



Final Results
For the Year Ended 31 December 2025

Grafton Group plc

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Good year of progress despite challenging market conditions

Grafton Group plc ("Grafton" or "the Group"), the European multinational distributor of construction related products and solutions is pleased to announce its final results for the year ended 31 December 2025.

Financial Highlights

- Full year adjusted operating profit was ahead of expectations¹, increasing by 7.1% to £190.2m (2024: £177.5m) mostly driven by the first full year contribution of Salvador Escoda in Spain
- Strong margin discipline delivered a 50bps improvement in gross margin, helping to maintain a resilient Group operating margin of 7.3% (2024: 7.6%) despite ongoing operating cost pressures
- Return on capital employed up 60bps to 10.9% (2024: 10.3%)
- Adjusted earnings per share grew by 5.1% to 75.4p (2024: 71.8p)
- Strength of balance sheet with £274.0m net cash (before lease liabilities) (2024: £272.1m) provides significant firepower to capitalise on organic and inorganic development opportunities
- Another year of strong free cash flow generation contributing to more than £700m of free cash flow generated over the last four years
- A new £25.0m share buyback programme, following £129.2m (2024: £154.1m) returned to shareholders in share buybacks and dividend payments in 2025
- Full year dividend of 37.75p (up 2.0%) with dividend cover (2025: 2.0 times) at the lower end of the medium-term target range of two to three times adjusted earnings

Operational Highlights

- Experienced senior leadership team in place to execute strategy across our geographies, Mario Ballarín appointed to the new role of CEO Grafton Iberia
- Continuing investment to strengthen and consolidate market positions notwithstanding current market weakness in some of our geographies
- Strong performance in Island of Ireland
- Profit growth in Great Britain despite a weakening RMI market and slow housebuilding recovery
- In Iberia, Salvador Escoda has been successfully integrated and performed in line with our pre-acquisition expectations recording profit growth⁴ in 2025
- Northern Europe remains challenging but macro indicators improving

Total Operations ²	2025	2024	Change
Revenue	£2,520m	£2,282m	10.4%
Adjusted ³ operating profit	£190.2m	£177.5m	7.1%
Adjusted operating profit before property profit	£184.3m	£173.5m	6.2%
Adjusted operating profit margin before property profit	7.3%	7.6%	(30bps)
Adjusted profit before tax	£180.1m	£178.9m	0.7%
Adjusted earnings per share	75.4p	71.8p	5.1%
Full year dividend	37.75p	37.00p	2.0%
Adjusted return on capital employed (ROCE)	10.9%	10.3%	60bps
Net (debt) (including IFRS 16 lease liabilities)	(£123.4m)	(£131.7m)	£8.3m
Net cash (before IFRS 16 lease liabilities)	£274.0m	£272.1m	£1.9m

Statutory Results	2025	2024	Change
Operating profit	£174.8m	£152.6m	14.6%
Profit before tax	£165.1m	£152.5m	8.3%
Basic earnings per share	70.3p	60.9p	15.4%

¹ Grafton compiled consensus Analysts' forecasts for 2025 show adjusted operating profit of circa £181.8m and a range of £180.0m to £183.0m.

² Supplementary financial information in relation to Alternative Performance Measures (APMs) is set out on pages 40 to 45.

³ The term "Adjusted" means before exceptional items, amortisation of intangible assets arising on acquisitions and acquisition related items in both periods, which are defined on page 40.

⁴ Like-for-like results are presented on a proforma basis to reflect the performance of Salvador Escoda, which was acquired by the Group on 30 October 2024, as though it had been part of the Group for the entire comparative period.

Outlook

Positive trading conditions are expected to continue in the Republic of Ireland (“ROI”) and Spain, however, in our other geographies, markets are anticipated to remain challenging in 2026. Whilst the Island of Ireland and Iberia segments performed strongly, meaningful recovery in Great Britain and Northern Europe did not materialise as anticipated in 2025 and the exit rate of activity from 2025 was weaker than expected; consequently, the timing of any improvement in these two segments in the year ahead remains uncertain.

Our experienced management teams will continue to maintain a tight focus on efficiency, cost control and delivering value to customers. Despite moderating momentum through the second half, the outlook for Grafton remains favourable, supported by structural growth drivers, strong market positions across all regions, the recovery potential in Great Britain and Northern Europe, a robust balance sheet and a healthy acquisitions pipeline.

In our Island of Ireland segment, we expect the construction market in the ROI to continue to deliver solid growth, supported by increased public-sector capital investment and a favourable economic backdrop, while no significant volume uplift is anticipated in Northern Ireland due to ongoing weakness in the local economy. We remain vigilant that retail consumer sentiment in the ROI has turned slightly more cautious, with ongoing cost-of-living concerns contributing to weaker confidence.

In Great Britain, the near-term outlook for the construction market remains subdued following the loss of momentum in the latter part of 2025. While easing inflation and supportive interest rates should help, growth in 2026 is likely to be modest and weighted towards the second half.

In Northern Europe, the Dutch construction market is expected to recover gradually in 2026 after growth slowed significantly in the second half of 2025, while in Finland any meaningful construction volume improvement is likely to be delayed until the second half of 2026.

In Iberia, the Spanish construction market is expected to maintain its recovery in 2026, with growth of around 3–4%, supported by sustained housing demand, substantial investment in renewable energy and transport infrastructure, and the accelerating shift toward energy-efficient and sustainable building practices.

Group average daily like-for-like revenue in the period from 1 January 2026 to 28 February 2026 was 0.2% ahead of the same period last year. Trading in the early part of the year was impacted by prolonged wet weather across our businesses in the Island of Ireland and Great Britain. However, the Island of Ireland remained ahead of the prior year, supported by softer comparators, following the impact of Storm Éowyn in 2025. Notwithstanding unfavourable weather conditions, the market environment in Great Britain remained challenging. In Northern Europe, the return of winter weather conditions supported strong trading activity in Finland, while trading in the Netherlands was negatively affected by the timing of public holidays. Our business in Iberia performed strongly, with the momentum achieved in 2025 carrying into the new year.

	Average Daily Like-for-Like Revenue Change in Constant Currency	
	Q4 2025	1 Jan 2026 – 28 Feb 2026
Island of Ireland	+0.9%	+3.1%
Great Britain	0.0%	(5.7%)
Northern Europe	(2.3%)	+0.8%
Iberia	+4.4%	+4.8%
Total Group	+0.2%	+0.2%
Iberia pro forma ⁴	+2.6%	

Eric Born, Chief Executive Officer Commented:

“Delivering profitability ahead of analysts’ consensus, despite inflationary pressures and challenging conditions in some of our markets, reflects the successful execution of our strategy of scaling positions across multiple geographies combined with a strong operational focus. We’ve sustained our focus on margin management, whilst also using our robust balance sheet to invest in strengthening our market positions and our customer proposition. Grafton’s resilience in 2025 points to substantial profitability upside as demand recovers in weaker markets and as we scale our presence organically and through complementary acquisitions.

“We are very encouraged by our strong acquisition pipeline, supported by our highly cash generative business that retained £274m net cash at year-end, and which has supported the return of over £428m to shareholders by way of share buybacks since May 2022.

“We expect continued growth in the Island of Ireland and Iberia however elsewhere market conditions remain mixed. Though market improvement in Great Britain and Northern Europe is expected to be gradual, we remain upbeat on outlook over the medium term based on structural demand tail winds, positive operating leverage and the scalability and efficiency of our businesses as markets normalise.”

Webcast and Conference Call Details

A copy of the results presentation document will be available at 7:00am on 5 March 2026 via the home page of the Company’s website www.graftonplc.com.

A presentation for analysts and investors will be hosted by Eric Born and David Arnold at 9:45am on 5 March 2026. A live webcast of the presentation including Q&A will be available to view via the Company’s website at www.graftonplc.com or by clicking [here](#).

Analysts will be invited to raise questions during the presentation. Should investors wish to submit a question in advance, they can do so before 9.00am on 5 March 2026 by sending an email to ir@graftonplc.com. A recording of the webcast will be made available on the Company’s website.

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Forward-looking statements

This announcement may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "outlook," "believe(s)," "expect(s)," "potential," "continue(s)," "may," "will," "should," "could," "would," "seek(s)," "predict(s)," "intend(s)," "trends," "plan(s)," "estimate(s)," "anticipates," "projection," "goal," "target," "aspire," "will likely result" and other words and terms of similar meaning or the negative versions of such words or other comparable words of a future or forward-looking nature. These forward-looking statements include all matters that are not historical facts and include statements regarding Grafton's or its affiliates' intentions, beliefs or current expectations concerning, among other things, Grafton's or its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that Grafton's or its affiliates' actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if Grafton's or its affiliates' results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. The directors do not undertake any obligation to update or revise any forward-looking statements, whether because of new information, future developments or otherwise.

Group Strategy

Grafton's long-term growth ambition is to be the leading European multinational distributor of construction related products and solutions. Our customers are predominantly trade customers and whilst we operate in different geographies and serve many product segments, our customers share many common characteristics and needs, not least the certainty and trust of getting the products and solutions they want, when they want them.

Our objective is to create value for our shareholders by deploying capital and seeking to build our presence in markets and formats in geographies which have long-term growth characteristics which are likely to exceed the rate of growth of their underlying economies based on the expected long-term spend on residential and commercial property improvement, maintenance and development. We recognise that construction markets are cyclical and we try to look beyond the short term to create long-term, enduring value. Our geographic diversity provides greater resilience than a focus on a single country.

We operate a federated structure with clear local accountability overseen by a performance led management regime, using our core operational skills and knowledge to drive optimal outcomes from each of our operating businesses.

Where we look to add value as a Group is in the shared knowledge and expertise which we have in serving our trade customer base. We retain a small number of subject matter experts in key functional areas at the centre of the Group and augment this team with cross-business resources and a programme of knowledge sharing and best practice. This helps to support key initiatives in existing businesses and to assist the development of newly acquired businesses.

We operate in four geographical areas: Island of Ireland, Great Britain, Northern Europe and Iberia and our near-term focus is to strengthen our presence in these existing geographies while building a pipeline of new geographic opportunities for longer-term development. While we remain open to value-creating opportunities, capital deployment will primarily focus on reinforcing existing market positions in the near term.

Capital allocation remains a key priority for the Board. Given the cyclical nature of our industry, we aim to maintain our investment grade credit rating with a maximum financial leverage of around 2 times EBITDA when compared to lease adjusted net debt. The ceiling for financial leverage is considered with due regard to the position in the economic cycle with higher levels of leverage sustainable during an upswing.

Grafton is in a financially strong position; at the end of December 2025 our net cash position was £274.0m and net debt position inclusive of leases was £123.4m, equating to financial leverage of 0.39 times. This strength enables the Group to take advantage of the continuing opportunities to deploy capital to generate future value for shareholders. Furthermore, an underlying strength of Grafton is its capacity to turn its profits into free cash flow. We calculate our free cash flow after we have paid our finance costs, made the lease payments on our property, invested in the replacement capital expenditure we need to make and paid our taxes. Judged against this benchmark, Grafton has generated more than £700m in free cash flow over the last four years.

Within the framework of limiting financial leverage to around 2 times, we allocate capital over the longer term based on the following order of priority:

1. Strengthening our current business and investing capital to fund organic growth;
2. Core dividend at a target coverage ratio of between 2 and 3 times earnings;
3. Funding inorganic growth to generate long-term value for shareholders with such investments assessed against the potential benefits to shareholders of a return of surplus capital; and
4. Returning surplus capital to shareholders through share buybacks or special dividends depending upon the Board's view of their respective relative value to shareholders.

Over the years, the Group has been consistently disciplined in its capital allocation. In 2021, it disposed of a material part of the Group with the sale of the traditional GB merchanting business because the Board did not believe it would deliver either the financial returns or growth prospects to meet Grafton's objectives. Since May 2022, Grafton has reduced its share count by over 20% through share buybacks, deploying £428m of capital to achieve this. Following extensive market review, Grafton entered the fast-growing Spanish air conditioning market in late 2024 with the acquisition of Salvador Escoda. When deciding to make acquisitions, the Board always considers the alternative returns afforded by way of share buybacks and vice versa. With the current financial position of the Group and its underlying cash generation ability, it retains the capacity to both make acquisitions and return capital to shareholders.

Final Results for the Year Ended 31 December 2025

Business Review

Grafton's performance in 2025 highlights the resilience and strength of its cash generative diversified operations, its sustained focus on margin management, and its continued investment in strengthening its market positions, despite weak trading conditions outside the Island of Ireland and Iberia. Trading activity reflected a marked slowdown in the second-half in several markets, partially mitigated by tight cost control and the benefit of self-help actions in all geographies.

The Group's cost discipline and investment in its market position over recent years has paved the way for a very positive operating leverage effect as weaker markets recover and incremental sales contribute disproportionately to profitability. We continue to see opportunities for consolidation across our markets and, consistent with our long-term ambition to be the leading multinational distributor of products and solutions to the European construction market, we remain focused on identifying and executing acquisitions to reinforce and increase our market presence.

The Group's gross margin increased by 50 basis points during 2025, driven by a strong focus on margin management across all businesses. This improvement was supported by targeted pricing actions, a strong focus on customer value, procurement efficiencies, and strengthened supplier support.

Grafton has established an experienced senior leadership team to execute the Group's strategy across our geographies. Mario Ballarin was appointed to the new role of CEO Grafton Iberia to lead the advancement of the Group's growth ambitions in the region. Our management teams continue to take decisive actions to mitigate labour and property cost pressures by focusing on productivity improvements, streamlining processes, and implementing efficiency initiatives. The Group is also investing in technology that enables greater operational efficiency, including successful implementations of new ERP systems in both Woodie's and Leyland SDM.

Adjusted operating profit before property profit increased to £184.3m (2024: £173.5m) with the increase driven in large part from the first full year of contribution from Salvador Escoda in Spain. Adjusted operating profit of £190.2m (2024: £177.5m) included property related profits of £5.9m (2024: £4.0m).

We are pleased with the results of our Island of Ireland business which achieved good growth in profitability in 2025 underpinned by year-on-year sales growth across all businesses. Growth in profits was driven by strong performances in both Woodie's and Chadwicks.

