Grafton Group plc Final Results

Financial Year Ended 31 December 2025

Agenda

Forward-looking statements & notes

Forward-looking statements

This presentation 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.

Notes

Please refer to Notes and Definitions in Appendix 1.

As amounts are reflected in £'m some immaterial rounding differences may arise.

Presenting today

Eric Born
Chief Executive Officer

David Arnold
Chief Financial Officer

FY 2025 operational highlights

Eric Born, Chief Executive Officer

Grafton Group plc

FY 2025 operational highlights

Resilient performance with return to profit growth

2025 performance

- Group revenue **+10.4%**
- LFL revenue growth **+1.7%**
- Gross margin **+50bps**
- Adjusted operating profit **+7.1%**
- Adjusted ROCE **10.9%**
- Adjusted EPS **+5.1%**
- **+2.0%** increase in full year dividend
- New **£25.0m** share buyback

Continued progress on development activities

- Further strengthened leadership team across the Group
- Successfully integrated Salvador Escoda and delivered profit growth in line with plan
- Strengthened our market position in ROI – HSS Hire Ireland bolt-on
- Balance sheet capacity and cash conversion supports future development

FY 2025 financial review

David Arnold, Chief Financial Officer

Grafton Group plc

2025 financial highlights

£'m	2025	2024	Change
Revenue	**2,519.6**	2,282.3	+10.4%
Adjusted operating profit pre property profit	**184.3**	173.5	+6.2%
Adjusted operating profit margin pre property profit margin	**7.3%**	7.6%	(30bps)
Property profit	**5.9**	4.0	+47.1%
Adjusted operating profit	**190.2**	177.5	+7.1%
Adjusted operating profit margin	**7.5%**	7.8%	(30bps)
Net finance (cost) / income *excluding acquisition related items*	**(10.1)**	1.4	
Adjusted profit before tax	**180.1**	178.9	+0.7%
Adjusted profit after tax	**146.6**	143.8	+1.9%
Tax rate	**18.2%**	20.0%	(180bps)
Adjusted earnings per share	**75.4p**	71.8p	+5.1%

