

Diploma PLC

09:00 29 Aug 2018

Diploma CEO steps down in the 'best interests of the company and shareholders'

Diploma PLC (LON:DPLM) said Richard Ingram has stepped down as chief executive and executive director with immediate effect because the board believes it is in "best interests of the company and its shareholders".

Non-executive chairman John Nicholas will take over as interim executive chairman until a permanent chief executive is appointed.

The company, which supplies specialised technical products and services to the life sciences, seals and controls industries, said the search for a successor to Ingram is underway.

In a separate trading update, Diploma said it remains on track to meet full year expectations after a robust second half.

READ: Diploma reports rise in first-half profits despite currency headwinds. Reported revenues for the year to September 30 are expected to rise 7%, supported by an easing of foreign exchange headwinds and contributions from recent acquisitions. Diploma estimates revenues will grow across its life sciences, seals and controls divisions while the operating margin is expected to be broadly flat.

Acquisition opportunities 'remain healthy'

Diploma added that the pipeline of acquisition opportunities remains healthy after announcing last week that it had agreed to buy FS Cables, a UK supplier of specialist cable products, for an initial cash consideration of £17m.

"The group has a robust balance sheet and a proven track record of strong cash generation which the Group continues to reinvest in acquiring new businesses to accelerate growth," it said.

At the end of September, the net cash funds are estimated to be £30m, up from £17.7m at the end of March, boosted by the £4.5m disposal of the engine and transmission gasket business in the North American seals arm.

Numis hikes target price

Numis maintained a 'hold' rating on the stock but raised its target price to 1,355p from 1,275p, saying the second half trading was slightly ahead of its expectations.

"We have updated our forecasts for the trading update, the recent FS Cables acquisition, and foreign exchange: we have increased our 2018 earnings per share (EPS) estimate by 1.5% to 55.0p and 2019 and 2020 EPS by 5% to 60.8p and 64.5p respectively."

Shares rose 3.9% to 1,419p in morning trading.

Price: 1681

Market Cap: £1.9 billion

1 Year Share Price Graph



Share Information

Code: DPLM

Listing: LSE

52 week High Low
1732 1144

Sector: Fashion & brands

Website: www.diplomapl.com

Company Synopsis:

Diploma PLC is a United Kingdom-based company engaged in the supply of specialized technical products and services. The Company operates through three segments: Life Sciences, Seals and Controls. The Life Sciences sector businesses supply a range of consumables, instrumentation and related services to clinical, research and environmental applications.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.