Despite a continuing weak RMI market backdrop, especially in the greater London area and slow recovery in the housebuilding sector, our Great Britain business delivered profit growth in the year, albeit from a cyclical low. Targeted commercial actions improved gross margin, offsetting high labour and property costs, despite subdued demand.

Northern Europe saw lower profits due to reduced sales in Finland and inflation-driven overhead pressure in both the Netherlands and Finland. The Netherlands started the year strongly but softened in the second half, while Finland continued to face economic and construction-sector weakness.

In Iberia, Salvador Escoda has been successfully integrated into the Group during its first full year of ownership. Trading in the year, which was in line with pre-acquisition expectations, contributed revenue of £212.9m and adjusted operating profit of £13.6m. This region provides a strong platform for Grafton to substantially scale our operations there over the next five years, through a combination of organic growth and market consolidation opportunities.

Change to Operating Segments

During the financial year ended 31 December 2025, the Group has adopted a new reporting structure which better reflects the Group's strategy - the distribution of construction related products and solutions serving geographic markets with scalable formats that can deliver long-term growth for shareholders.

The Group is now organised into four geographical areas: Island of Ireland, Great Britain, Northern Europe and Iberia. Previously Grafton was organised on the basis of: five distribution segments, one retailing segment and one manufacturing segment.

The operating segments are now aligned with these geographical areas and better align with how the Board manages the business, assesses performance and allocates capital and resources for organic and inorganic growth:

Island of Ireland	- comprising Chadwicks, Woodie's, MacBlair and MFP (divested 31 May 2025)
Great Britain	- comprising Selco, Leyland SDM, TG Lynes, CPI EuroMix and StairBox
Northern Europe	- comprising Isero and Polvo in the Netherlands and IKH in Finland
Iberia	- comprising Salvador Escoda in Spain

Comparative figures for 2024 have been restated to reflect the new structure. The realignment has no impact on the Group's consolidated financial results.

Returns to Shareholders

Dividends and Share Buybacks

The Board is recommending a full year dividend of 37.75 pence per share, an increase of 2.0% on dividends of 37.00 pence paid for 2024. The final dividend for 2025 is 27.00 pence (2024: 26.50 pence) per ordinary share, an increase of 1.9%. An interim dividend of 10.75 pence per share (2024: 10.50 pence) was paid on 10 October 2025.

The final dividend has been increased at a lower level than the rate of growth in adjusted earnings per share, consistent with the Board's intention to re-establish full-year dividend cover more firmly within its medium-term target range of two to three times adjusted earnings. The total dividend for 2025 of 37.75 pence is covered 2.0 times by adjusted earnings per share of 75.43 pence (2024: 71.78 pence and 1.9 times cover).

The Group's cash outflow on dividends paid during the year was £72.6m (2024: £73.2m). A liability for the final dividend has not been recognised at 31 December 2025 as there was no payment obligation at that date.

The final dividend will be paid on 21 May 2026 to shareholders on the Register of Members at the close of business on 24 April 2026, the record date. The ex-dividend date is 23 April 2026. The final dividend is subject to approval by shareholders at the Annual General Meeting to be held on 15 May 2026.

Reflecting its disciplined approach to capital deployment and supported by its resilient balance sheet and strong cash conversion, Grafton has completed seven share buyback programmes since May 2022. This has returned cash of £428.3m to shareholders through share buybacks reflecting the repurchase of 49.28m ordinary shares at an average price of £8.69 per share. In total, the Group has reduced its share count by 20.5% since the first buyback programme commenced.

Capital allocation decisions remain under the ongoing oversight of the Board, which is committed to a disciplined and balanced approach to the deployment of capital. Reflecting the Group's continuing strong cash-generative performance, a new share buyback programme of up to £25.0m is announced today, commencing on 5 March 2026. The Group's robust cash generation provides the flexibility to return capital to shareholders through dividends and share buybacks, while simultaneously maintaining the capacity to pursue an active and growing pipeline of acquisition opportunities.

Progress on Sustainability

In our 2025 Annual Report and Accounts, released today, we have published our sustainability progress and performance for 2025. This covers the five areas of our strategy: Planet, Customer and Product, People, Community and Ethics.

2025 saw the legislative landscape relating to sustainability change rapidly. Our governance committees including the Board and Executive Sustainability Committee stayed up to date on these developments and have reaffirmed the businesses commitment to sustainability.

We are pleased to demonstrate progress in the following key areas:

- **Health and Safety**
 - Since 2021, lost time injury frequency rate has reduced by 16.3% and severity rate has reduced by 38.6%. In 2025, we developed an all-colleague reporting system to log safety hazards and concerns in addition to our established incident reporting systems.
- **HR**
 - Senior leadership appointments to strengthen the management of our businesses and execution of our strategy as follows:
 - Carmen Lothian appointed as Group Chief Human Resources Officer following the retirement of Paula Harvey
 - Nathan Bishop appointed to a new role of Group Chief Information Officer to lead our Technology, AI and Digital strategy
 - Frank Elkins appointed as CEO to lead our businesses in Great Britain
 - Anu Ora appointed as Managing Director to lead our business in Finland
 - Mario Ballarín appointed to the newly created position of Grafton Iberia CEO to lead our expansion in Spain
 - Selected a Group-wide talent system which is being rolled out across the Group to support our performance management culture
 - Over 750 colleagues participating in government funded training schemes across the Group
- **Climate Change**
 - 40.3% reduction in absolute market-based Greenhouse Gas emissions in 2025 vs the 2021 base year for scope 1 and 2
- **Supply Chain Due Diligence**
 - Launched our EcoVadis supply chain due diligence programme
 - 89.5% of suppliers by spend have had the initial risk assessment*
- **Operational Waste**
 - 99.2% diversion of operational waste from landfill
- **Community investment**
 - Over £1.7m donated to charities and good causes through cash, in kind or volunteering, which equates to 0.93% of our adjusted operating profit before property profit for the year, significantly higher than our target of 0.8%.
- **Human Rights**
 - Completed a human rights risk assessment and published our Human Rights Policy

* Spend excludes Salvador Escoda. These suppliers will be uploaded in phase 2 of the programme in 2026 as their sustainability onboarding is completed.

Segmental Review

The Group's businesses in the Island of Ireland contributed 42.5% (2024: 44.5%) of Group revenue, Great Britain 30.4% (2024: 33.6%), Northern Europe 18.6% (2024: 20.6%) and Iberia 8.5% (2024: 1.3%).

Our geographies broadly had one fewer trading day compared to the same period in the prior year, except for the Netherlands, which had two fewer trading days and Spain which has one day more for the period under ownership.

Island of Ireland (42.5% of Group Revenue, 2024: 44.5%)

	2025	2024 Restated	Change*	Constant Currency Change*
	£'m	£'m		
Revenue	1,071.6	1,016.2	5.4%	4.3%
Adjusted operating profit before property profit	111.0	107.5	3.2%	1.8%
Adjusted operating profit margin before property profit	10.4%	10.6%	(20bps)	-

*Change represents the movement between 2025 v 2024 and is based on unrounded numbers

Our Island of Ireland segment includes the Chadwicks and Woodie's businesses in the ROI, along with our MacBlair business in Northern Ireland. Chadwicks is a leading distributor of building materials, operating from 64 locations. Woodie's is the market-leading DIY, Home and Garden retailer, supported by a network of 35 stores and a growing online platform. Both are complementary businesses that enable the Group to serve the broadest range of customers with construction related products in the ROI. In Northern Ireland, MacBlair is a leading distributor of building materials, operating across 23 branches.

Average daily like-for-like revenue increased by 3.5% in the year underpinned by year-on-year growth across all businesses. Woodie's delivered another year of strong growth, supported by a particularly strong performance in plants and garden products. Growth was driven predominantly by increased transaction volumes, alongside incremental gains in average transaction values. Continued investment in our digital offering, including the successful rollout of a new ERP system in 2025, drove a 30.2% year-on-year increase in online sales (61% above 2022 levels), with online channels representing almost 5% of total sales for the year. Despite modest growth in the segments of the Irish construction market served by Chadwicks, the business delivered a positive sales performance with particularly strong performance across the hardware, heating and plumbing categories.

ROI's economy provided a supportive backdrop in 2025, with full employment and relatively modest inflation, including energy deflation in the first half of the year, helping to sustain resilient consumer spending. While overall housing completions of just over 36,000 surpassed expectations, this increase was largely driven by apartment construction, and the share of smaller units in the affordable and social housing segments continues to rise. In contrast, smaller-scale developments and medium to large-sized housing schemes, markets that offer a more attractive customer profile for Chadwicks, have continued to decline as a proportion of Ireland's total housing activity. Activity in the commercial sector has begun to recover after several years of decline, and government-supported investment in infrastructure continues to grow. However, the ramp-up in housing supply remains slower than market demand, constrained by external factors including planning delays, challenges in securing utility connections, and ongoing labour shortages. RMI activity remains subdued as affordability concerns continue to weigh on demand. In Northern Ireland, market conditions remain challenging, with the construction sector delivering modest growth in 2025, primarily due to growth in new housing, from a low base.

Gross margin increased by 20 basis points in the year, driven primarily by the strong performance of Chadwicks, where active commercial management maintained disciplined pricing, secured improved supplier support, and delivered additional supply-chain efficiencies.

Overheads were higher than 2024 due to inflationary pressures, led by government-mandated wage increases in both jurisdictions and higher national insurance costs in Northern Ireland, alongside broader general cost inflation. All our businesses have continued to focus on productivity improvements by streamlining processes, leveraging technology and proactively managing rostering to help offset the impact of wage inflation.

Adjusted operating profit before property profit increased to £111.0m (2024: £107.5m) and adjusted operating profit margin before property profit was 20 basis points below 2024 at 10.4% reflecting the continued impact of inflationary pressure on overheads.

While consumer sentiment in the ROI has turned a little more cautious, the medium-term growth outlook for the construction sector remains positive supported by consistent government policy and increased investment in housing and infrastructure under the revised €112bn National Development Plan (2026–2030). Solid growth is expected in the overall construction market in the ROI in 2026 supported by a step-up in investment in the public sector capital programme and a generally favourable economic environment. In Northern Ireland, a significant uplift in volumes is not anticipated in 2026 due to the underlying weakness in the local economy.

The integration of HSS Hire Ireland, acquired on 31 May 2025, into Chadwicks continues to progress with the short-term focus on systems integration. HSS Hire Ireland is a tool and equipment hire specialist operating from four branches and four customer distribution centres in the ROI. It offers an extensive range of conventional hire products as well as specialist equipment with a particular focus on powered access machinery. This acquisition aligns with Chadwicks' strategy of consolidating its market position and enhancing its value proposition by broadening its offering to support its long-term growth objectives.

We continue to explore organic and inorganic growth opportunities in the Island of Ireland to complement and strengthen our existing footprint, while also investing in the expansion of our product range and digital platforms to better meet the evolving needs of customers.

The consolidated results for 2025 include five months of trading, representing adjusted operating profit of £1.0m, from the Group's MFP piping business in Ireland prior to its divestment on 31 May 2025 to Wienerberger AG which mainly operates through Pipelife Ireland Solutions Limited. The net profit on the disposal of the MFP business was £8.1m in the year which is reported under 'Exceptional items'. As part of the agreement to sell MFP, Grafton will continue an ongoing trading relationship for the supply of products with Pipelife Ireland Solutions Limited.

Great Britain (30.4% of Group Revenue, 2024: 33.6%)

	2025	2024 Restated	
	£'m	£'m	Change*
Revenue	765.4	767.0	(0.2%)
Adjusted operating profit before property profit	49.2	46.4	6.2%
Adjusted operating profit margin before property profit	6.4%	6.0%	40bps

*Change represents the movement between 2025 v 2024 and is based on unrounded numbers

Our Great Britain segment comprises both distribution and manufacturing businesses with a predominant geographical exposure to London and the Southeast. Our distribution operations include Selco, the leading trade-only builders' merchant focused on the RMI market and operating 74 branches; Leyland SDM, a well-known decorating and DIY retailer with 36 London stores; and TG Lynes, a specialist distributor of commercial pipes and fittings based in London. Our manufacturing operations include CPI EuroMix, which supplies dry mortar to national, regional and local housebuilders across Great Britain from ten plants, and StairBox, the market-leading manufacturer of bespoke timber staircases as well as wooden windows and doors.

Average daily like-for-like revenue in Great Britain increased by 0.4% year-on-year, with strong growth in our manufacturing businesses, which benefited from softer comparators, largely offset by a modest decline in our distribution businesses, which represent a greater share of overall sales.

The UK economy began the year with stronger-than-expected growth but lost momentum in the second quarter as the temporary boost from housing and exports faded and wider uncertainties weighed on confidence. Although the construction market initially showed signs of improvement, conditions weakened from late Q2 and remained subdued into the second half, with the Autumn budget further dampening consumer sentiment. Overall, RMI demand has remained soft, particularly in London and the Southeast, which accounted for 60% of Grafton's Great Britain revenue in the year reflecting persistent weakness in household confidence and finances. With housing starts in London at just 6,000 units in 2025, the weakest level in over 40 years, muted new-build activity translated into lower transaction volumes and, consequently, softer RMI demand. The recovery in housebuilding has progressed more slowly than anticipated, as persistent affordability challenges and ongoing macro-economic uncertainty, continued to constrain sales momentum.

Despite subdued volumes and increasing competitive pressures, gross margin in Great Britain increased by 120 basis points during the year, reflecting the effectiveness of our commercial strategy and consistent margin progression across all businesses. Targeted commercial actions, including securing enhanced supplier support and, for example, introducing delivery charges in Selco, more than offset significant cost pressures, particularly those arising from higher labour and property-related expenses. Towards the end of the year, Selco initiated headline price cuts across 357 of its most frequently purchased building materials to improve its value proposition which has been well received by our customer base.

Although overheads increased year-on-year due to inflationary pressures across the cost base, the increase was contained by our tight management of costs. On a like-for-like basis, overheads rose by 1.8%, reflecting cost-reduction initiatives implemented across the businesses and strict controls on discretionary expenditure.