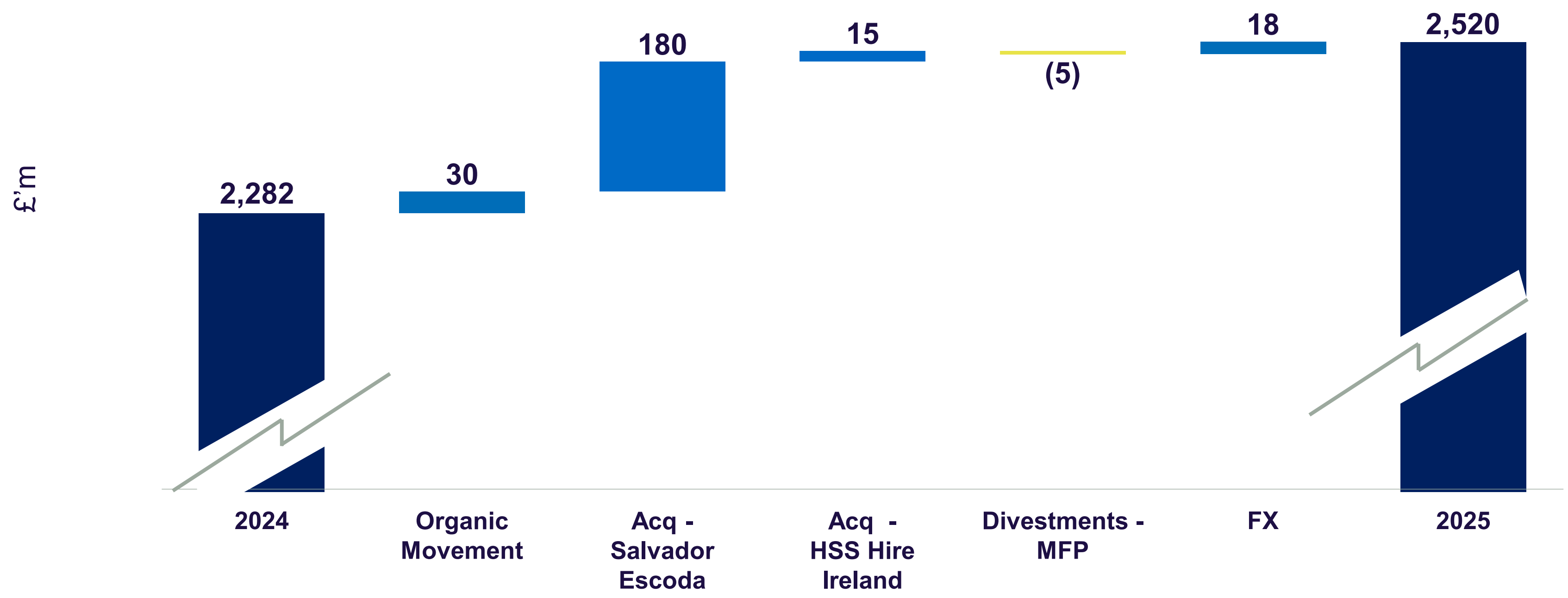
Change to operating segments*

- New reporting structure adopted which better reflects the Group's strategy and management focus
- Operating results now presented across four geographically defined segments

Island of Ireland	Great Britain	Northern Europe	Iberia
Chadwicks, Woodie's, MacBlair	Selco Builders Warehouse, CPI EuroMix, Leyland, StairBox, TG Lynes	Isero, Polvo, IKH	Salvador Escoda

* Comparative figures have been restated, with the realignment having no impact on consolidated results. Results under the previous segment structure are provided in the appendices.

