

Smiths Group to be broken up as FTSE 100 giant ditches big chunk of business

Smiths Group has revealed its intention to offload a significant portion of its business, responding to investor demands for a substantial overhaul.

The FTSE 100 engineering conglomerate announced on Friday plans to divest Smiths Interconnect and separate Smiths Detection through a demerger or sale, as reported by [City AM](#).

Smiths explained that this move would allow it to focus more on its John Crane and Flex-Tex operations, unlocking “significant value” and boosting shareholder returns.

This follows calls from US activist investor Engine Capital earlier this month for the conglomerate to split its four businesses, mirroring other industrial firms.

Smiths aims to announce a transaction for Smiths Interconnect, a manufacturer of electronic components and connectors, by the end of 2025.

Additionally, the company has launched a £500m share buyback scheme to enhance shareholder returns, who are also set to receive a large chunk of the disposal proceeds from the division break-ups.

As part of the restructuring, a new board committee will be established to supervise execution. Roland Carter, who joined Smiths Group as CEO last March, stated: “We are pleased with the financial and operating performance of the group over recent years, including the recent upgrade to earnings.”

He added, “Against this strong backdrop and since my appointment, the Board has spent considerable time evaluating

the options to maximise shareholder value and address the persistent discount to the significant value embedded within the Group.”

He further commented: “We are conscious of the impact of making such changes to our people and will do so in a manner that is respectful to our employees, our customers and our suppliers and in the long-term interests of all our stakeholders.”

More information will be shared during the group’s interim results announcement in March. The company’s shares have seen an increase of just over 15 per cent over the past year.

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