Although still well below the returns we would expect in a normal market, adjusted operating profit before property profit increased to £49.2m (2024: £46.4m) and adjusted operating profit margin before property profit was 40 basis points higher at 6.4% as the improvement in gross margin more than offset higher overheads.

Looking ahead to 2026, the near-term outlook for the UK construction market remains subdued following the marked loss of momentum in the latter part of 2025. While inflation is expected to moderate over the year and interest rates are projected to remain supportive, overall growth in the construction market is likely to be modest and weighted towards the second half. Despite current softness in the market, significant pent-up demand persists, with industry volumes still well below historical norms. The medium-term outlook remains positive,

underpinned by Government plans to materially increase new housing delivery in response to population growth and an enduring supply shortfall.

Despite the difficult market environment in recent years, the Group has continued to expand its branch network and invest in refurbishing existing locations, while broadening our product range to better support customers. The UK remains one of Europe's largest construction markets and a region where we have a long track record of successful operations. We remain committed to growing our presence there, pursuing new organic growth opportunities across our existing businesses alongside potential acquisition targets.

Leyland SDM opened a new store on Tower Bridge Road in December 2025 and successfully implemented a new ERP in the second half of the year positioning the business to accelerate its investment in its digital offering for customers.

Frank Elkins, appointed CEO of Selco and Great Britain Distribution in August 2024, assumed operational responsibility for all our businesses, including manufacturing, in Great Britain from December 2025.

Northern Europe (18.6% of Group Revenue, 2024: 20.6%)

	2025	2024		Constant
	£'m	Restated	Change*	Currency
		£'m		Change*
Revenue	469.7	469.3	0.1%	(1.1%)
Adjusted operating profit	29.6	35.3	(16.2%)	(17.2%)
Adjusted operating profit margin	6.3%	7.5%	(120bps)	-

*Change represents the movement between 2025 v 2024 and is based on unrounded numbers

Our Northern Europe segment comprises our businesses in the Netherlands and Finland. Our business in the Netherlands, which trades under the Isero and Polvo brands across 121 branches, is the market leader in the distribution of ironmongery, personal protective equipment ("PPE"), tools and fixings products. IKH is a leading distributor, based in Finland, of workwear, PPE, tools, and spare parts, with a number two market position in its core tools and PPE segments.

Average daily like-for-like revenue declined by 0.5% in the year, with moderate growth in the Netherlands more than offset by a pronounced decline in Finland. Sales increased in the Netherlands, driven primarily by strong branch sales and growth in national key accounts, in addition to increases in project related sales and modest price increases of circa 1%. After a strong start to the year, momentum in the Netherlands eased as several major construction projects reached completion and the start of new projects was delayed. Sales in Finland declined sharply due to persistently difficult market conditions, unfavourable weather that reduced demand for seasonal products both at the start and end of the year, and temporary operational issues that disrupted the internal supply chain. These internal challenges gradually eased in the second half of the year following decisive management actions.

The market in the Netherlands showed a strong start to 2025, supported by continued signs of recovery; however, momentum slowed in the second half. Despite robust growth in housing transaction volumes, the recovery in annualised housing permits did not materialise, and housing completions in 2025 are expected to show a slight decline relative to 2024. Political uncertainty, stemming from the collapse of the Dutch coalition government and the inconclusive election outcome, continued to weigh on market activity in 2025. In Finland, the economy continues to experience ongoing weakness where the government has implemented austerity measures to address its fiscal deficit. Furthermore, the expected recovery of the construction sector failed to materialise in 2025 as the market continued to decline.

Gross margin increased by 90 basis points in the year, reflecting strong performances in both the Netherlands and Finland. In the Netherlands, active commercial management actions more than offset the adverse mix effect of large construction projects and key accounts accounting for a higher proportion of sales, while gross margin in Finland improved primarily through optimisation of rebates and procurement efficiencies.

Overheads increased year-on-year, reflecting general inflationary pressures, wage inflation arising from industry-wide collective labour agreements in the Netherlands and strategic investment to strengthen the management team, and one-off costs associated with business improvement projects in Finland.

Adjusted operating profit declined to £29.6m (2024: £35.3m) and adjusted operating profit margin was 120 basis points lower at 6.3% largely reflecting lower sales in Finland and the continued impact of inflationary pressure on overheads across both geographies.

Market conditions in the Netherlands are expected to recover gradually in 2026 after a relatively subdued second half of 2025. The formation of a new minority coalition government is a positive development; however, cross-party support will be essential to advance the policy measures required to support the construction sector in the near term. The medium-term outlook in the Netherlands remains positive, supported by a strong project pipeline among major construction contractors and a persistent structural housing shortage, underpinned by continued population growth. The recovery of the construction market in Finland is expected to be further delayed with any meaningful improvement in volumes in 2026 likely to be weighted towards the second half.

A new branch was opened in Harderwijk in 2025, advancing our strategy of targeted expansion into the eastern Netherlands and complementing our strong existing footprint across the west, central, north, and south of the country. Good progress was achieved in the Netherlands in 2025 on a multi-year business improvement initiative focused on the operating model and supporting systems, which, once fully implemented, will enhance customer experience, increase efficiency, and reduce cost to serve.

Anu Ora was appointed as the new CEO of IKH with effect from June 2025. Anu is a highly experienced business leader with extensive experience in the food retail sector and the automotive parts distribution industry in Finland. Anu, together with recent appointments strengthening the senior management team, will be focused on further reinforcing and developing IKH's proposition in the marketplace.

Iberia (8.5% of Group Revenue, 2024: 1.3%)

	2025	2024*
	£'m	£'m
Revenue	212.9	29.7
Adjusted operating profit	13.6	0.3
Adjusted operating profit margin	6.4%	1.1%

**Salvador Escoda was acquired on 30 October 2024*

Our Iberia segment comprises Salvador Escoda, a Spanish distributor of Heating, Ventilation and Air Conditioning ("HVAC"), water, and renewable energy solutions serving professional installers across the residential, commercial, and industrial markets, which the Group acquired on 30 October 2024. The business offers a portfolio of more than 100,000 products focused on the HVAC sector, over 90% of which are specialised technical installation items serving installation companies, technicians and small distributors. The business stands out for its extensive private-label offering with high-quality own brands accounting for approximately 60% of sales in 2025.

Salvador Escoda's operations span 93 branches positioned across Spain, supported by four key distribution centres located in Barcelona, Madrid, Seville and Valencia. Although its network reaches most parts of the country, Salvador Escoda has a particularly strong footprint in Spain's warmer regions, including Catalonia, Valencia, Andalusia and Madrid underpinned by favourable demand dynamics for energy efficient HVAC solutions.

Salvador Escoda reported revenue of £212.9m (2024: £29.7m) and delivered an adjusted operating profit of £13.6m (2024: £0.3m) in 2025 representing an adjusted operating profit margin of 6.4%. The year-on-year increase reflects the benefit of an additional ten months of trading in 2025 compared with the prior year. Trading to date, under the Group's ownership of the business, has been in line with pre-acquisition expectations.

On a pro-forma basis in comparison to prior year, average daily like-for-like revenue increased by 6.1% compared with 2024, driven by strong growth in the air conditioning, ventilation and refrigeration categories, as well as generally favourable market conditions. Gross margin declined slightly in comparison to prior year, primarily due to competitive pressure across certain product categories and discounting to sell through aged inventory. Overheads were higher, reflecting inflationary pressures, the opening of new branches and additional recruitment to strengthen the management team. Taking all factors together, adjusted operating profit for 2025 was higher than prior year, largely due to the improved sales performance.

The Spanish economy delivered another year of strong expansion in 2025, with GDP expected to grow by approximately 3%, driven by rapid population growth, strong private investment, and continued strength in the tourism sector. The Spanish construction market is forecast to continue its recovery momentum, with growth of around 3–4% anticipated in both 2025 and 2026, supported by sustained housing demand, substantial investment in renewable energy and transport infrastructure, and the accelerating shift towards energy-efficient and sustainable building practices. The HVAC sector is set for robust growth, driven by tighter energy-efficiency regulations, rising consumer focus on efficiency, the adoption of advanced technologies in retrofit projects, and the impact of climate change increasing temperatures across the Iberian Peninsula.

Salvador Escoda has been successfully integrated into the Group during its first full year of ownership. A comprehensive due diligence process enabled a well-structured integration programme, which was positively

embraced by local management and strengthened through active collaboration with Group functions and sister businesses. Despite navigating significant change in 2025, the business delivered a stronger trading performance, outperforming the prior year on both a reported and pro forma basis. The investments made in 2025 to strengthen the management team have created a strong foundation for the business to accelerate both organic and inorganic growth in the coming years.

The Group continues to support the local management team in driving organic growth, with new branches opened in Vic in Catalonia and Plasencia in Extremadura in the year. We continued to advance our pipeline of acquisition opportunities across the HVAC sector and adjacent sectors within the highly attractive and fragmented Iberian market. This region provides a strong platform for us to act both as a consolidator and a long-term compounding growth business, supporting our ambition to substantially scale our operations over the next five years.

Effective from early January 2026, Mario Ballarín stepped into the role of CEO for our Iberia business, where he will lead the advancement of the Group's growth ambitions in the region. Mario brings extensive experience in driving business performance, acquisitions, and integrations, gained during his time at Bunzl plc, where he most recently served as Managing Director for South and Eastern Europe, the Middle East, and the Nordics.

Financial Review

Revenue

Group revenue was up 10.4% to £2.52bn from £2.28bn in 2024. Group revenue in the like-for-like business increased by 1.3% (£30.1m) on the prior year. The growth in average daily like-for-like revenue was 1.7% compared to prior year.

Incremental revenue from the Salvador Escoda acquisition, which was completed in 2024, increased revenue by £180.1m. The HSS Hire Ireland acquisition, which completed on 31 May 2025, increased revenue by £14.5m.

New branches opened in 2024 and 2025 in The Netherlands (five), Great Britain (three) and Spain (two) contributed incremental revenue of £3.0m in 2025. Business disposals and closed branches reduced revenue by £8.0m in 2025.

Currency translation of revenue in the euro denominated businesses to sterling increased revenue by £17.6m as a stronger euro slightly increased the level of reported results as compared to the prior year. The average Sterling/Euro rate of exchange for the year ended 31 December 2025 was Stg85.68p compared to Stg84.66p for the year ended 31 December 2024.

Adjusted Operating Profit

Adjusted operating profit of £190.2m was up from £177.5m last year, an increase of £12.7m (7.1%). This result for the year included property profit of £5.9m (2024: £4.0m) which relates to profit on property disposals of £2.8m, a fair value gain of £1.0m on two investment properties in Ireland and an additional fair value gain of £2.1m on one investment property in Great Britain.

Adjusted operating profit before property profit of £184.3m was up from £173.5m last year, an increase of 6.2%. The adjusted operating profit margin before property profit declined by 30 basis points to 7.3%.

Net Finance Income and Expense

The net finance expense was £9.7m which compares to a net finance expense of £0.1m for the year ended 31 December 2024. This incorporates an interest charge of £15.2m (2024: £15.0m) on lease liabilities recognised under IFRS 16. Interest income on cash deposits amounted to £16.0m (2024: £23.4m).

Returns on deposits and account balances decreased in the full year and reflected lower Bank of England and European Central Bank base rates compared to the prior year and lower cash balances following share buybacks, the Group's Spanish acquisition in 2024 and the acquisition of HSS Hire Ireland in 2025.

Interest payable on bank borrowings denominated in euro and US Private Placement Senior Unsecured Notes was £8.5m (2024: £8.3m). This reflects a combination of weaker sterling offset by lower interest rates payable on bank debt as the European Central Bank rates reduced in 2025.

The net finance expense included a foreign exchange translation loss of £2.4m which compares to a gain of £1.6m in the prior year. The average sterling/euro rate of exchange for the year ended 31 December 2025 was Stg85.68p

(31 December 2024: Stg84.66p). The sterling/euro exchange rate at 31 December 2025 was Stg87.26p (31 December 2024: Stg82.92p).

Taxation

The income tax expense of £28.6m (2024: £30.5m) is equivalent to an effective tax rate (before the exceptional profit on disposal) of 18.2% of profit before tax (2024: 20.0%). The rate after including the exceptional profit on disposal is lower at 17.3% (2024: 20.0%). The rate is lower than anticipated at the start of the financial year and reflects the blend of the Group's corporation tax on profits in the five countries where the Group operates and a credit relating to updated estimates of amounts relating to prior years.

Certain items of expenditure charged in arriving at profit before tax, including depreciation on buildings, are not eligible for a tax deduction. This factor increased the rate of tax payable on profits above the headline rates.

Cash flow

Cash generated from operations for the year of £310.3m (2024: £298.3m) was strong and benefitted from a reduction in working capital of £12.0m (2024: reduction of £14.9m). Working capital and inventory is a critical component of our customer proposition; maintaining high levels of stock availability is a key focus for all Grafton's businesses. The reduction in working capital was achieved without compromising availability.

Interest paid in the year amounted to £24.3m (2024: £22.5m) which included interest of £15.2m on IFRS 16 lease liabilities (2024: £15.0m). Taxation paid was £34.2m (2024: £29.0m). Cash flow from operations after the payment of interest and taxation was £251.8m (2024: £246.8m).

The cash outflow on the dividend payment was £72.6m (2024: £73.2m) and £56.6m (2024: £80.9m) was spent on the buyback of shares, excluding transaction costs. The total cash outflow on the dividend payment and buyback of shares was £129.2m (2024: £154.1m), excluding transaction costs.

Free cash flow of £168.3m (2024: £178.2m) was generated in the year which represents a 88% conversion to cash of adjusted operating profit (2024: 100%). The definition of free cash flow is set out in the Alternative Performance Measures but it can be seen that it includes the payment of interest, lease costs, tax and replacement capital expenditure. Over the last four years, the Group has generated £709m of free cash flow which is equivalent to almost 40% of Grafton's market capitalisation as at 31 December 2025 and is a demonstration of the strength of the Group's businesses to turn adjusted operating profit into free cash flow.

Capital Expenditure and Investment in Intangible Assets

The Group continued to maintain appropriate control over capital expenditure which amounted to £37.0m (2024: £39.6m). There was also expenditure of £9.2m (2024: £7.3m) on software that is classified as intangible assets.