Revenue bridge – 2024 to 2025

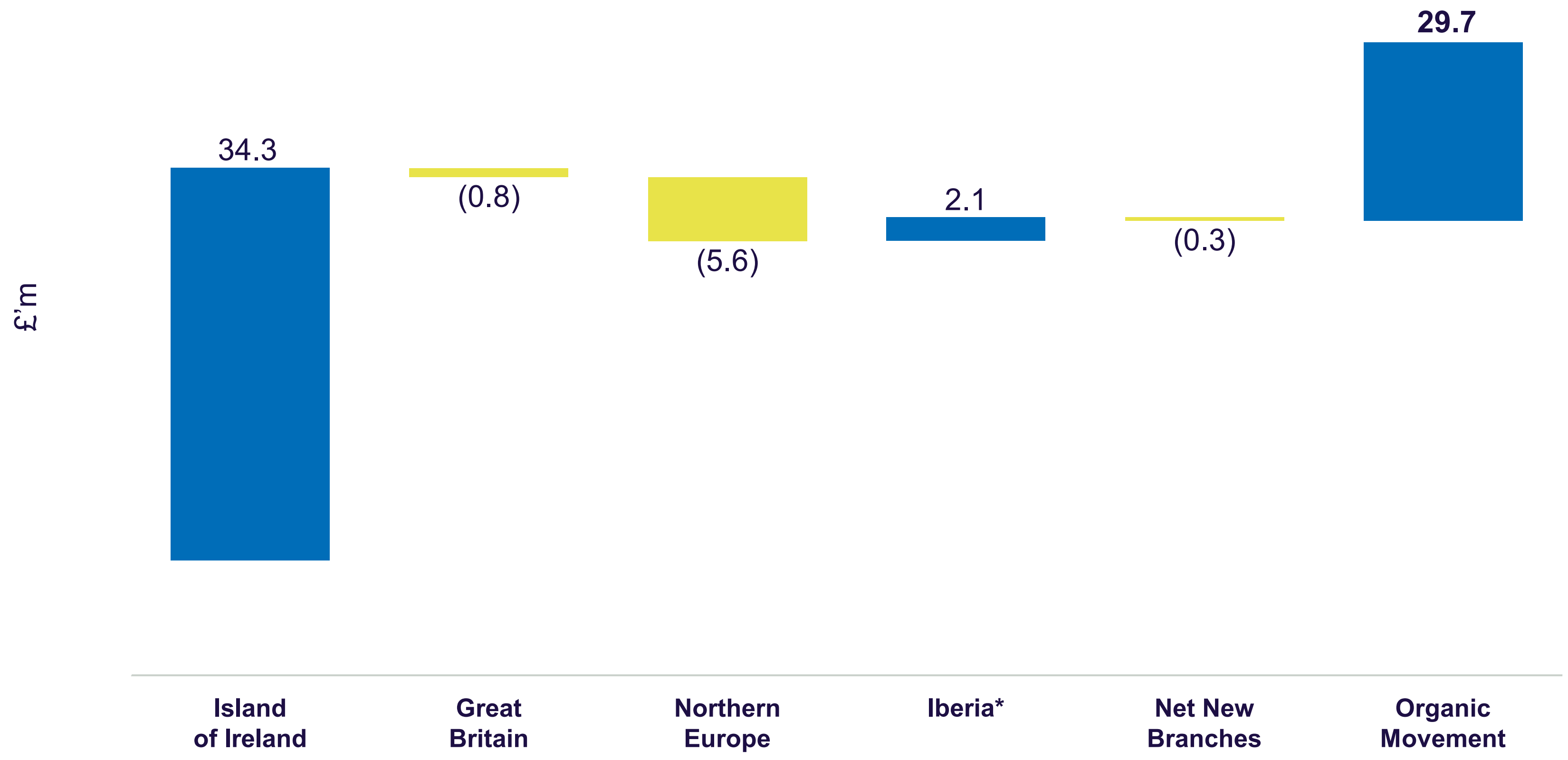


Acquisition growth mainly driven by Salvador Escoda

Small impact from disposal of non-core MFP piping business in Ireland

Positive FX impact due to strengthening of the Euro against GBP

Analysis of organic movement in revenue (constant currency) – 2024 to 2025



Like-for-like

Island of Ireland key driver of growth with Great Britain broadly flat

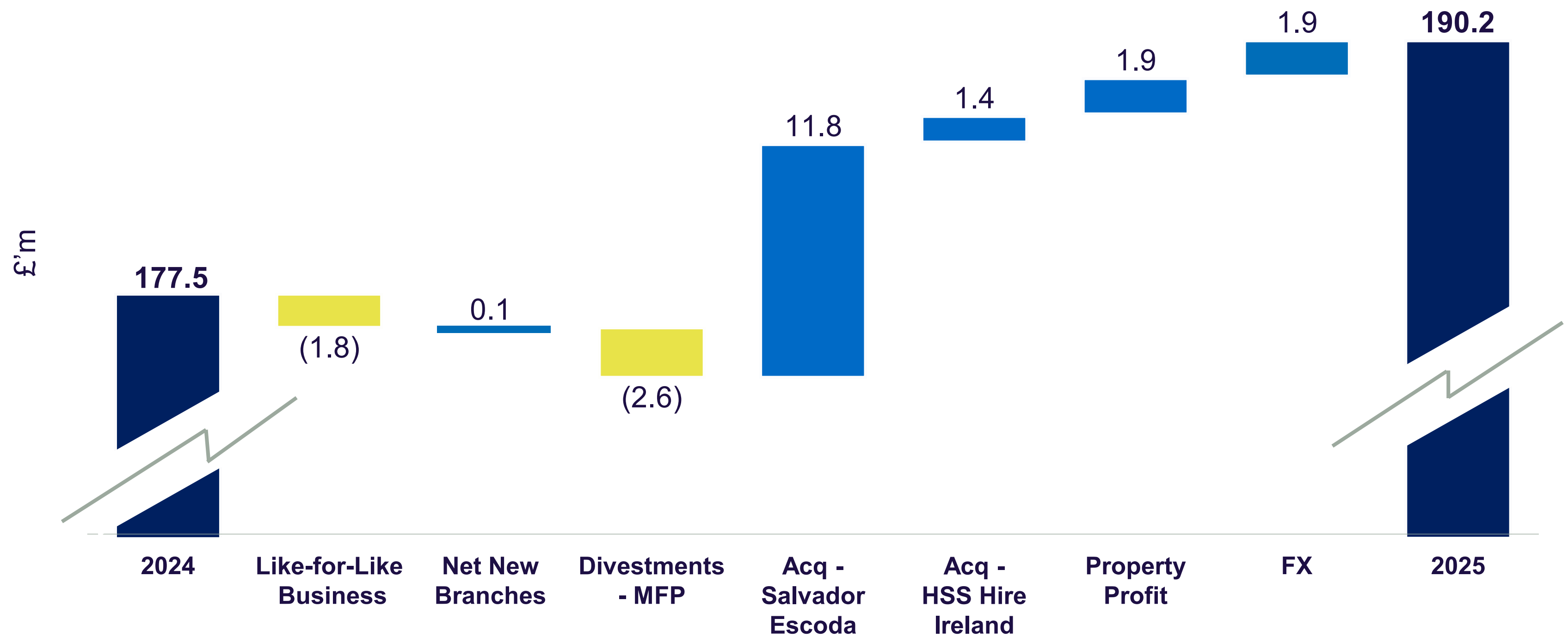
Decline in Northern Europe driven by lower activity in Finland

