and contingent consideration comprising a release of £2.2m (2023: charge of £7.5m).

Net transaction-related costs and fair value adjustments are included within administrative expenses. Transaction-related costs have been excluded from the adjusted operating profit and transaction costs paid of £34.1m (2023: £5.8m) have been excluded from the adjusted cash flow.

l) Order intake, order book and book-to-bill

Order intake is defined as the monetary value of contractual commitments towards future product fulfilment recorded within the financial period. The order book is defined as the volume of outstanding contractual commitments for future product fulfilment measured at period end. Book-to-bill is defined as the ratio of order intake to sales within the financial period. These measures cannot be reconciled because they do not derive from the Consolidated Financial Statements, and are presented because they are indicative of potential future revenues.

m) Vitality index

Vitality index measures revenue recognised in the current year from products released over the previous five years as a percentage of total revenue in the current year, as shown in the Consolidated Income Statement. The index excludes revenue from business acquisitions in 2024 (SciAps, Micromeritics, Piezocryst) and disposed businesses (Red Lion Controls).

	2024 £m	2023 £m
Sales (see APM a)	1,298.7	1,449.2
Acquisitions	(52.9)	–
Disposal	(20.3)	(101.8)
Adjusted sales	1,225.5	1,347.4
Sales recognised in the current year from products released over the previous five years	352.5	295.5
Vitality index	29%	22%

ADDITIONAL INFORMATION

Financial calendar

Q1 trading update	30 April 2025
Ex-dividend date for 2024 final dividend	15 May 2025
Record date for 2024 final dividend	16 May 2025
Annual General Meeting	22 May 2025
Record date for participation in the Dividend Reinvestment Plan for the 2024 final dividend	6 June 2025
2024 final dividend payable	27 June 2025
2025 Half Year Results	7 August 2025

Company Secretary

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Chequeless dividends

From November 2025, payments to Spectris plc shareholders will no longer be made by cheque.

If you currently receive your dividend via cheque, you will need to provide your bank or building society account details to the registrar so that payments can be made to your nominated account by direct credit.

To receive your dividend payments, you must visit www.shareview.co.uk to add your bank or building society account details and your email address.

Email news service

To receive details of press releases and other announcements as they are issued, register with the mail alert service on the Company's website at www.spectris.com.

Major shareholders as at 31 December 2024

	Shareholding in Spectris shares	Percentage of issued share capital
Fidelity Management & Research	8,063,819	8.15%
Wellington Management	7,453,533	7.54%
BlackRock	6,840,679	6.92%
UBS Asset Management	6,579,253	6.65%
Vanguard Group	5,394,997	5.45%
Artemis Investment Management	3,661,077	3.70%
Royal London Asset Management	3,626,169	3.67%
Ninety One	3,160,918	3.20%
Liontrust Asset Management	3,052,149	3.09%
Evenlode Investment	2,971,067	3.00%

Share price information

The Company's ordinary shares are listed on the London Stock Exchange. The latest share price is available via the Company's website at www.spectris.com.

Share fraud

Share or investment scams are often run from 'boiler rooms' where fraudsters cold call investors offering them worthless, overpriced or even non-existent shares, or offer to buy their shares in a company at a higher price than the market value. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about a company. Even seasoned investors have been caught out by such fraudsters. The Financial Conduct Authority (FCA) has some helpful information.

If you are contacted by a cold caller, please inform cosec@spectris.com, and the FCA by using their share fraud reporting form at www.fca.org.uk/consumers/report-scam, or by 0800 111 6768. If you have already paid money to a share fraudster you should contact Action Fraud via www.actionfraud.police.uk, or by 0300 123 2040.

Cautionary statement

This Annual Report may contain forward-looking statements. These statements can be identified by the fact that they do not relate only to historical or current facts. Without limitation, forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. These statements may (without limitation) relate to the Company's financial position, business strategy, plans for future operations or market trends. No assurance can be given that any particular expectation will be met or proved accurate and shareholders are cautioned not to place undue reliance on such statements because, by their very nature, they may be affected by a number of known and unknown risks, uncertainties and other important factors which could cause actual results to differ materially from those currently anticipated. Any forward-looking statement is made on the basis of information available to Spectris plc as of the date of the preparation of this Annual Report. All forward-looking statements contained in this Annual Report are qualified by the cautionary statements contained in this section. Other than in accordance with its legal and regulatory obligations, Spectris plc disclaims any obligation to update or revise any forward-looking statement contained in this Annual Report to reflect any change in circumstances or its expectations.

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