Asset replacement capital expenditure of £21.5m (2024: £23.9m) compares to the depreciation charge (before IFRS 16) on property, plant and equipment ("PP&E") of £47.1m (2024: £42.8m) and related principally to the replacement of distribution vehicles, replacements/upgrades to plant and machinery, roof repairs, hire assets, forklifts, racking and other assets required to operate the Group's branch network.

The Group incurred development capital expenditure of £15.5m (2024: £15.7m) on a range of organic development initiatives including new branches and branch upgrades and extensions in Woodie's, Chadwicks and also in the Netherlands.

The proceeds received from the disposal of PP&E, properties held for sale and investment properties was £5.3m (2024: £5.7m). The amount spent on capital expenditure and software development, net of the proceeds received on asset disposals, was £40.9m (2024: £41.1m).

Pensions

The Group operates four legacy defined benefit schemes (one in the UK and three in Ireland), all of which are now closed to future accrual. The defined benefit pension schemes had an accounting surplus of £7.6m at the year end, an improvement of £6.3m from a surplus of £1.3m at 31 December 2024.

The deficit on the UK scheme reduced by £5.5m to £3.3m and the surplus on the schemes in Ireland increased by £0.7m to £11.6m.

There was a scheme deficit of £0.7m (31 December 2024: £0.8m) related to the Netherlands business.

Net Debt/Cash

Net debt (including lease obligations) at 31 December 2025 was £123.4m (31 Dec 2024: £131.7m). Our net cash position, before recognising lease liabilities, was £274.0m (31 Dec 2024: £272.1m).

The Group's policy is to maintain its investment grade credit rating while investing in organic developments and acquisition opportunities. The Group's dividend policy is to maintain cover at between two and three-times earnings.

Liquidity

Grafton was in a very strong financial position at the end of the year with excellent liquidity, net cash before IFRS 16 lease liabilities and a robust balance sheet.

The Group had liquidity of £776.8m at 31 December 2025 (31 December 2024: £776.2m). As shown in the analysis of liquidity on page 45, accessible cash and deposits amounted to £491.8m (31 December 2024: £505.4m) and there were undrawn revolving bank facilities of £285.0m (31 December 2024: £270.8m).

At 31 December 2025, the Group had bilateral loan facilities of £337.6m (2024: £328.3m) with four relationship banks, which all mature in August 2029 and debt obligations of £139.3m (31 December 2024: £132.3m) from the issue of unsecured senior notes in the US Private Placement market.

The revolving loan facilities of £337.6m were originally put in place in August 2022 for a term of five years to August 2027. The arrangements included two one-year extension options exercisable at the discretion of the Group and the four banks. The second one-year extension option was agreed in July 2024 and these facilities are now repayable in August 2029. This is sustainability linked debt funding and includes an interest rate incentive connected to the achievement of carbon emissions, workforce diversity and community support targets that are fully aligned to the Group's sustainability strategy.

The average maturity of the committed bank facilities and unsecured senior notes was 3.6 years at 31 December 2025 (2024: 4.6 years).

The Group's key financing objective continues to be to ensure that it has the necessary liquidity and resources to support the short, medium and long-term funding requirements of the business. These resources, together with strong cash flow from operations, provide good liquidity and the capacity to fund investment in working capital, routine capital expenditure and development activity including acquisitions.

The Group's gross debt is drawn in euro and provides a hedge against exchange rate risk on euro assets in the businesses in Ireland, the Netherlands, Finland and Spain.

Shareholders' Equity

Shareholders' equity increased by £52.5m to £1.65bn at 31 December 2025 from £1.60bn at 31 December 2024. Profit after tax increased shareholders' equity by £136.6m. There was a gain of £40.5m on retranslation of euro denominated net assets to sterling at the year-end rate of exchange. Shareholders' equity was increased for a remeasurement gain (net of tax) of £2.3m on the pension schemes and was reduced for dividends paid of £72.6m and by £56.7m for the buyback of shares. Other changes increased equity by £2.4m.

Return on Capital Employed

Adjusted Return on Capital Employed increased by 60 basis points to 10.9% (2024: 10.3%).

Principal Risks and Uncertainties

The principal risks affecting the Group are set out on pages 33 to 38 of the 2025 Annual Report and Accounts.

Grafton Group plc
Group Condensed Income Statement
For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Revenue	2	2,519,603	2,282,252
Operating costs		(2,358,758)	(2,133,626)
Property profit	3	5,881	3,999
Operating profit before exceptional items		166,726	152,625
Exceptional items	3,16	8,118	-
Operating profit		174,844	152,625
Finance expense	4	(26,313)	(25,077)
Finance income	4	16,618	24,968
Profit before tax		165,149	152,516
Income tax expense	17	(28,581)	(30,503)
Profit after tax for the financial year		136,568	122,013
 <i>Profit attributable to:</i>			
Owners of the Company		136,568	122,013
Earnings per ordinary share – basic	6	70.28p	60.89p
Earnings per ordinary share – diluted	6	70.23p	60.86p

Grafton Group plc

Group Condensed Statement of Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 £'000	2024 £'000
Profit after tax for the financial year		136,568	122,013
Other comprehensive income			
Items that are or may be reclassified subsequently to the income statement			
Currency translation effects:			
- on foreign currency net investments		40,478	(33,099)
Fair value movement on cash flow hedges:			
- effective portion of changes in fair value of cash flow hedges		3	-
		40,481	(33,099)
Items that will not be reclassified to the income statement			
Remeasurement gain on Group defined benefit pension schemes	15	3,321	5,439
Deferred tax on Group defined benefit pension schemes		(1,006)	(1,081)
		2,315	4,358
Total other comprehensive income/(expense)		42,796	(28,741)
Total comprehensive income for the financial year		179,364	93,272
Total comprehensive income attributable to:			
Owners of the Company		179,364	93,272
Total comprehensive income for the financial year		179,364	93,272

Grafton Group plc - Group Condensed Balance Sheet as at 31 December 2025

	Notes	31 Dec 2025 £'000	31 Dec 2024 £'000
ASSETS			
Non-current assets			
Goodwill	8	659,107	634,301
Intangible assets	9	131,285	134,911
Property, plant and equipment	10	371,756	367,354
Right-of-use asset	11	366,279	377,726
Investment properties	10	36,589	27,325
Deferred tax assets	17	7,320	7,453
Other receivables	12,16	10,210	-
Retirement benefit assets	15	11,574	10,932
Other financial assets		128	125
Total non-current assets		1,594,248	1,560,127
Current assets			
Properties held for sale	10	2,581	763
Inventories	12	395,182	381,803
Trade and other receivables	12	332,467	300,020
Lease receivable		-	98
Derivative financial instruments	13	3	-
Fixed-term cash deposits	13	100,000	150,000
Cash and cash equivalents (excluding bank overdrafts)	13	395,764	359,430
Total current assets		1,225,997	1,192,114
Total assets		2,820,245	2,752,241
EQUITY			
Equity share capital		6,488	6,744
Share premium account		225,813	224,141
Capital redemption reserve		2,814	2,548
Revaluation reserve		11,861	12,037
Shares to be issued reserve		6,405	6,802
Cash flow hedge reserve		(3)	(6)
Foreign currency translation reserve		82,661	42,183
Retained earnings		1,316,572	1,305,649
Treasury shares held		(3,897)	(3,897)
Equity attributable to owners of the Parent		1,648,714	1,596,201
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	13	190,810	188,372
Lease liabilities	13	320,223	331,572
Provisions	12	12,769	13,042
Retirement benefit obligations	15	4,020	9,591
Deferred tax liabilities	17	62,879	62,040
Deferred consideration payable	16	-	599
Total non-current liabilities		590,701	605,216
Current liabilities			
Interest-bearing loans and borrowings	13	30,929	49,000
Lease liabilities	13	77,185	72,156
Derivative financial instruments	13	-	5
Trade and other payables	12	448,388	401,142
Current income tax liabilities		18,840	20,138
Deferred consideration payable	16	1,398	3,537
Provisions	12	4,090	4,846
Total current liabilities		580,830	550,824
Total liabilities		1,171,531	1,156,040
Total equity and liabilities		2,820,245	2,752,241

Grafton Group plc – Group Condensed Cash Flow Statement

For the year ended 31 December 2025

	Notes	31 Dec 2025 £'000	31 Dec 2024 £'000
Profit before taxation		165,149	152,516
Finance income	4	(16,618)	(24,968)
Finance expense	4	26,313	25,077
Operating profit		174,844	152,625
Depreciation	10,11	125,842	112,416
Amortisation of intangible assets	9	25,115	22,322
Other non-cash items		(2,406)	1,308
Share-based payments charge		813	1,162
Movement in provisions		(2,649)	(677)
Fair value gains recognised as property profit	3	(3,087)	(3,191)
Loss on sale of property, plant and equipment		65	570
Property profit	3	(2,794)	(808)
Profit on disposal of Group businesses, before disposal costs	16	(15,077)	-
Profit/(loss) on derecognition of leases		(3)	186
Contributions to pension schemes in excess of IAS 19 charge		(2,389)	(2,476)
Decrease in working capital	12	12,030	14,868
Cash generated from operations		310,304	298,305
Interest paid		(24,284)	(22,462)
Income taxes paid		(34,193)	(29,027)
Cash flows from operating activities		251,827	246,816
Investing activities			
<i>Inflows</i>			
Proceeds from sale of property, plant and equipment		1,716	1,273
Proceeds from sale of properties held for sale		3,557	4,120
Proceeds from sale of investment properties		-	305
Proceeds from sale of Group businesses (net of cash disposed)	16	6,600	-
Maturity of fixed-term cash deposits	13	350,000	400,000
Interest received		17,407	23,441
		379,280	429,139
<i>Outflows</i>			
Acquisition of subsidiary undertakings (net of cash/overdraft acquired)	16	(20,862)	(67,245)
Investment in fixed-term cash deposits	13	(300,000)	(350,000)
Deferred acquisition consideration paid	16	(2,992)	(2,145)
Investment in intangible assets – computer software	9	(9,226)	(7,275)
Purchase of property, plant and equipment	10	(36,981)	(39,571)
		(370,061)	(466,236)
Cash flows from investing activities		9,219	(37,097)
Financing activities			
<i>Inflows</i>			
Proceeds from the issue of share capital		1,682	283
		1,682	283
<i>Outflows</i>			
Repayment of borrowings		(19,603)	(8,156)
Dividends paid	5	(72,594)	(73,190)
Treasury shares purchased (share buyback)	20	(56,725)	(81,085)
Payment on lease liabilities		(81,682)	(71,640)
		(230,604)	(234,071)
Cash flows from financing activities		(228,922)	(233,788)
Net increase/(decrease) in cash and cash equivalents		32,124	(24,069)
Cash and cash equivalents at 1 January		351,055	383,939
Effect of exchange rate fluctuations on cash held		12,585	(8,815)
Cash and cash equivalents at the end of the year		395,764	351,055
Cash and cash equivalents are broken down as follows:			
Cash at bank and short-term deposits	13	395,764	359,430
Bank overdrafts	13	-	(8,375)
Cash and cash equivalents at the end of the year		395,764	351,055

Grafton Group plc Group Condensed Statement of Changes in Equity

	Equity share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Shares to be issued reserve £'000	Cash flow hedge reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Year to 31 December 2025										
At 1 January 2025	6,744	224,141	2,548	12,037	6,802	(6)	42,183	1,305,649	(3,897)	1,596,201
Profit after tax for the financial year	-	-	-	-	-	-	-	136,568	-	136,568
Total other comprehensive income	-	-	-	-	-	-	-	2,315	-	2,315
Remeasurement gain on pensions (net of tax)	-	-	-	-	-	-	-	2,315	-	2,315
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	3	-	-	-	3
Currency translation effect on foreign currency net investments	-	-	-	-	-	-	40,478	-	-	40,478
Total other comprehensive income	-	-	-	-	-	3	40,478	2,315	-	42,796
Total comprehensive income	-	-	-	-	-	3	40,478	138,883	-	179,364
Transactions with owners of the Company recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	(72,594)	-	(72,594)
Issue of Grafton Units	10	1,672	-	-	-	-	-	-	-	1,682
Purchase of treasury shares (Note 20)	-	-	-	-	-	-	-	-	(56,725)	(56,725)
Cancellation of treasury shares (Note 20)	(266)	-	266	-	-	-	-	(56,612)	56,612	-
Transfer from treasury shares (Note 20)	-	-	-	-	-	-	-	(113)	113	-
Share-based payments charge	-	-	-	-	813	-	-	-	-	813
Tax on share-based payments	-	-	-	-	(27)	-	-	-	-	(27)
Transfer from shares to be issued reserve	-	-	-	-	(1,183)	-	-	1,183	-	-
Transfer from revaluation reserve	-	-	-	(176)	-	-	-	176	-	-
	(256)	1,672	266	(176)	(397)	-	-	(127,960)	-	(126,851)
At 31 December 2025	6,488	225,813	2,814	11,861	6,405	(3)	82,661	1,316,572	(3,897)	1,648,714
Year to 31 December 2024										
At 1 January 2024	7,094	223,861	2,195	12,186	6,562	(6)	75,282	1,332,992	(4,365)	1,655,801
Profit after tax for the financial year	-	-	-	-	-	-	-	122,013	-	122,013
Total other comprehensive (expense)/income	-	-	-	-	-	-	-	4,358	-	4,358
Remeasurement gain on pensions (net of tax)	-	-	-	-	-	-	-	4,358	-	4,358
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	-	-	-	-	-
Currency translation effect on foreign currency net investments	-	-	-	-	-	-	(33,099)	-	-	(33,099)
Total other comprehensive expense	-	-	-	-	-	-	(33,099)	4,358	-	(28,741)
Total comprehensive income	-	-	-	-	-	-	(33,099)	126,371	-	93,272
Transactions with owners of the Company recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	(73,190)	-	(73,190)
Issue of Grafton Units	3	280	-	-	-	-	-	-	-	283
Purchase of treasury shares (Note 20)	-	-	-	-	-	-	-	-	(81,085)	(81,085)
Cancellation of treasury shares (Note 20)	(353)	-	353	-	-	-	-	(81,391)	81,391	-
Transfer from treasury shares (Note 20)	-	-	-	-	-	-	-	(162)	162	-
Share-based payments charge	-	-	-	-	1,162	-	-	-	-	1,162
Tax on share-based payments	-	-	-	-	(42)	-	-	-	-	(42)
Transfer from shares to be issued reserve	-	-	-	-	(880)	-	-	880	-	-
Transfer from revaluation reserve	-	-	-	(149)	-	-	-	149	-	-
	(350)	280	353	(149)	240	-	-	(153,714)	468	(152,872)
At 31 December 2024	6,744	224,141	2,548	12,037	6,802	(6)	42,183	1,305,649	(3,897)	1,596,201

Grafton Group plc

Notes to Final Results for the Year Ended 31 December 2025

1. General Information

Grafton Group plc (“Grafton” or “the Group”) is a European multinational distributor of construction related products and solutions comprising four geographic segments serving the Island of Ireland, Great Britain, Northern Europe and Iberia. In our home Irish market, we also operate the leading home improvement retailer.