Organic growth in Iberia reflects growth in last two months of 2025 only

Impact of new and closed branches largely offset

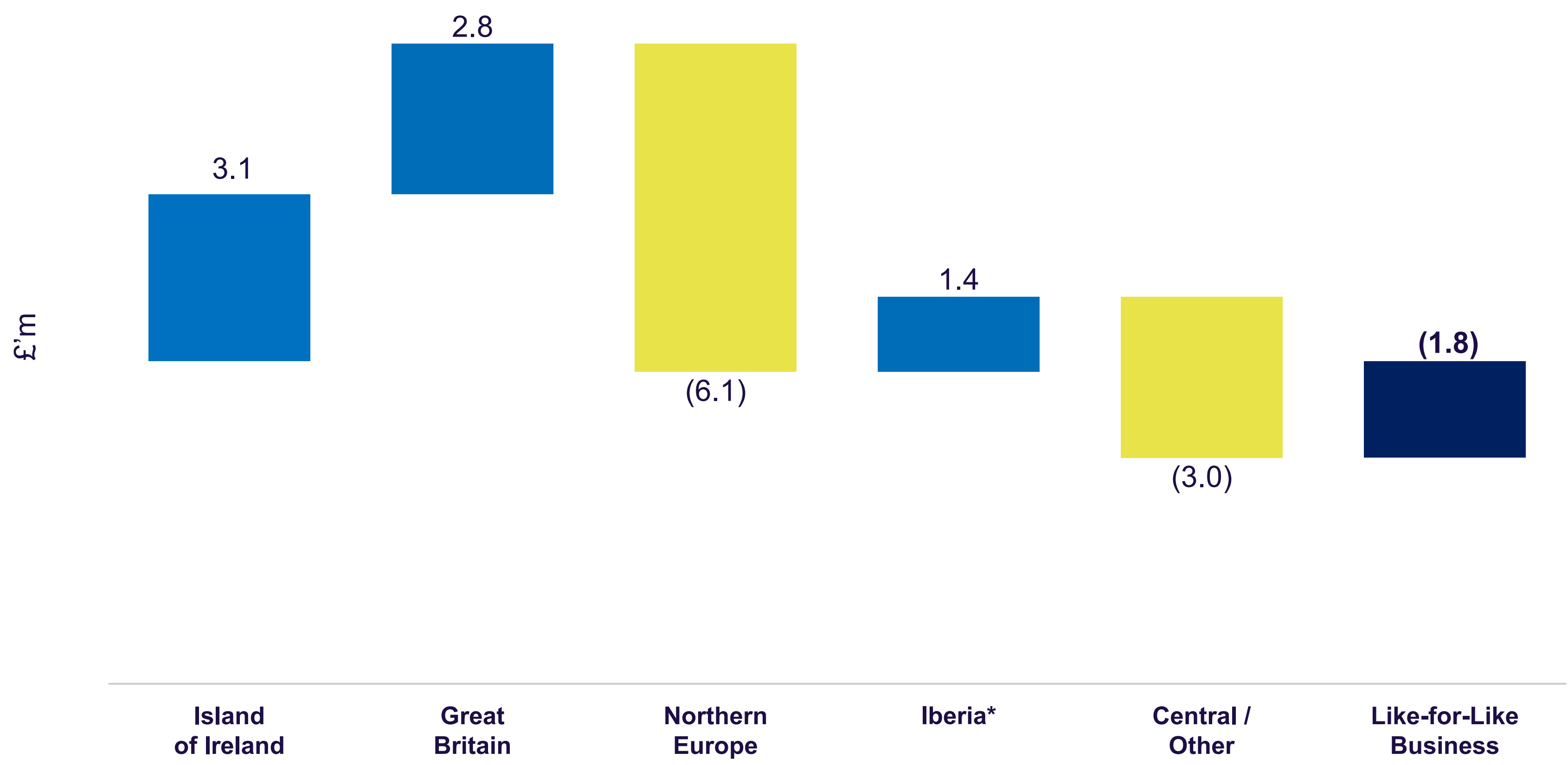
* Salvador Escoda was acquired on 30 October 2024

Adjusted operating profit (including property profit) – 2024 to 2025



Acquisitions: Profit contribution primarily from Salvador Escoda with 7 months trading from HSS Hire Ireland

Analysis of movement in adjusted operating profit in like-for-like business – 2024 to 2025



Strong sales growth in Island of Ireland underpinned gross margin expansion

Higher profits in GB largely driven by higher gross margin (+120bps)

Northern Europe decline driven by lower Finnish sales and ongoing overhead pressures in both Finland and Netherlands

Central / Other costs up reflecting capability-building investments

* Salvador Escoda was acquired on 30 October 2024

Island of Ireland

£'m	2025	2024	Change	Constant currency
Revenue	1,071.6	1,016.2	+5.4%	+4.3%
Adjusted operating profit[1]	111.0	107.5	+3.2%	+1.8%
Adjusted operating margin[1]	10.4%	10.6%	(20bps)	-

