Grafton Group plc Half Year Results

For the six months ended 30 June 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

H1 2025 operational highlights

Eric Born, Chief Executive Officer

Grafton Group plc

H1 2025 operational highlights

Return to organic revenue growth (+2.4% LFL sales)

- Resilient performance – strong contributions from Spain and Ireland
- Return to profit growth in UK Distribution for the first time since 2021
- Diversification trend to continue – almost two thirds of revenue non-UK

Focus on continuous improvement

- Performance supported by operational efficiencies and self-help actions
- Lean central team driving best practices across the Group
- Ongoing investment in businesses through the cycle – ready for recovery

Progress on Group development activities

- Further strengthened our market position in Ireland – HSS Hire Ireland bolt-on in H1
- Salvador Escoda integration well on track – positive progress on organic growth plan
- Actively pursuing opportunities across our chosen European geographies

H1 2025 financial review

David Arnold, Chief Financial Officer

Grafton Group plc

Financial takeaways and outlook

H1 performance	Outlook
Return to profit growth Adjusted operating profit +9.5% Adjusted EPS +6.5%	**H2 outlook** Continued growth in Ireland and Spain Market conditions elsewhere similar to H1
Robust Balance Sheet Strong free cash conversion £246m net cash position (before leases)	**FY 2025 guidance** Adjusted operating profit broadly in line with analysts' expectations[1] with important Autumn trading months to come
Strong shareholder returns £81m of dividends and share buybacks Interim dividend +2.4% New £25m share buyback announced	**Medium-term outlook** Positive across all geographies Grafton well-positioned as markets improve

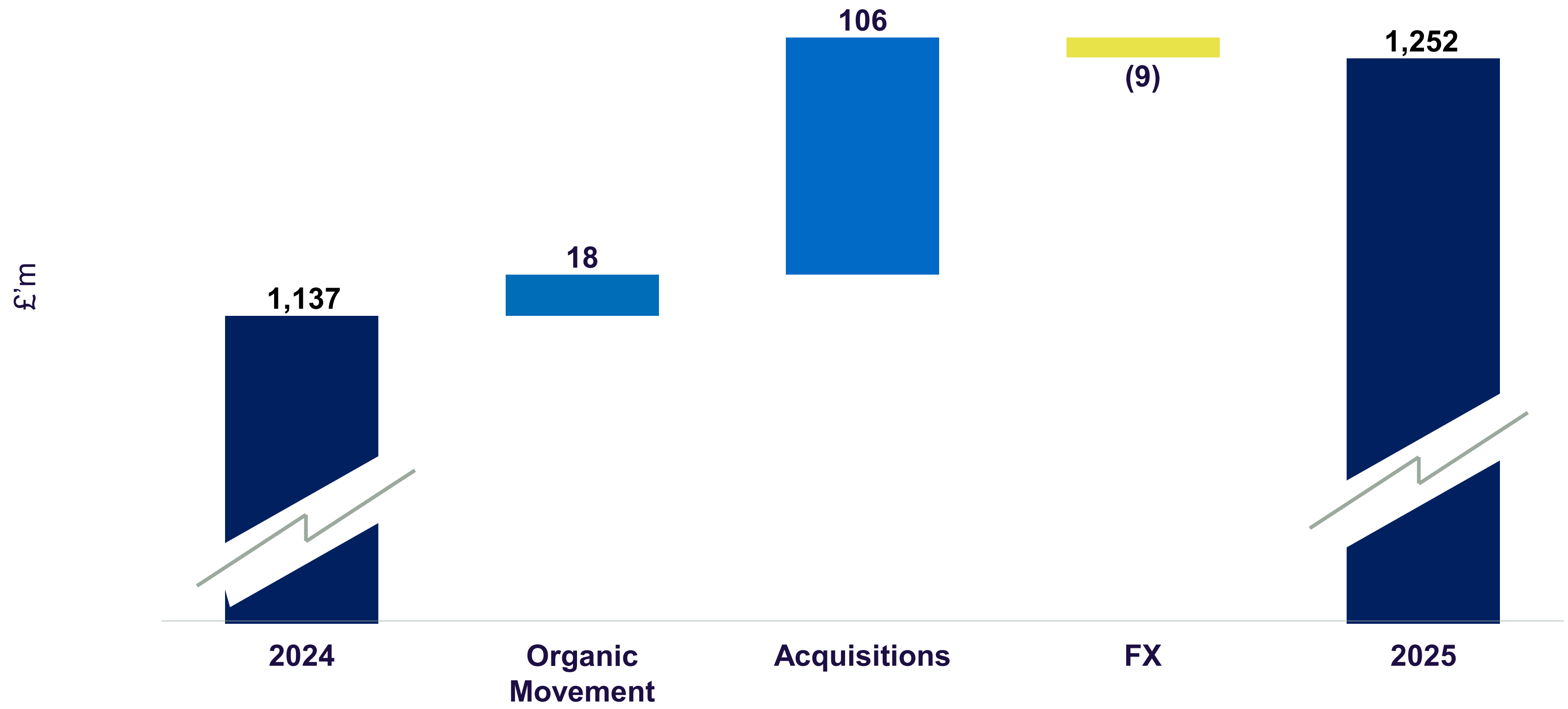
1 Grafton compiled consensus analysts' forecasts for 2025 show adjusted operating profit of circa £185.1 million