Trading from c. 470 branches with c. 10,000 colleagues, the Group’s portfolio of brands includes:

- *Island of Ireland*: Chadwicks, Woodie's and MacBlair
- *Great Britain*: Selco, Leyland SDM, TG Lynes, CPI EuroMix and StairBox
- *Northern Europe*: Isero / Polvo (Netherlands) and IKH (Finland)
- *Iberia*: Salvador Escoda (Spain) and the broader Iberian peninsula.

The Group’s origins are in Ireland where it is headquartered, managed and controlled. It has been a publicly quoted company since 1965 and its Units (shares) are quoted on the London Stock Exchange where it is a constituent of the FTSE 250 Index and the FTSE All-Share Index.

Basis of Preparation, Accounting Policies and Estimates

(a) Basis of Preparation and Accounting Policies

The financial information presented in this Final Results Announcement has been extracted from the audited Annual Report and Accounts of Grafton Group plc for the financial year ended 31 December 2025. The financial information set out in this document does not constitute full statutory financial statements for the financial years ended 31 December 2025, but it is derived from same. The Final Results Announcement was approved by the Board of Directors. The Annual Report and Accounts has been approved by the Board of Directors and reported on by the auditors. The auditors’ report was unqualified. The Annual Report and Accounts for the year ended 31 December 2025 is available on the Group’s website and will be filed with the Irish Registrar of Companies in due course.

The consolidated financial information of the Group has been prepared in accordance with the Transparency Rules of the Financial Conduct Authority (‘FCA’) and in accordance with International Financial Reporting Standards (‘IFRS’) issued by the International Accounting Standards Board (‘IASB’) as adopted by the European Union (‘EU’); and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. They do not include all the information and disclosures necessary for a complete set of financial statements prepared in accordance with IFRS.

The financial information in this report has been prepared in accordance with the Group’s accounting policies. Full details of the accounting policies adopted by the Group are contained in the consolidated financial statements included in the Group’s Annual Report and Accounts for the year ended 31 December 2025 which is available on the Group’s website; www.graftonplc.com. Certain tables in the financial information may not add precisely due to rounding.

Going Concern

The Group's net cash position, before recognising lease liabilities, was £274.0m at 31 December 2025 (31 December 2024: £272.1m). Net debt including lease obligations was £123.4m at 31 December 2025 (2024: £131.7m). The Group had liquidity of £776.8m at 31 December 2025 (2024: £776.2m) of which £491.8m (2024: £505.4m) was held in accessible cash and deposits and £285.0m (2024: £270.8m) in undrawn revolving bank facilities.

No refinancing of debt is due until September 2028, the Group does not have a leverage (net debt/EBITDA) covenant in its financing arrangements and its assets (other than right-of-use assets) are unsecured.

Having made appropriate enquiries, the Directors have a reasonable expectation that Grafton Group plc, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Having reassessed the principal risks, as set out on pages 33 to 38 of the 2025 Annual Report and Accounts, and based on expected cash flows and the strong liquidity position of the Group, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

1. General Information (continued)

Basis of Preparation, Accounting Policies and Estimates (continued)

The consolidated financial information is presented in sterling. Items included in the financial information of each of the Group's entities are measured using its functional currency, being the currency of the primary economic environment in which the entity operates, which is primarily euro and sterling.

Climate Change

In preparing the financial information, the Directors have considered the impact of climate change. These considerations did not have a material impact on the financial reporting judgements and estimates in the current period. The Group's analysis of the impact of climate change continues to evolve with Grafton committed to delivering net zero carbon emissions no later than the end of 2050.

(b) Critical accounting estimate and judgements

The preparation of the Group consolidated financial statements requires management to make certain estimations, assumptions and judgements that affect the reported profits, assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or because of new information or more experience. Such changes are recognised in the period in which the estimate is revised. Information about significant areas of estimation and judgement that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the respective notes to the consolidated financial statements.

Revised Standards and Interpretations

Certain new and revised accounting standards and interpretations have been issued. The Group intends to adopt the relevant new and revised standards when they become effective and the Group's assessment of the impact of these standards and interpretations is set out below:

The following Standards and Interpretations were effective for the Group for periods beginning on or after 1 January 2025 but did not have a material effect on the results or financial position of the Group:

- *IAS 21 (Amendments) - The Effects of Changes in Foreign Exchange Rates (Effective 1 January 2025)*

The following Standards and Interpretations are effective for the Group for periods beginning after 1 January 2026:

- *IFRS 9 / IFRS 7 (Amendments) - Classification and Measurement of Financial Instruments (Effective 1 January 2026)*
- *Annual improvements to IFRS – Volume 11 (effective 1 January 2026)*
- *Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)*
- *IFRS 18 Presentation and Disclosure in Financial Statements (Effective 1 January 2027)*

The Group is currently assessing how the application of IFRS 18 Presentation and Disclosure in Financial Statements, effective for accounting periods on or after 1 January 2027, will affect the future presentation of the Group's financial statements. While the adoption of IFRS 18 will not affect the totals of the Group's assets, liabilities, equity, income and expenses, there will likely be changes as to how the make-up of these principal categories are presented both in the primary statements and the notes together with additional disclosures around management performance measures. Otherwise, the standards outlined above are not expected to result in a net material change to the Group's financial statements.

2. Segmental Analysis

As outlined above, the Group has adopted a new reporting structure which better reflects the Group's strategy. The operating segments are now aligned with these geographical areas and align with how the Board now manages the business, assesses performance and allocates capital and resources for organic and inorganic growth. Comparative figures for 2024 have been restated to reflect the new structure. The realignment has no impact on the Group's consolidated financial results.

The amount of revenue and operating profit under the Group's operating segments is shown below. Segment profit measure is operating profit before exceptional items, amortisation of intangible assets arising on acquisitions and acquisition related items.

	2025	2024
	£'000	Restated £'000
Revenue		
Island of Ireland	1,071,601	1,016,230
Great Britain	765,443	767,019
Northern Europe	469,698	469,339
Iberia	212,861	29,664
Total revenue	2,519,603	2,282,252
Segmental operating profit before intangible amortisation arising on acquisitions and acquisition related items		
Island of Ireland	110,968	107,518
Great Britain	49,232	46,359
Northern Europe	29,625	35,342
Iberia	13,592	322
	203,417	189,541
Reconciliation to consolidated operating profit		
Central activities*	(19,107)	(16,011)
	184,310	173,530
Property profit	5,881	3,999
Operating profit before exceptional items, intangible amortisation arising on acquisitions and acquisition related items	190,191	177,529
Exceptional items (Note 3)	8,118	-
Operating profit before intangible amortisation arising on acquisitions and acquisition related items	198,309	177,529
Acquisition related items**	(1,492)	(4,633)
Amortisation of intangible assets arising on acquisitions	(21,973)	(20,271)
Operating profit	174,844	152,625
Finance expense	(26,313)	(25,077)
Finance income	16,618	24,968
Profit before tax	165,149	152,516
Income tax expense	(28,581)	(30,503)
Profit after tax for the financial year	136,568	122,013

*The increase reflects a combination of continued, planned investment in strengthening capabilities and expertise within the Group's head office centre of excellence to support the Group's strategic priorities as well as inflationary pressures and higher employee incentive costs.

** Acquisition related items comprise deferred consideration payments relating to the retention of former owners of businesses acquired, transaction costs and expenses, professional fees for new and target acquisitions, adjustments to previously estimated earn outs and customer relationships asset impairment charges.

2. Segmental Analysis (continued)

The amount of revenue by geographic area is as follows:

	2025 £'000	2024 £'000
Revenue*		
Ireland**	953,778	901,342
United Kingdom	883,266	881,907
Netherlands	345,987	337,581
Finland	123,711	131,758
Spain	212,861	29,664
Total revenue	2,519,603	2,282,252

*Service revenue, which relates to plant and equipment hire and is recognised over time, amounted to £26.8m for the year (2024: £12.3m).

** Grafton Group plc is domiciled in the Republic of Ireland and the revenues from external customers in the Republic of Ireland were £953.8m (2024: £901.3m).

	31 Dec 2025 £'000	31 Dec 2024 Restated £'000
Segment assets		
Island of Ireland	845,536	749,660
Great Britain	795,344	824,929
Northern Europe	499,285	492,245
Iberia	165,291	157,467
	2,305,456	2,224,301
Unallocated assets		
Deferred tax assets	7,320	7,453
Retirement benefit assets	11,574	10,932
Other financial assets	128	125
Derivative financial instruments (current)	3	-
Fixed-term cash deposits	100,000	150,000
Cash and cash equivalents	395,764	359,430
Total assets	2,820,245	2,752,241
	31 Dec 2025 £'000	31 Dec 2024 Restated £'000
Segment liabilities		
Island of Ireland	376,764	354,661
Great Britain	304,864	319,059
Northern Europe	131,636	110,469
Iberia	50,789	42,705
	864,053	826,894
Unallocated liabilities		
Interest bearing loans and borrowings (current and non-current)	221,739	237,372
Retirement benefit obligations	4,020	9,591
Deferred tax liabilities	62,879	62,040
Current income tax liabilities	18,840	20,138
Derivative financial instruments (current)	-	5
Total liabilities	1,171,531	1,156,040

3. Property Profit & Exceptional Items

Property Profit

The property profit in 2025 of £5.9m relates to profit on property disposals of £2.8m of one UK property, a fair value gain of £1.0m on two investment properties in Ireland and an additional fair value gain of £2.1m on one investment property in Great Britain.

The property profit in 2024 of £4.0m relates to profit on property disposals of two Irish properties of £0.8m and a fair value gain of £0.5m on one investment property in Ireland and an additional fair value gain of £2.7m on one investment property in the UK.

Exceptional Items

On 13 February 2025, the Group entered into an agreement, which was subject to approval from the Competition and Consumer Protection Commission (CCPC), for the sale of the MFP business to a subsidiary of Wienerberger AG which mainly operates through Pipelife Ireland Solutions Limited in Ireland. This transaction completed on 31 May 2025. The net profit on the disposal of the MFP business was £8.1m with further details outlined in Note 16.

4. Finance Expense and Finance Income

	2025 £'000		2024 £'000
Finance expense			
Interest on bank loans, US senior notes and overdrafts**	8,531	*	8,270
Interest on lease liabilities	15,209	*	15,026
Net finance cost on pension scheme obligations	32		305
Unwinding of discount applicable to deferred consideration payable (Note 16)	167		1,476
Foreign exchange loss	2,374		-
	<u>26,313</u>		<u>25,077</u>
Finance income			
Interest income on bank deposits	(16,046)	*	(23,355)
Unwinding of discount applicable to contingent consideration receivable (Note 16)	(572)		-
Foreign exchange gain	-		(1,613)
	<u>(16,618)</u>		<u>(24,968)</u>
Net finance expense	<u>9,695</u>		<u>109</u>

* Net bank and US senior note interest income of £7.5m (2024: £15.1m interest income). Including interest on lease liabilities, net interest expense was £7.7m (2024: £0.1m net interest income).

**Where overdrafts exist and there is a master netting agreement in place that grants the Group the legal right to set-off and management has intention to settle on a net basis with each bank, bank overdrafts are off-set against cash and cash equivalents.

5. Dividends

The payment in 2025 of a final dividend for 2024 of 26.50 pence amounted to £51.8m (2024: final dividend for 2023 of 26.00 pence amounted to £52.2m).

An interim dividend for 2025 of 10.75 pence per share was paid on 10 October 2025 in the amount of £20.8m. A final dividend for 2025 of 27.00 pence per share will be paid on 21 May 2026 by Grafton Group plc to shareholders on the Register of Members at the close of business on 24 April 2026 (the 'Record Date'). The ex-dividend date is 23 April 2026.

A liability in respect of the final dividend has not been recognised in the balance sheet at 31 December 2025, as there was no present obligation to pay the dividend at the end of the year.

6. Earnings per Share

The computation of basic, diluted and underlying earnings per share is set out below:

	Year ended 31 Dec 2025 £'000	Year ended 31 Dec 2024 £'000
Numerator for basic, adjusted and diluted earnings per share:		
Profit after tax for the financial year	136,568	122,013
Numerator for basic and diluted earnings per share	136,568	122,013
Profit after tax for the financial year	136,568	122,013
Exceptional items	(8,118)	-
Amortisation of intangible assets arising on acquisitions	21,973	20,271
Tax relating to amortisation of intangible assets arising on acquisitions	(4,942)	(4,573)
Acquisition related items	1,492	4,633
Unwinding of discount applicable to deferred consideration payable	167	1,476
Unwinding of discount applicable to contingent consideration receivable	(572)	-
Numerator for adjusted earnings per share	146,568	143,820
	Number of Grafton Units	Number of Grafton Units
Denominator for basic and adjusted earnings per share:		
Weighted average number of Grafton Units in issue	194,316,609	200,367,922
Dilutive effect of options and awards	149,206	101,676
Denominator for diluted earnings per share	194,465,815	200,469,598
Earnings per share (pence)		
- Basic	70.28	60.89
- Diluted	70.23	60.86
Adjusted earnings per share (pence)*		
- Basic	75.43	71.78
- Diluted	75.37	71.74

* The term "Adjusted" means before exceptional items, amortisation of intangible assets arising on acquisitions, the impact of unwinding acquisition related deferred consideration payable and receivable to present value and acquisition related items.