- **LFL revenue up 3.5% with all businesses ahead; strong trading in Woodie's and a positive performance from Chadwicks**
- **Gross margin continued to improve (+20bps) largely due to strong performance in Chadwicks supported by active commercial management actions**
- **Integration of HSS Hire Ireland on track**
- **Supportive economic backdrop in ROI and expected new housing focus for at least a decade; market conditions in NI remain challenging**

[1] Excludes property profit

Great Britain

£'m	2025	2024	Change
Revenue	765.4	767.0	(0.2%)
Adjusted operating profit[1]	49.2	46.4	+6.2%
Adjusted operating margin[1]	6.4%	6.0%	+40bps

- **Gross margin increase of +120bps reflected targeted commercial actions across all businesses despite subdued volumes**
- **RMI demand remained weak, particularly in London where housing starts hit a 40-year low, as the wider economy lost momentum in H2**
- **LFL revenue up 0.4%, with strong manufacturing growth offsetting declines in distribution businesses**
- **Tight cost control across all businesses contained cost inflation**

[1] Excludes property profit

Northern Europe

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

- **Dutch market slowed in H2 after a strong start; Finnish economy remained weak**
- **LFL revenue down 0.5% with Dutch growth offset by sharp decline in Finland**
- **Gross margin expanded in both markets (+90bps) due to strong commercial execution**
- **Industry led labour cost increases in the Netherlands and strategic investments in Finland reduced operating margin**

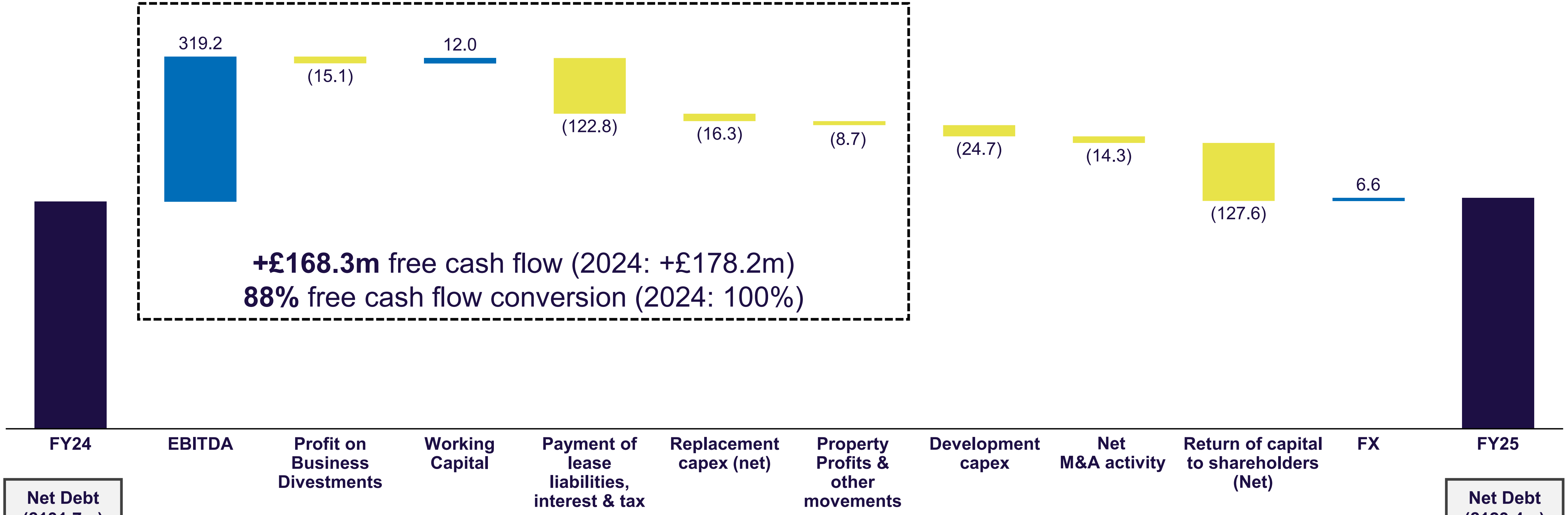
Iberia

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

- **Successful integration completed with a strengthened management team creating a strong platform for future growth**
- **LFL revenue up 6.1% (pro-forma), supported by a growing economy and strong market demand**
- **Delivered year-on-year profit growth while executing significant change**
- **New branches opened in Catalonia and Extremadura with a strong pipeline to further expand our footprint**

