Spectris – First quarter 2025 trading update

30 April 2025 – Spectris plc (SXS: LSE), the expert in providing insight through precision measurement, provides a trading update for the three-month period ended 31 March 2025 ('the period').

Focused on execution; continue to expect strong progress in 2025

- As expected, softness continued into Q1, with uncertainty impacting certain end markets, delaying deliveries and order intake
- On a constant currency basis, Group sales were 2% lower and the order book 4% higher, with a book-to-bill of 1.07x
- We continue to expect to deliver strong growth in adjusted operating profit in 2025, in line with market expectations, whilst being mindful of the uncertain macroeconomic environment
- Acquisitions are performing well and will be a significant driver of profit growth in 2025
- The Profit Improvement Programme is ahead of target, with at least £30m of savings to be delivered in 2025 and a run-rate of at least £50m in 2026
- With our strong market positions and our ability to apply surcharges, alongside a broad global footprint, we expect to be able to offset the direct impact of tariffs
- While it is too early to determine the indirect effect of tariffs, we are well prepared to take action to mitigate against any impact

Andrew Heath, Chief Executive, said:

"We continue to make strong progress in executing our strategy, while also retaining a tight control on costs and working closely with our customers as they navigate current market dynamics. Customers' need for the highest quality products will continue to drive demand.

While the indirect tariff impact on end market demand is unclear at this early stage, we expect to be able to mitigate the direct impact of tariffs, supported by our strong, differentiated market positions, the importance of Spectris' products to our customers, and the Group's global operational footprint.

The combination of our Profit Improvement Programme and contribution from acquisitions completed in 2024 will provide over £60m of incremental profit contribution in 2025. With our leading positions in attractive growth markets, Spectris is well placed to benefit strongly when markets recover."

Sales

Group reported sales in the period were £299.0 million (Q1 2024: £309.4 million), which was a 2% decline on a constant currency basis. The impact of acquisitions net of disposals added 6%, while foreign currency exchange reduced sales by 1%. As a reminder, we disposed of Red Lion Controls in April 2024. Excluding Red Lion Controls, constant currency sales grew by 5% in the first quarter, with all acquisitions performing well.

On a LFL basis, Group sales were 8% lower than the prior period, driven by weakness in automotive, semiconductor and materials, with sales falling across all regions. By division, Spectris Scientific sales were 11% lower on a LFL basis and Spectris Dynamics was 3% lower.

LFL sales growth Q1 2025 vs Q1 2024			
Spectris Scientific	-11%	North America	-10%
Spectris Dynamics	-3%	Europe	-6%
		Asia	-7%
		Rest of the World	-15%
Group	-8%		-8%

The order book at the end of the period was £529m, 4% higher on a constant currency basis compared to the end of December, with a book-to-bill of 1.07x in the period.

Profit Improvement Programme

Execution of our cost savings initiatives is well underway and is ahead of target, with at least £30m of savings to be delivered in 2025, weighted to the second half, and at least £50 million of full run-rate savings by 2026. The Group remains focused on costs and is well placed to respond to evolving market dynamics.

Balance sheet

Net debt of £502 million at the end of March 2025, compares to £549m at the end of December 2024. The first quarter is a seasonally robust quarter for cash generation, and net debt also benefitted from a weaker US dollar. Returning leverage back within our 1-2x target range remains a key priority and will be supported by the Group's track record of strong cash generation.

Outlook

We expect to be able to mitigate the direct impact of tariffs and, combined with the strong contribution from acquisitions and the execution of our Profit Improvement Programme, we currently continue to expect strong levels of growth in adjusted operating profit in 2025 in-line with market expectations. We are mindful, though, of the uncertain macroeconomic environment and the potential indirect tariff impact on end market demand.

Conference call

A conference call for analysts and investors will be hosted by Andrew Heath, Chief Executive, and Angela Noon, Chief Financial Officer, at 8.00am today to discuss this statement. To access the call, please dial +44 (0) 20 3936 2999, toll free +44 (0) 800 358 1035 – Participant code: 730260. Or for the replay, please dial +44 (0) 20 3936 3001 – Participant code: 863546.

Spectris will publish its half-year results for 2025 on Thursday, 7 August 2025.

END

For and on behalf of Spectris plc
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About Spectris

Spectris combines precision with purpose, delivering progress for a more sustainable world. We provide critical insights to our customers through premium precision measurement solutions combined with technical expertise and deep domain knowledge. Precision is at the heart of what we do - our leading, high-tech instruments and software equip our customers to solve some of their greatest challenges to make the world cleaner, healthier and more productive. We are focused on two key divisions – Spectris Scientific and Spectris Dynamics, which are placed in technology-driven end markets, with strong fundamentals and attractive growth trajectories. We have leading market positions in premium segments and employ 7,600 people located in more than 30 countries, all united behind our purpose to deliver value beyond measure for all our stakeholders. For more information, visit www.spectris.com