7. Exchange Rates

The results and cash flows of subsidiaries with euro functional currencies have been translated into sterling using the average exchange rate for the year. The balance sheets of subsidiaries with euro functional currencies have been translated into sterling at the rate of exchange ruling at the balance sheet date.

The average sterling/euro rate of exchange for the year ended 31 December 2025 was Stg85.68p (2024: Stg84.66p). The sterling/euro exchange rate at 31 December 2025 was Stg87.26p (2024: Stg82.92p).

8. Goodwill

Goodwill is subject to impairment testing on an annual basis at 31 December and additionally during the year if an indicator of impairment is considered to exist.

At the 30 June 2025 interim reporting date, there were impairment indicators in two of the Group's markets which prompted an impairment test to be carried out on two of the former groups of CGUs - UK Distribution and Finland Distribution. No impairments were noted.

The Group's operating segments and groups of Cash Generating Units ("CGUs") were revised in 2025, where it has now been determined that there are four operating segments: Island of Ireland, Great Britain, Iberia and Northern Europe. There were impairment indicators in two of the former groups of CGUs – UK Distribution and Finland Distribution at 30 September 2025, the point at which goodwill was reallocated from the former UK Distribution group of CGUs to the enlarged Great Britain group of CGUs and from the former Finland Distribution group of CGUs to the enlarged Northern Europe CGU. This prompted a further impairment test to be carried out. No impairments were noted.

The annual impairment test was completed as at 31 December 2025 to determine the recoverable amounts of the revised groups of CGUs. No impairments were noted.

The recoverable amount of each cash generating unit is determined based on value-in-use calculations. The carrying value of each cash generating unit was compared to its estimated value-in-use. There were no impairments during the year (2024: £Nil).

	Goodwill £'000
Net Book Value	
As at 1 January 2025	634,301
Arising on acquisition (Note 16)	8,405
Currency translation adjustment	16,401
As at 31 December 2025	659,107

9. Intangible Assets

	Computer Software £'000	Trade Names £'000	Customer Relationships & Technology £'000	Total £'000
Net Book Value				
As at 1 January 2025	13,080	30,747	91,084	134,911
Additions	9,226	-	-	9,226
Reclassification from property, plant and equipment (Note 10)	1,716	-	-	1,716
Arising on acquisition (Note 16)	16	1,514	3,616	5,146
Amortisation	(3,142)	(4,764)	(17,209)	(25,115)
Currency translation adjustment	499	1,275	3,627	5,401
As at 31 December 2025	21,395	28,772	81,118	131,285

The amortisation expense of £25.1m (2024: £22.3m) has been charged in 'operating costs' in the income statement. Amortisation of intangible assets arising on acquisitions in prior periods amounted to £22.0m (2024: £20.3m).

10. Property, Plant and Equipment, Properties Held for Sale and Investment Properties

	Property, plant and equipment	Properties held for sale	Investment properties
Net Book Value	£'000	£'000	£'000
As at 1 January 2025	367,354	763	27,325
Additions	36,981	-	-
Depreciation	(47,098)	-	-
Disposals	(1,781)	(763)	-
Disposal of Group businesses (Note 16)	(1,400)	-	-
Reclassification to intangible assets* (Note 9)	(1,716)	-	-
Reclassification from right-of-use asset (Note 11)	-	-	7,774
Transfers	(729)	2,581	(1,852)
Fair value gains	-	-	3,087
Arising on acquisition (Note 16)	9,286	-	-
Currency translation adjustment	10,859	-	255
As at 31 December 2025	371,756	2,581	36,589

* Computer software amounting to £1.7m have been transferred from Property, Plant and Equipment to Intangible Assets to reflect the most appropriate asset class for these assets.

11. Right-Of-Use Asset

	Right-of-use asset
	£'000
As at 1 January 2025	377,726
Additions*	25,888
Arising on acquisition (Note 16)	4,045
Reclassification to investment properties** (Note 10)	(7,774)
Disposals	(2,255)
Depreciation	(78,744)
Remeasurements*	37,887
Currency translation adjustment	9,506
As at 31 December 2025	366,279

* Right-of-use asset additions relate to new lease contracts entered into during the year and mainly arise due to leases entered into for new store locations, new lease contracts agreed for existing stores and replacement vehicle leases. Right-of-use asset remeasurements have mainly arisen due to the finalisation of rent reviews and the reassessment of extension options available to the Group on a number of property leases that will now be exercised.

** Right-of-use assets amounting to £7.8m have been transferred from right-of-use assets to investment properties to reflect the most appropriate asset class for these assets (relate to right-of-use assets sublet to third parties under operating leases).

12. Movement in Working Capital & Provisions

Movement in Working Capital

	Inventories	Trade and other receivables	Trade and other payables	Total
Current	£'000	£'000	£'000	£'000
As at 1 January 2025	381,803	300,020	(401,142)	280,681
Currency translation adjustment	14,251	10,827	(14,485)	10,593
Interest accruals*	-	(789)	544	(245)
Arising on acquisition (Note 16)	(605)	6,777	(5,648)	524
Disposal of Group businesses (Note 16)	(1,313)	(3,593)	3,605	(1,301)
Contingent consideration receivable (Note 16) – current	-	1,039	-	1,039
Working capital movement in 2025	1,046	18,186	(31,262)	(12,030)
As at 31 December 2025 (current)	395,182	332,467	(448,388)	279,261
Contingent consideration receivable (Note 16) – non-current	-	10,210	-	10,210
As at 31 December 2025 (current and non-current)	395,182	342,677	(448,388)	289,471

* Interest accruals on long-term borrowings are included separately in other payables as accrued interest is paid within 12 months.

The working capital movement for the year ended 31 December 2024 is shown below:

	Inventories	Trade and other receivables	Trade and other payables	Total
	£'000	£'000	£'000	£'000
Working capital movement in 2024	(28,574)	5,754	7,952	(14,868)

Provisions

	Total Provisions
	£'000
As at 1 January 2025	17,888
Charged in year	3,639
Arising on acquisition (Note 16)	919
Utilised	(691)
Released	(2,854)
Paid during the year	(2,743)
Currency translation adjustment	701
As at 31 December 2025	16,859

The total provisions of £16.9m (31 December 2024: £17.9m) are shown in the Group balance sheet as (i) non-current liabilities of £12.8m (31 December 2024: £13.0m) and (ii) current liabilities of £4.1m (31 December 2024: £4.9m).

13. Interest-Bearing Loans, Borrowings and Net Debt

	31 Dec 2025 £'000	31 Dec 2024 £'000
Interest-bearing loans and borrowings		
Bank overdrafts*	-	8,375
Bank credit facilities (current)*	30,929	40,625
Bank loans (non-current)	51,499	56,053
US senior notes (non-current)	139,311	132,319
Total interest-bearing loans and borrowings	221,739	237,372
Leases		
Included in non-current liabilities	320,223	331,572
Included in current liabilities	77,185	72,156
Total leases	397,408	403,728
Derivatives		
Included in current assets	(3)	-
Included in current liabilities	-	5
Total derivatives	(3)	5
Fixed-term cash deposits**		
Included in current assets	(100,000)	(150,000)
Total fixed-term cash deposits	(100,000)	(150,000)
Cash at bank and short-term deposits***	(395,764)	(359,430)
Net debt	123,380	131,675
Net (cash) before leases	(274,028)	(272,053)

*The bank overdrafts of £Nil (31 December 2024: £8.4m) and euro bank credit facilities of £30.9m at 31 December 2024 (31 December 2024: £40.6m) relate to short-term debt in Salvador Escoda in Spain which the Group acquired on 30 October 2024. The Salvador Escoda bank credit facilities of £30.9m include debt related to discounting effects on debtors and credit facilities covering import lines of credit with five Spanish banking partners. The bank overdraft was cleared in 2025.

** Fixed-term cash deposits have a maturity date greater than three months at inception but less than three months at the balance sheet date.

*** At 31 December 2024, cash and cash equivalents in the cash flow statement of £351.1m consisted of cash at bank and short-term deposits of £359.4m, net of bank overdrafts of £8.4m.

At 31 December 2025, the Group had bilateral loan facilities of £337.6m (2024: £328.3m) with four relationship banks, which all mature in August 2029.

The revolving loan facilities of £337.6m were put in place in August 2022 for a term of five years to August 2027. The arrangements included two one-year extension options exercisable at the discretion of the Group and the four banks. The second one-year extension option was agreed in July 2024 and these facilities are now repayable in August 2029. This is sustainability linked debt funding and includes an incentive connected to the achievement of carbon emissions, workforce diversity and community support targets that are fully aligned to the Group's sustainability strategy.

The following table shows the fair value of financial assets and liabilities, all of which are within level 2 of the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

13. Interest-Bearing Loans, Borrowings and Net Debt (continued)

	31 Dec 2025 £'000	31 Dec 2024 £'000
Assets/(liabilities) measured and recognised at fair value		
<i>Designated as hedging instruments</i>		
Other derivative instruments	<u>3</u>	<u>(5)</u>
Fair value measurement of liabilities carried at amortised cost		
US senior notes	<u>(133,644)</u>	<u>(125,397)</u>

The following table shows the fair value of financial assets and liabilities, all of which are within level 3 of the fair value hierarchy.

	31 Dec 2025 £'000	31 Dec 2024 £'000
Assets/(liabilities) measured and recognised at fair value		
Contingent consideration receivable on disposal of businesses (Note 16)	12,251	-
Deferred consideration payable on acquisition of businesses (Note 16)	<u>(1,398)</u>	<u>(4,136)</u>

The fair value of financial assets and liabilities recognised at amortised cost

It is considered that the carrying amounts of other financial assets and liabilities including trade payables (excluding deferred consideration), cash and cash equivalents, fixed-term deposits, trade receivables and bank loans, which are recognised at amortised cost in the financial information approximate to fair value. The fixed rate US senior notes denominated in euro are disclosed above at fair value and reflect the differential between the fixed interest rates on these notes and market rates at 31 December 2025.

Financial assets and liabilities carried at fair value

The Group's financial assets and liabilities which are carried at fair value are classified as Level 2 in the fair value hierarchy and deferred consideration payable and receivable is classified as Level 3. There have been no transfers between levels in the current period. Fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

The fair values of other derivatives are calculated as the present value of the estimated future cash flows based on the terms and maturity of each contract and using forward currency rates and market interest rates as applicable for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty where appropriate.

The fair value of deferred consideration payable is calculated assuming a probability of payout, which will be based on achievement of EBITA/EBITDA targets and discounted to present value using market derived discount rates. The fair value assumes achievement of targets but is sensitive to change in the assessed probability of achieving targets.

Contingent consideration receivable relates to a variable earn-out component following the disposal of a Group business and is based on future purchases by the Group. The fair value is calculated based on historical trading volumes and is discounted to present value using market derived discount rates. The fair value is sensitive to change in the future trading volumes with the former Group business. The derived discount rates and future trading volumes are significant unobservable inputs.

14. Reconciliation of Net Cash Flow to Movement in Net (Debt)

	31 Dec 2025	31 Dec 2024
	£'000	£'000
Net increase/(decrease) in cash and cash equivalents	32,124	(24,069)
Net movement in fixed-term cash deposits	(50,000)	(50,000)
Net movement in derivative financial instruments	8	-
Bank loans acquired with subsidiaries	-	(42,330)
Lease liabilities acquired (Note 16)	(4,045)	(24,413)
Movement in debt and lease financing	40,250	49,531
Change in net (debt) resulting from cash flows	18,337	(91,281)
Currency translation adjustment	(10,042)	8,869
Movement in net (debt) in the period	8,295	(82,412)
Net (debt) at 1 January	(131,675)	(49,263)
Net (debt) at end of the period	(123,380)	(131,675)

15. Retirement Benefits

The principal financial assumptions employed in the valuation of the Group's defined benefit scheme liabilities for the current year and prior year were as follows:

	Irish Schemes		UK Schemes	
	At 31 Dec 2025	At 31 Dec 2024	At 31 Dec 2025	At 31 Dec 2024
Rate of increase in salaries*	N/A	N/A	N/A	N/A
Rate of increase of pensions in payment	-	-	2.70%	3.00%
Discount rate	4.20%	3.45%	5.50%	5.50%
Inflation rate increase	1.80%	1.85%	2.30%/2.80%**	2.60%/3.10%**

* Following the closure to accrual of the Irish schemes and the UK scheme, benefits in those schemes are no longer linked to final salary. Instead, accrued benefits up to the date of closure revalue in line with inflation, subject to certain caps.

** The inflation assumption shown for the UK is based on both the Consumer Price Index (CPI) and the Retail Price Index (RPI)

15. Retirement Benefits (continued)

The following table provides a reconciliation of the scheme assets (at bid value) and the actuarial value of scheme liabilities:

	Assets		Liabilities		Net asset/(deficit)	
	Year to 31 Dec 2025 £'000	Year to 31 Dec 2024 £'000	Year to 31 Dec 2025 £'000	Year to 31 Dec 2024 £'000	Year to 31 Dec 2025 £'000	Year to 31 Dec 2024 £'000
At 1 January	178,375	195,104	(177,034)	(200,931)	1,341	(5,827)
Interest income on plan assets	7,827	7,151	-	-	7,827	7,151
Contributions by employer	2,629	2,604	-	-	2,629	2,604
Benefit payments	(12,653)	(11,976)	12,653	11,976	-	-
Administration costs	(194)	(37)	-	-	(194)	(37)
Other long-term benefit (expense)	-	-	(46)	(91)	(46)	(91)
Interest cost on scheme liabilities	-	-	(7,859)	(7,456)	(7,859)	(7,456)
Remeasurements						
Actuarial (loss)/gains from:						
-experience variations	-	-	(1,095)	1,369	(1,095)	1,369
-financial assumptions	-	-	10,495	14,637	10,495	14,637
-demographic assumptions	-	-	331	(814)	331	(814)
Return on plan assets excluding interest income	(6,410)	(9,753)	-	-	(6,410)	(9,753)
Translation adjustment	4,746	(4,718)	(4,211)	4,276	535	(442)
At 31 December	174,320	178,375	(166,766)	(177,034)	7,554	1,341
Related deferred tax (net)					(436)	1,037
Net pension asset					7,118	2,378

The net pension scheme asset before tax of £7.6m (31 December 2024: £1.3m) is shown in the Group balance sheet as (i) retirement benefit obligations (non-current liabilities) of £4.0m (31 December 2024: £9.6m) and (ii) retirement benefit assets (non-current assets) of £11.6m (31 December 2024: £10.9m).