* Salvador Escoda was acquired on 30 October 2024

Analysis of cash flow - 2025



Net Debt (£131.7m)

0.45x Leverage

Cash flow supporting shareholder returns

Net Debt (£123.4m)

0.39x Leverage

Balance sheet

£'m	31 December 2025	31 December 2024
Goodwill and intangible assets	**790.4**	769.2
Right-of-use assets	**366.3**	377.7
Tangible assets	**410.9**	395.4
Working capital	**289.5**	280.7
Other liabilities	**(92.5)**	(96.5)
Pension asset/(deficit)	**7.6**	1.3
Capital employed	**1,772.1**	1,727.9
Net cash excluding leases	*274.0*	*272.1*
Leases	*(397.4)*	*(403.7)*
Net debt including leases	**(123.4)**	(131.7)
Equity	**1,648.7**	1,596.2
Adjusted ROCE	**10.9%**	10.3%
Capital turn - times	**1.4x**	1.3x

Outlook & strategy update

Eric Born, Chief Executive Officer

Grafton Group plc

Current trading

	Average daily like-for-like revenue change in constant currency	
	Q4 2025	**1 Jan 2026 - 28 Feb 2026**
Distribution		
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	+2.6%	

- **Early in the year – important trading months yet to come**
- **Wet weather impacted trading in Island of Ireland and Great Britain**
- **Island of Ireland delivered growth, supported by softer comparators, following Storm Éowyn in 2025**
- **Market environment in Great Britain remain challenging**
- **Modest growth in Northern Europe, with strong Finnish performance offset by softer trading in the Netherlands**
- **Strong momentum in Iberia**

Outlook

2026 outlook	
Island of Ireland	• Construction outlook positive in ROI – retail consumer slightly more cautious • No significant uplift expected in Northern Ireland in 2026
Great Britain	• Slow start to 2026 impacted by wet weather conditions • Modest market growth expected and skewed to H2
Northern Europe	• NL construction market expected to recover gradually in 2026 • No meaningful improvement in Finnish construction market expected until H2
Iberia	• 3-4% construction market growth anticipated in 2026

Medium-term outlook

- Positive across all geographies – supported by structural growth drivers and leading brands
- Strong recovery potential in Great Britain and Northern Europe
- Tight cost control positions business to benefit from strong operating leverage

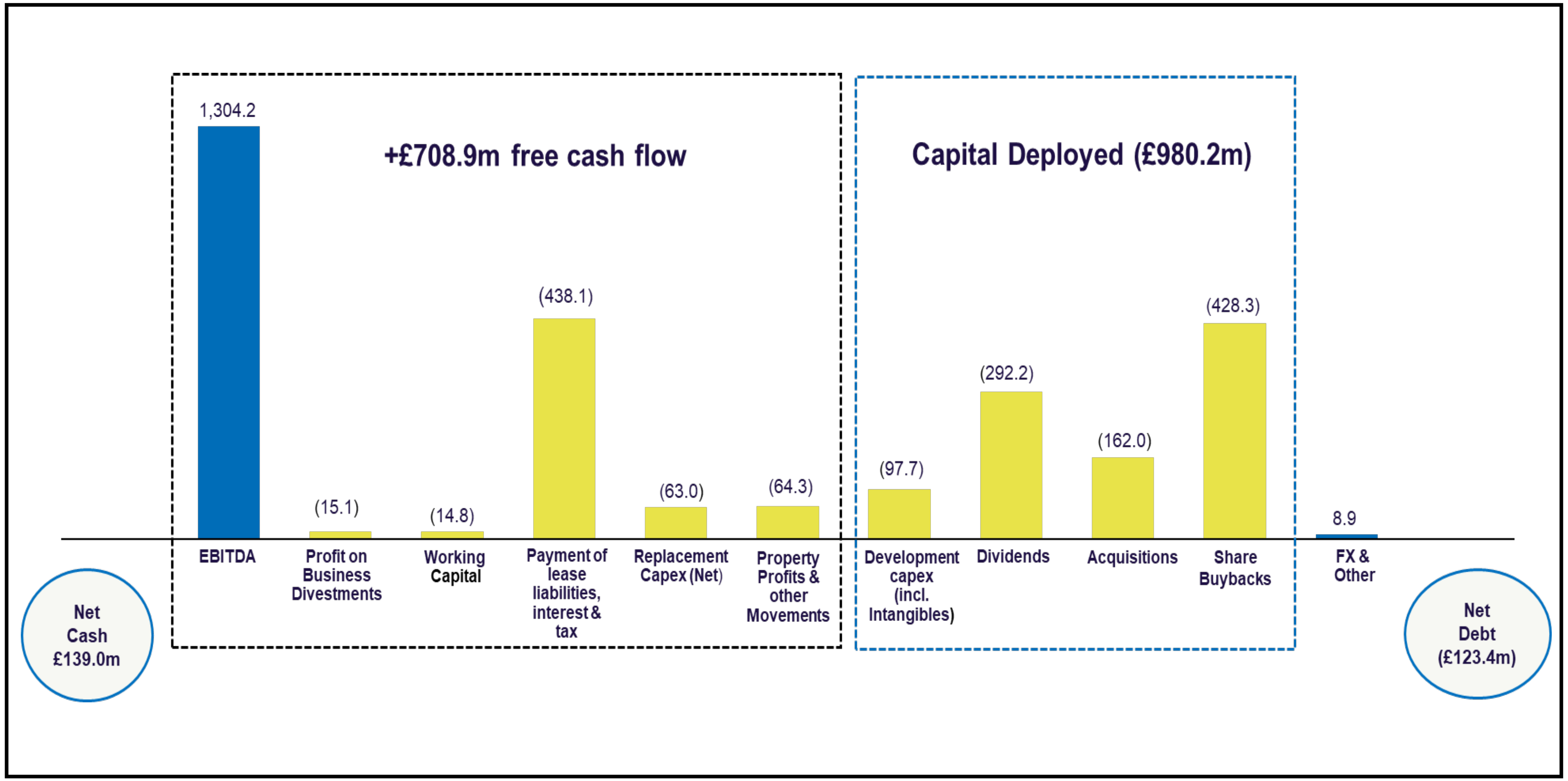
Our strategy for growth

Our strategy is based on:	What sets us apart:	Our structured approach to capital allocation:
• **Strong positions** in markets with long-term growth characteristics • **Core geographic focus** on existing markets near term, new geographies longer term • **Federated operating model** – local execution, using Group capabilities across markets • **Customer focus on trade** – providing the products and solutions they want when they need it	• **Strong, experienced business leaders** in each market • **Resilience** through geographic diversification • **Highly cash generative businesses,** an underlying strength • **Financial discipline:** investment grade credit rating (max leverage of 2.0x Net Debt/EBITDA)	(1) Fund organic growth and existing estate (2) Dividend cover: 2-3 times earnings (3) Inorganic growth (4) Return surplus capital to shareholders

Long-term ambition to be the leading European multinational distributor of construction related products and solutions

2022 – 2025: Capital allocation

- **Generated £708.9m free cash flow after replacement capex**
- **Disciplined capital allocation focussed on enhancing shareholder value**
- **Maintained strong balance sheet after returning £721m to investors via dividends and share buybacks**



Capital Markets Event

- Capital Markets Event will be held for pre-registered analysts and investors
- The event will focus on the Group's strategy and growth ambitions over the medium-term
- Presentations from a number of senior leaders in our businesses

Date: Wed May 20, 2026

Time: 12:30pm – 17:30pm

Venue: Chartered Accountants' Hall, One Moorgate Place, London, EC2R 6EA

Questions

Grafton Group plc

Appendices

Grafton Group plc

Appendix 1 – Notes & definitions

Notes

As amounts are reflected in £'m some immaterial rounding differences may arise.

Definitions

- ***Adjusted earnings per share*** is earnings before exceptional items, acquisition related items, intangible asset amortisation arising on acquisitions and before profit/loss on disposal of Group businesses.

- ***Adjusted operating profit*** is earnings before exceptional items, acquisition related items, amortisation of intangible assets arising on acquisitions, profit/loss on disposal of Group businesses, net finance expense and income tax expense.

- ***Adjusted operating profit margin*** is adjusted operating profit as a percentage of revenue.

- ***Adjusted operating profit (pre property profit)*** is earnings before exceptional items, profit on disposal of Group properties, acquisition related items, amortisation of intangible assets arising on acquisitions, profit/loss on disposal of Group businesses, net finance expense and income tax expense.

- ***Adjusted operating profit (pre property profit) margin*** is adjusted operating profit (pre property profit) as a percentage of revenue.

- ***Free cash flow conversion*** is free cash flow as a percentage of adjusted operating profit.

- ***Free cash flow*** is cash generated from operations less replacement capital expenditure (net of disposal proceeds), less interest paid (net), income taxes paid, payment of lease liabilities and includes 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.