At 31 December 2025, the retirement benefit asset of £11.6m (Dec 2024: £10.9m) relates to three schemes in Ireland. The surplus has been recognised in accordance with IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' as it has been determined that the Group has an unconditional right to a refund of the surplus assets if the schemes are run off until the last member has left the scheme. The retirement benefit obligation of £4.0m (Dec 2024: £9.6m) relates to one scheme in the UK (£3.3m, Dec 2024: £8.8m) and one scheme in the Netherlands (£0.7m, Dec 2024: £0.8m).

The gain on plan assets was £1.4m (31 December 2024: loss on plan assets of £2.6m).

16. Acquisitions, Acquisition Related Liabilities & Disposal of Group Businesses

Acquisitions

On 31 May 2025, the Group acquired 100% of the issued share capital of HSS Hire Ireland Limited ("HSS Hire Ireland") from HSS Hire Group. HSS Hire Ireland is a tool and equipment hire specialist operating from four branches and four customer distribution centres in the Republic of Ireland, offering an extensive range of conventional hire products as well as specialist equipment with a particular focus on powered access. Grafton plans to operate the HSS Hire Ireland business as part of Chadwicks, its market-leading distribution business in the Republic of Ireland. This transaction is in line with our strategy to strengthen our market positions in existing and adjacent markets and broaden the offering of our Chadwicks business. This acquisition is incorporated in the Island of Ireland segment.

16. Acquisitions, Acquisition Related Liabilities & Disposal of Group Businesses (continued)

The fair value of assets and liabilities acquired in 2025, and adjustments to provisional fair value of assets and liabilities from previous acquisitions, are set out below:

	HSS £'000	Other* £'000	Total £'000
Property, plant and equipment	9,286	-	9,286
Right-of-use asset	4,045	-	4,045
Intangible assets – computer software	16	-	16
Intangible assets – trade names	1,514	-	1,514
Intangible assets – customer relationships	3,616	-	3,616
Inventories	162	(767)	(605)
Trade and other receivables	6,777	-	6,777
Trade and other payables	(5,648)	-	(5,648)
Provisions	(753)	(166)	(919)
Lease liability	(4,045)	-	(4,045)
Corporation tax liability	(939)	-	(939)
Deferred tax liability	(641)	-	(641)
Cash acquired	3,528	-	3,528
Net assets acquired	16,918	(933)	15,985
Goodwill	7,472	933	8,405
Consideration	24,390	-	24,390

Satisfied by:

Cash paid	24,390	-	24,390
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Net cash outflow – arising on acquisitions

Cash consideration	24,390	-	24,390
Less: cash and cash equivalents acquired	(3,528)	-	(3,528)
	20,862	-	20,862

* There were adjustments totalling £0.9m made to provisional fair values in the period relating to the acquisition of Salvador Escoda which completed in the prior year.

The fair value of the net assets acquired have been determined on a provisional basis as these have not yet been finally determined by the Group. A measurement period adjustment of £1.7m was recorded to reduce the fair value of property, plant and equipment. Goodwill on the acquisition reflects the anticipated purchasing and operational synergies to be realised as part of the enlarged Group. Goodwill is not deductible for tax purposes.

The gross contractual value of trade and other receivables as at the acquisition date amounted to £7.1m. The fair value of these receivables is £6.8m and is inclusive of a loss allowance of £0.3m.

Any adjustments to provisional fair value of assets and liabilities including recognition of any newly identified assets and liabilities, will be made within 12 months of the acquisition date. There were adjustments totalling £0.9m made to provisional fair values in the period relating to the acquisition of Salvador Escoda which completed in the prior year.

The acquisition contributed revenue of £14.5m and operating profit of £1.4m for the period from the date of acquisition to 31 December 2025. If this acquisition had occurred on 1 January 2025, it is estimated that it would have contributed revenue of £26.5m and adjusted operating profit of £2.9m in the period.

The Group incurred acquisition costs of £1.3m in 2025 (2024: £3.0m), relating to actual and target acquisitions, which are included in operating costs in the Group Income Statement.

16. Acquisitions, Acquisition Related Liabilities & Disposal of Group Businesses (continued)

Acquisition Related Liabilities

The following table shows the analysis of deferred consideration payable on previous acquisitions which remain payable at 31 December 2025:

	Deferred Consideration Payable £'000
As at 1 January 2025	(4,136)
Currency translation adjustment	(87)
Deferred acquisition consideration paid in the period	2,992
Unwinding of discount applicable to deferred consideration payable (Note 4)	(167)
As at 31 December 2025	(1,398)
Split of deferred consideration payable	
	£'000
Current	(1,398)
	(1,398)

Disposal of Group Businesses

On 31 May 2025, the Group disposed of MFP Sales Limited, the Irish-based manufacturer of PVC drainage and roofline products, to Wienerberger AG which mainly operates through Pipelife Ireland Solutions Limited. As a result, the net assets of the Group increased by £8.1m representing an overall profit on disposal after costs of disposal. The profit on the disposal reflects the cash consideration received of £9.2m and deferred cash receivable of £11.2m offset by the net book value of the assets being disposed of £5.4m and disposal costs of £7.0m.

Contingent consideration receivable relates to a variable earn-out component and is based on future purchases by the Group. The fair value is calculated based on historical trading volumes and is discounted to present value using market derived discount rates. The fair value is sensitive to change in the future trading volumes with the former Group business.

The disposal of the business does not meet the definition of a discontinued operation and therefore is not disclosed as such. The consolidated results of 2025 include five months of operating profit from the MFP business amounting to £1.0m (Year to 31 December 2024: £3.8m).

The carrying value of assets and liabilities disposed in 2025 are set out below:

	Total £'000
Property, plant and equipment	1,400
Inventories	1,313
Trade and other receivables	3,593
Trade and other payables	(3,605)
Corporation tax asset	118
Deferred tax liability	(47)
Cash disposed	2,588
Net assets disposed	5,360
Cash consideration received	(9,188)
Contingent consideration receivable	(11,249)
Profit on disposal of Group businesses, before disposal costs	(15,077)
Amounts recognised in the year within Exceptional Items	
Gross profit on disposal of Group businesses	15,077
Disposal costs*	(6,959)
	8,118

* Disposal costs include redundancy and closure costs together with professional and legal fees related to the divestment of the business.

16. Acquisitions, Acquisition Related Liabilities & Disposal of Group Businesses (continued)

Net cash inflow – arising on disposal

Cash consideration received	9,188
Less: cash and cash equivalents disposed	(2,588)
	<u>6,600</u>

The following table shows the analysis of contingent consideration receivable on the disposal of businesses, which is disclosed in trade and other receivables:

	Contingent Consideration Receivable
	£'000
As at 1 January 2025	-
Deferred receivable recognised on disposal of Group businesses	11,249
Currency translation adjustment	430
Deferred consideration received in the period	-
Unwinding of discount applicable to contingent consideration receivable (Note 4)	572
As at 31 December 2025	<u>12,251</u>
Split of contingent consideration receivable	£'000
Non-current	10,210
Current	2,041
	<u>12,251</u>

17. Taxation

The income tax expense of £28.6m (2024: £30.5m) is equivalent to an effective tax rate (before the exceptional profit on disposal) of 18.2% on profit before tax from continuing operations (2024: 20.0%). The rate after including the exceptional profit on disposal is lower at 17.3% (2024: 20.0%). This is a blended rate of corporation tax on profits in the five jurisdictions where the Group operates. The decrease in the effective rate reflects a higher proportion of profit in Ireland which is taxed at 15.0%, including the Pillar Two top-up tax, and a credit relating to updated estimates of amounts relating to prior years.

Certain items of expenditure charged in arriving at profit before tax, including depreciation on buildings, are not eligible for a tax deduction. This factor increased the rate of tax payable on profits above the headline rates that apply in the UK, Ireland, the Netherlands, Finland and Spain.

The liability shown for current taxation includes a liability for tax uncertainties and is based on the Directors' estimate of (i) the most likely amount; or (ii) the expected value of the probable outflow of economic resources that will be required. As with all estimates, the actual outcome may be different to the current estimate.

Accounting estimates and judgements

Management is required to make judgements and estimates in relation to taxation provisions and exposures. In the ordinary course of business, the Group is party to transactions for which the ultimate tax determination may be uncertain. As the Group is subject to taxation in a number of jurisdictions, an open dialogue is maintained with Revenue Authorities with a view to the timely agreement of tax returns. The amounts provided/recognised for tax are based on management's estimate having taken appropriate professional advice.

If the final determination of these matters is different from the amounts that were initially recorded such differences could materially impact the income tax and deferred tax liabilities and assets in the period in which the determination was made.

17. Taxation (continued)

Pillar Two - Global Minimum Top-Up Tax

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. Pillar Two legislation has been enacted or substantively enacted in Ireland and several other jurisdictions in which the Group operates effective from 1 January 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Pillar Two effective tax rate per jurisdiction and the 15% minimum rate. Specific adjustments envisaged in the Pillar Two legislation can give rise to different effective tax rates compared to those calculated for IFRS purposes. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it is incurred.

The Group has recognised a Pillar Two current tax expense of £1.6m for 2025 (2024: £0.5m) and expects to avail of transitional safe harbour reliefs in respect of a number of its jurisdictions for the financial year. The Group will continue to monitor changes in law and guidance as they apply to Grafton Group plc and its subsidiaries.

Deferred tax

At 31 December 2025, the deferred tax asset was £7.3m (31 December 2024: £7.5m) and the deferred tax liability was £62.9m (31 December 2024: £62.0m). At 31 December 2025, there were unrecognised deferred tax assets in relation to capital losses of £0.6m (31 December 2024: £0.7m), trading losses of £1.6m (31 December 2024: £1.3m) and deductible temporary differences of £5.5m (31 December 2024: £5.2m).

Deferred tax assets were not recognised in respect of certain capital losses as they can only be recovered against certain classes of taxable profits. The Directors believe that it is not probable that such profits will arise in the foreseeable future. The trading losses arose in entities that have incurred historic losses and the Directors believe that it is not probable there will be sufficient taxable profits in the particular entities against which they can be utilised. Separately, the Directors believe that it is not probable the deductible temporary differences will be utilised.

18. Related Party Transactions

There were no changes in related parties from those described in the Annual Report and Accounts for the year ended 31 December 2024 that materially affected the financial position or the performance of the Group during the year ended 31 December 2025.

19. Grafton Group plc Long Term Incentive Plan (LTIP)

LTIP awards were made over 843,932 Grafton Units on 19 March 2025 (March 2024: 637,662). The fair value of the awards of £5.4m (March 2024: £4.6m), which are subject to vesting conditions, will be charged to the income statement over the vesting period of three years (March 2024: three years). The Annual Report and Accounts for the year ended 31 December 2025 discloses details of the LTIP scheme.

20. Share Buyback and Treasury Shares

	Purchase of Treasury Shares £'000	Transaction Costs £'000	Purchase of Treasury Shares * £'000	Cancellation of Treasury Shares £'000	Transfer from Treasury Shares ** £'000	Total Movement £'000
Share buybacks in 2022	142,609	372	142,981	(141,693)	-	1,288
Share buybacks in 2023	159,143	315	159,458	(159,591)	(687)	(820)
Share buybacks in 2024	80,923	162	81,085	(81,391)	(162)	(468)
Total at 31 December 2024	382,675	849	383,524	(382,675)	(849)	-
Buyback programme 5	1,612	3	1,615	(1,612)	(3)	-
Buyback programme 6	30,000	60	30,060	(30,000)	(60)	-
Buyback programme 7	25,000	50	25,050	(25,000)	(50)	-
Year ended 31 December 2025	56,612	113	56,725	(56,612)	(113)	-
Total at 31 December 2025	439,287	962	440,249	(439,287)	(962)	-

* Including transaction costs.

** At 31 December 2025, the share buyback programmes and the LTIP purchase and cancellation, were fully completed and the related transactions costs have been transferred from treasury shares to retained earnings, totalling £1.0m.

Since the first buyback commenced on 9 May 2022 and up to 31 December 2025, the Group has purchased a total of 49.28m ordinary shares which represents 20.5% of the issued share capital on the date of commencement. It acquired them at an average price of £8.69 per share. Excluding shares re-purchased to offset the impact of LTIPS awards vesting in 2022 and 2023, cash of £428.3m has been returned to shareholders through all completed share buybacks.

Share buyback programme 5 (completed 8 January 2025)

The Board announced a fifth programme, commencing 29 August 2024, to buy back ordinary shares in the Company for an aggregate consideration of up to £30.0m which was to end no later than 31 January 2025, subject to market conditions. At 31 December 2024, the Group had purchased 2,810,108 shares in aggregate for cancellation at a total cost of £28.4m, including transaction costs. These shares were all cancelled by 31 December 2024. In January 2025, the Group purchased a further 171,302 shares in aggregate for cancellation at a further cost of £1.6m, including transaction costs. This programme fully completed on 8 January 2025.

Share buyback programme 6 (commenced 6 March 2025 and completed 8 July 2025)

The Board announced a sixth programme, commencing 6 March 2025, to buy back ordinary shares in the Company for an aggregate consideration of up to £30.0m which was to end no later than 31 August 2025, subject to market conditions. At 31 December 2025, the Group had purchased 3,293,879 shares in aggregate for cancellation at a total cost of £30.1m, including transaction costs. This programme fully completed on 8 July 2025.

Share buyback programme 7 (commenced 4 September 2025 and completed 7 November 2025)

The Board announced a seventh programme, commencing 4 September 2025, to buy back ordinary shares in the Company for an aggregate consideration of up to £25.0m which will end no later than 31 January 2026, subject to market conditions. At 31 December 2025, the Group had purchased 2,735,984 shares in aggregate for cancellation at a total cost of £25.1m, including transaction costs. This programme fully completed on 7 November 2025.