Appendix 2 – FY 2026 technical guidance

Finance Charge: c.£14m-£15m but remains dependent on reduction of interest rates by Central Banks together with impact of Corporate Development activity

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): c.£50m

Depreciation and amortisation incl. right of use assets (leases) and acquired intangibles: c.£160m

Gross replacement capex: c.£30m - £35m

Organic development capex: c.£40m - £45m

Appendix 3 – Revenue change 2025 v 2024

	Average Daily Like-for-Like Revenue Change							Total Revenue 1 Jan – 31 Dec 2025	
	Q1	Q2	H1	Q3	Q4	H2	FY 2025	Constant Currency	Sterling
Island of Ireland	+4.2%	+5.1%	+4.7%	+3.9%	+0.9%	+2.4%	+3.5%	+4.3%	+5.4%
Great Britain	(1.5%)	+2.1%	+0.4%	+0.8%	0.0%	+0.4%	+0.4%	(0.2%)	(0.2%)
Northern Europe	+2.1%	(0.2)%	+0.9%	(1.4%)	(2.3%)	(1.9%)	(0.5%)	(1.1%)	+0.1%
Iberia					+4.4%	+4.4%	+4.4%	+596.1%	+617.5%
Total Group	**+1.8%**	**+3.0%**	**+2.4%**	**+1.7%**	**+0.2%**	**+1.0%**	**+1.7%**	**+9.6%**	**+10.4%**
Iberia pro forma	+9.6%	+5.0%	+6.9%	+7.7%	+2.6%	+5.4%	+6.1%	+6.6%	+7.9%

Appendix 4 – Income statement statutory reconciliation

£'m	2025	2024	Change
Revenue	**2,519.6**	2,282.3	+10.4%
Adjusted operating profit pre property profit	**184.3**	173.5	+6.2%
Property profit	5.9	4.0	
Adjusted operating profit	**190.2**	177.5	+7.1%
Profit on disposal of Group business	8.1	-	
Acquisition related expenses	(1.5)	(4.6)	
Amortisation of acquired intangibles[1]	(22.0)	(20.3)	
Statutory operating profit	**174.8**	152.6	+14.6%
Net finance cost	(9.7)	(0.1)	
Statutory profit before tax	**165.1**	152.5	+8.3%

[1]Amortisation of intangible assets arising on acquisitions

Appendix 5 – Segmental analysis

During the financial year ended 31 December 2025, the Group has adopted a new reporting structure which better reflects the Group’s strategy. The Group is now organised into four geographical areas: Island of Ireland, Great Britain, Northern Europe and Iberia. The operating segments are now aligned with these geographical areas and also align with how the Board now 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.

Information is provided in **Appendix 5(a) and 5(b)** showing the results under the original segment structure in place at 31 December 2024.

Appendix 5(a) – Segmental analysis (revenue)

£'000	2025	2024	Change
Revenue			
UK distribution	**774,900**	780,778	**(0.8%)**
Ireland distribution	**673,225**	632,807	**+6.4%**
Netherlands distribution	**345,987**	337,581	**+2.5%**
Finland distribution	**123,711**	131,758	**(6.1%)**
Spain distribution	**212,861**	29,664	**-**
Total distribution	**2,130,684**	1,912,588	**+11.4%**
Retailing	**277,773**	261,055	**+6.4%**
Manufacturing	**117,290**	122,157	**(4.0%)**
Less: inter-segment revenue (manufacturing)	**(6,144)**	(13,548)	**-**
Total revenue	**2,519,603**	2,282,252	**+10.4%**

Appendix 5(b) – Segmental analysis (operating profit)

£'000 Operating Profit	2024 *Reported*	2024* *Reallocation*	2024 *Final*	2025	Change
UK distribution	32,438	1,166	**33,604**	**29,998**	**(10.7%)**
Ireland distribution	61,533	(131)	**61,402**	**66,873**	**+8.9%**
Netherlands distribution	26,394	-	**26,394**	**23,946**	**(9.3%)**
Finland distribution	8,948	-	**8,948**	**5,679**	**(36.5%)**
Spain distribution	322	-	**322**	**13,592**	**-**
Total distribution	129,635	1,035	**130,670**	**140,088**	**+7.2%**
Retailing	34,676	(91)	**34,585**	**37,323**	**+7.9%**
Manufacturing	24,306	(20)	**24,286**	**26,006**	**+7.1%**
	188,617	924	**189,541**	**203,417**	**+7.3%**
Central activities	(15,087)	(924)	**(16,011)**	**(19,107)**	**-**
Operating profit before property profit	173,530	-	**173,530**	**184,310**	**+6.2%**

** Reallocation of Captive Insurance and Grafton Group UK Head Office Company to Central activities*

Grafton Group plc

Grafton Group plc

Thank You.