21. Issue of Shares

During the year, 210,351 Grafton Units were issued under the Group's Savings Related Share Option Scheme (SAYE) to eligible UK employees.

In addition, 16,512 Grafton Units were issued under the 2021 Grafton Group Long Term Incentive Plan (LTIP), on the vesting of Awards granted in 2022, as the conditions for Total Shareholder Return ("TSR") targets were met. No other Grafton Units were issued on the vesting of Awards granted in 2022, as the performance conditions for Earnings Per Share ("EPS") targets were not met.

22. Events after the Balance Sheet Date

The Board has today announced an eighth share buyback programme, commencing 5 March 2026, to buy back ordinary shares in the Company for an aggregate consideration of up to £25.0m. This buyback programme will end no later than 31 August 2026, subject to market conditions.

There have been no other material events subsequent to 31 December 2025 that would require adjustment to or disclosure in this report.

23. Board Approval

This announcement was approved by the Board of Grafton Group plc on 4 March 2026.

Supplementary Financial Information

Alternative Performance Measures

Certain financial information set out in this consolidated financial information is not defined under IFRS. These key Alternative Performance Measures (“APMs”) represent additional measures in assessing performance and for reporting both internally and to shareholders and other external users. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides readers with a more meaningful understanding of the underlying financial and operating performance of the Group.

None of these APMs should be considered as an alternative to financial measures drawn up in accordance with IFRS.

The key Alternative Performance Measures (“APMs”) of the Group are set out below. As amounts are reflected in £’m some non-material rounding differences may arise. Numbers that refer to 2024 are available in the 2024 Annual Report and Accounts.

The term “Adjusted” means before exceptional items, acquisition related items and unwinding of discount applicable to contingent consideration receivable. These items do not relate to the underlying operating performance of the business and therefore to enhance comparability between reporting periods and businesses, management do not take these items into account when assessing the underlying profitability of the Group.

Acquisition related items comprise deferred consideration payments relating to the retention of former owners of businesses acquired, transaction costs and expenses, professional fees for new and target acquisitions, adjustments to previously estimated earn outs, impairment charges related to intangible assets recognised on acquisition of businesses and goodwill impairment charges. Customer relationships, technology and brands amortisation, the impact of unwinding acquisition related deferred consideration to present value and any associated tax are considered by management to form part of the total spend on acquisitions or are non-cash items resulting from acquisitions and therefore are also included as adjusting items.

APM	Description
Adjusted operating profit/EBITA	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items, net finance expense and income tax expense.
Operating profit margin	Profit before net finance expense and income tax expense as a percentage of revenue.
Adjusted operating profit/EBITA before property profit	Profit before profit on the disposal of Group properties, amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items, net finance expense and income tax expense.
Adjusted operating profit/EBITA margin before property profit	Adjusted operating profit/EBITA before property profit as a percentage of revenue.
Adjusted profit before tax	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items and income tax expense. In the current year the definition has been refined to include unwinding of discount applicable to contingent consideration receivable without requiring restatement for prior year as contingent consideration receivable arose during the current year.
Adjusted profit after tax	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items and exceptional items but after deducting the income tax expense. In the current year the definition has been refined to include unwinding of discount applicable to contingent consideration

receivable without requiring restatement for prior year as contingent consideration receivable arose during the current year.

Average Capital Employed	The average sum of total equity and net debt at each period end.
Capital Turn	Revenue for the previous 12 months divided by average capital employed (where capital employed is the sum of total equity and net debt/(cash) at each period end).
Constant Currency	Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency change, the results for the prior period are retranslated using the average exchange rates for the current period and compared to the current period reported numbers.
Dividend Cover	Group earnings per share divided by the total dividend per share for the Group.
EBITDA	Earnings before exceptional items, acquisition related items, net finance expense, income tax expense, depreciation and intangible assets amortisation. EBITDA (rolling 12 months) is EBITDA for the previous 12 months.
EBITDA Interest Cover	EBITDA divided by net bank/loan note interest.
Free Cash Conversion	Free cash flow as a percentage of adjusted operating profit.
Free Cash Flow	Cash generated from operations less replacement capital expenditure (net of disposal proceeds), less interest paid (net), income taxes paid, deferred consideration paid and payment of lease liabilities and include contingent consideration received on the disposal of Group businesses. In the current year the definition has been refined to include contingent consideration received without requiring restatement for prior year as deferred consideration arose during the current year.
Gearing	The Group net (cash)/debt divided by the total equity attributable to owners of the Parent times 100, expressed as a percentage.
Liquidity	The Group's accessible cash, including any undrawn revolving bank facilities.
Like-for-like revenue	Changes in like-for-like revenue is a measure of underlying revenue performance for a selected period. Branches contribute to like-for-like revenue once they have been trading for more than twelve months. Acquisitions contribute to like-for-like revenue once they have been part of the Group for more than 12 months. When branches close, or where a business is disposed of, revenue from the date of closure, for a period of 12 months, is excluded from the prior period result.
Net (Debt)/Cash	Net (debt)/cash comprises current and non-current interest-bearing loans and borrowings, lease liabilities, fixed-term cash deposits, cash and cash equivalents and current and non-current derivative financial instruments.
Adjusted Return on Capital Employed	Adjusted operating profit divided by average capital employed (where capital employed is the sum of total equity and net debt/(cash) at each period end) times 100, expressed as a percentage.
Adjusted Earnings Per Share	A measure of underlying profitability of the Group. Adjusted profit after tax is divided by the weighted average number of Grafton Units in issue, excluding treasury shares.

Adjusted Operating Profit/EBITA before Property Profit

	2025 £'m	2024 £'m
Revenue	2,519.6	2,282.3
Operating profit	174.8	152.6
Property profit	(5.9)	(4.0)
Exceptional items	(8.1)	-
Acquisition related items	1.5	4.6
Amortisation of intangible assets arising on acquisitions	22.0	20.3
Adjusted operating profit/EBITA before property profit	184.3	173.5
Adjusted operating profit/EBITA margin before property profit	7.3%	7.6%

Operating Profit Margin

	2025 £'m	2024 £'m
Revenue	2,519.6	2,282.3
Operating profit	174.8	152.6
Operating profit margin	6.9%	6.7%

Adjusted Operating Profit/EBITA

	2025 £'m	2024 £'m
Revenue	2,519.6	2,282.3
Operating profit	174.8	152.6
Exceptional items	(8.1)	-
Acquisition related items	1.5	4.6
Amortisation of intangible assets arising on acquisitions	22.0	20.3
Adjusted operating profit/EBITA	190.2	177.5
Adjusted operating profit/EBITA margin	7.5%	7.8%

Adjusted Profit before Tax

	2025 £'m	2024 £'m
Profit before tax	165.1	152.5
Amortisation of intangible assets arising on acquisitions	22.0	20.3
Exceptional items	(8.1)	-
Acquisition related items	1.5	4.6
Unwinding of discount applicable to deferred consideration payable	0.2	1.5
Unwinding of discount applicable to contingent consideration receivable	(0.6)	-
Adjusted profit before tax	180.1	178.9

Adjusted Profit after Tax

	2025 £'m	2024 £'m
Profit after tax	136.6	122.0
Acquisition related items	1.5	4.6
Amortisation of intangible assets arising on acquisitions	22.0	20.3
Tax on amortisation of intangible assets arising on acquisitions	(4.9)	(4.6)
Exceptional items	(8.1)	-
Unwinding of discount applicable to deferred consideration payable	0.2	1.5
Unwinding of discount applicable to contingent consideration receivable	(0.6)	-
Adjusted profit after tax	<u>146.6</u>	<u>143.8</u>

Reconciliation of Profit to EBITDA

	2025 £'m	2024 £'m
Profit after tax	136.6	122.0
Exceptional items	(8.1)	-
Net finance expense/(income)	9.7	0.1
Income tax expense	28.6	30.5
Depreciation	125.8	112.4
Acquisition related items	1.5	4.6
Intangible asset amortisation	25.1	22.3
EBITDA	<u>319.2</u>	<u>292.0</u>

Net (Debt)

	31 Dec 2025 £'m	31 Dec 2024 £'m
Cash and cash equivalents	395.8	359.4
Interest-bearing loans (non-current)	(190.8)	(188.4)
Interest-bearing loans (current)	(30.9)	(40.6)
Bank overdrafts	-	(8.4)
Lease liabilities (non-current)	(320.2)	(331.6)
Lease liabilities (current)	(77.2)	(72.2)
Derivatives	0.0	(0.0)
Fixed-term cash deposits	100.0	150.0
Net (Debt)	<u>(123.4)</u>	<u>(131.7)</u>

Net Debt to EBITDA

	31 Dec 2025 £'m	31 Dec 2024 £'m
EBITDA (rolling 12 months)	319.2	292.0
Net debt	123.4	131.7
Net debt to EBITDA – times	<u>0.39</u>	<u>0.45</u>

EBITDA Interest Cover (including interest on lease liabilities)

	2025 £'m	2024 £'m
EBITDA	319.2	292.0
Net bank/loan note interest expense/(income)	7.7	(0.1)
EBITDA interest cover – times	<u>41.5</u>	<u>n/a</u>

Free Cash Flow

	2025 £'m	2024 £'m
Cash generated from operations	310.3	298.3
Replacement capital expenditure	(21.5)	(23.9)
Proceeds on sale of property, plant and equipment	1.7	1.3
Proceeds on sale of held for sale/investment properties	3.6	4.4
Interest received	17.4	23.4
Interest paid	(24.3)	(22.5)
Payment of lease liabilities	(81.7)	(71.6)
Deferred acquisition consideration paid	(3.0)	(2.1)
Income taxes paid	(34.2)	(29.0)
Free cash flow	<u>168.3</u>	<u>178.2</u>

Adjusted Return on Capital Employed

	31 Dec 2025 £'m	31 Dec 2024 £'m
Operating profit	174.8	152.6
Exceptional items	(8.1)	-
Acquisition related items	1.5	4.6
Amortisation of intangible assets arising on acquisitions	22.0	20.3
Adjusted operating profit	<u>190.2</u>	<u>177.5</u>
Total equity – current period end	1,648.7	1,596.2
Net debt	123.4	131.7
Capital employed – current period end	<u>1,772.1</u>	<u>1,727.9</u>
Total equity – prior period end	1,596.2	1,655.8
Net debt/(cash)	131.7	49.3
Capital employed – prior period end	<u>1,727.9</u>	<u>1,705.1</u>
Average capital employed	<u>1,750.0</u>	<u>1,716.5</u>
Adjusted return on capital employed	<u>10.9%</u>	<u>10.3%</u>

Capital Turn

	31 Dec 2025 £'m	31 Dec 2024 £'m
Total revenue for previous 12 months	2,519.6	2,282.3
Average capital employed	<u>1,750.0</u>	<u>1,716.5</u>
Capital turn – times	<u>1.4</u>	<u>1.3</u>

Free Cash Conversion

	2025 £'m	2024 £'m
Free cash flow	168.3	178.2
Adjusted operating profit	<u>190.2</u>	<u>177.5</u>
Free cash conversion	<u>88%</u>	<u>100%</u>

Gearing

	31 Dec 2025 £'m	31 Dec 2024 £'m
Total equity attributable to owners of the Parent	1,648.7	1,596.2
Group net debt	123.4	131.7
Gearing	<u>7.5%</u>	<u>8.2%</u>

Dividend Cover	31 Dec 2025 £'m	31 Dec 2024 £'m
Group adjusted EPS – basic (pence)	75.43	71.78
Group dividend (pence)	37.75	37.00
Group dividend cover – times	<u>2.0</u>	<u>1.9</u>

Liquidity	31 Dec 2025 £'m	31 Dec 2024 £'m
Cash and cash equivalents	395.8	359.4
Fixed-term cash deposits	100.0	150.0
Less: cash held against letter of credit*	(4.0)	(4.0)
Accessible cash	<u>491.8</u>	<u>505.4</u>
Undrawn revolving bank facilities	285.0	270.8
Liquidity	<u>776.8</u>	<u>776.2</u>

*At 31 December 2025, cash of £4.0m (2024: £4.0m) was reserved to cover the risk of an event of default by the Group on a letter of credit. This arrangement can be replaced at any time.

Net Cash – before Leases	31 Dec 2025 £'m	31 Dec 2024 £'m
Net (debt) - after leases	(123.4)	(131.7)
Lease liability	<u>397.4</u>	<u>403.7</u>
Net cash – before leases	<u>274.0</u>	<u>272.1</u>

Like-for-Like Revenue	2025 £'m	2024 £'m
2024/2023 revenue	2,282.3	2,319.2
Organic growth	22.1	(52.5)
Organic growth – new branches	3.0	5.5
Total organic growth	<u>25.1</u>	<u>(47.0)</u>
Acquisitions	194.6	47.2
Foreign exchange	17.6	(37.1)
2025/2024 revenue	<u>2,519.6</u>	<u>2,282.3</u>
Like-for-like movement (organic growth, excluding new branches, as % of prior period revenue)	<u>1.0%</u>	<u>(2.3%)</u>

Cash Outflow on Dividends and Share Buyback, excluding transaction costs	2025 £'m	2024 £'m
Dividend payment	72.6	73.2
Purchase of treasury shares (Note 20)	56.6	80.9
Cash outflow on dividends and share buyback, excluding transaction costs	<u>129.2</u>	<u>154.1</u>

Technical Guidance for 2026 Financial Year (unaudited)

- **Interest costs:** c.£14m-£15m but dependent on rate of reduction of interest rates by Central Banks together with impact of corporate development activity
- **Effective tax rate:** Underlying tax rate of c.19.5% subject to acquisitions and change in assumptions in respect of prior years
- **Depreciation and asset amortisation (pre IFRS 16):** c.£50m
- **Depreciation and amortisation including right-of-use assets (leases) and acquired intangibles:** c.£160m
- **Gross replacement capital expenditure:** c.£30m - £35m
- **Organic development capital expenditure:** c.£40m - £45m