H1 2025 financial highlights

£'m	H1 2025	H1 2024	Change
Revenue	**1,252.4**	1,137.2	+10.1%
Adjusted operating profit pre property profit	**91.0**	83.1	+9.5%
Property profit	-	-	
Adjusted operating profit	**91.0**	83.1	+9.5%
Adjusted operating profit margin	**7.3%**	7.3%	-
Net finance (cost)/income	(4.2)	0.3	n/m
Adjusted profit before tax	**86.8**	84.1	+3.2%
Adjusted profit after tax	**69.7**	67.3	+3.5%

Tax rate	**19.5%**	20.0%	(50 bps)
Adjusted earnings per share	**35.5p**	33.4p	+6.5%

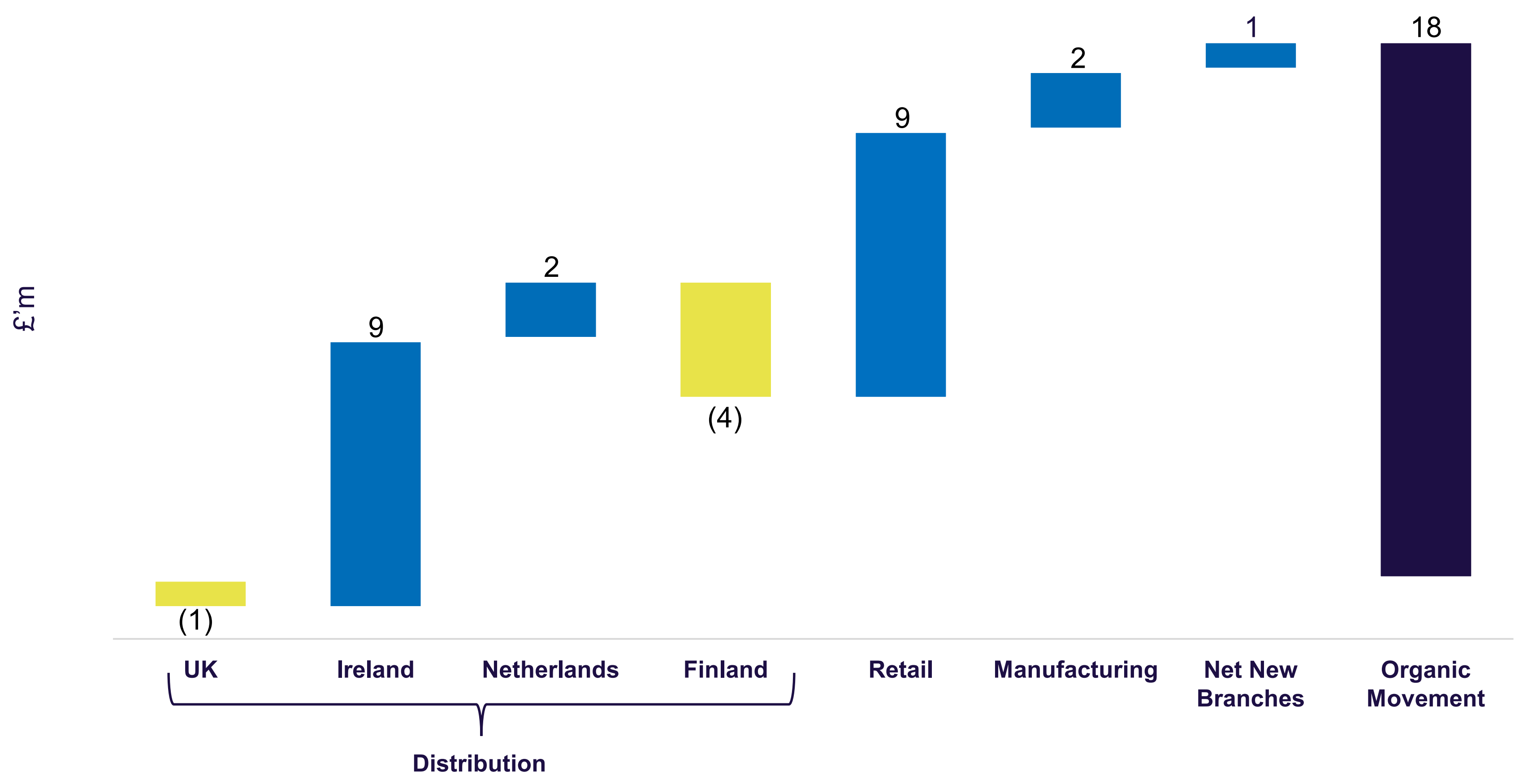
Revenue bridge – H1 2024 to H1 2025



Acquisition growth mainly driven by Salvador Escoda

Negative FX impact due to weakening of the Euro against GBP

Analysis of organic movement in revenue (constant currency) – H1 2024 to H1 2025



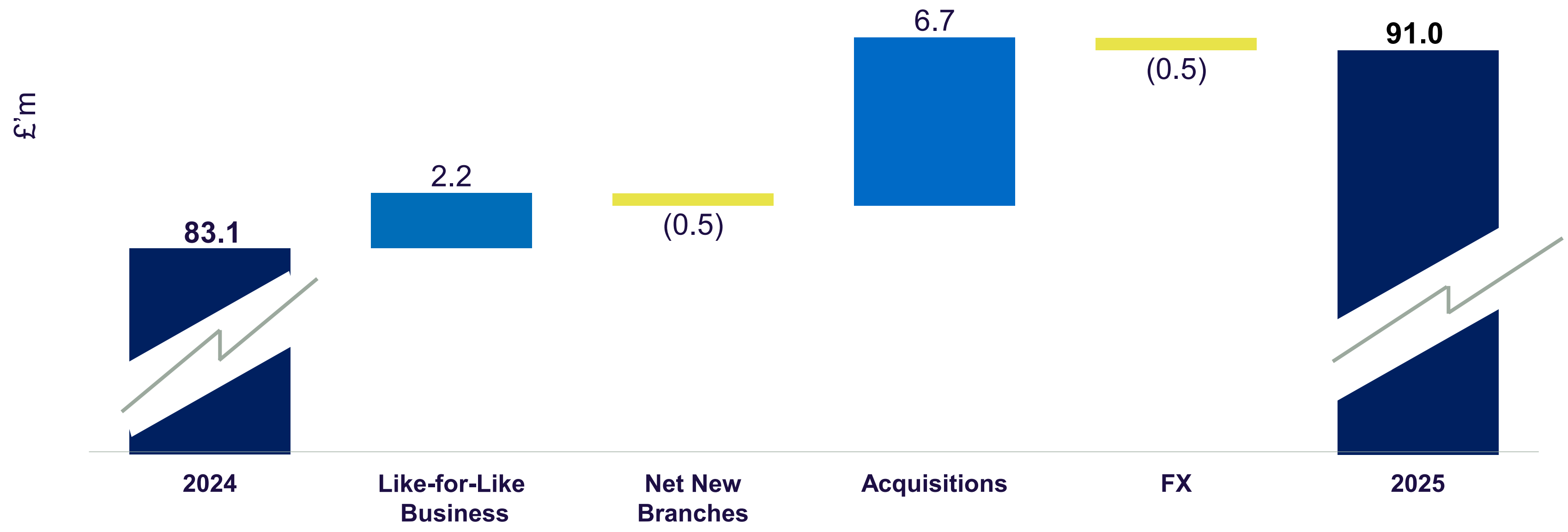
Like-for-like

Irish businesses maintain strong performance

Slow recovery emerging in the UK; Finland remains challenging

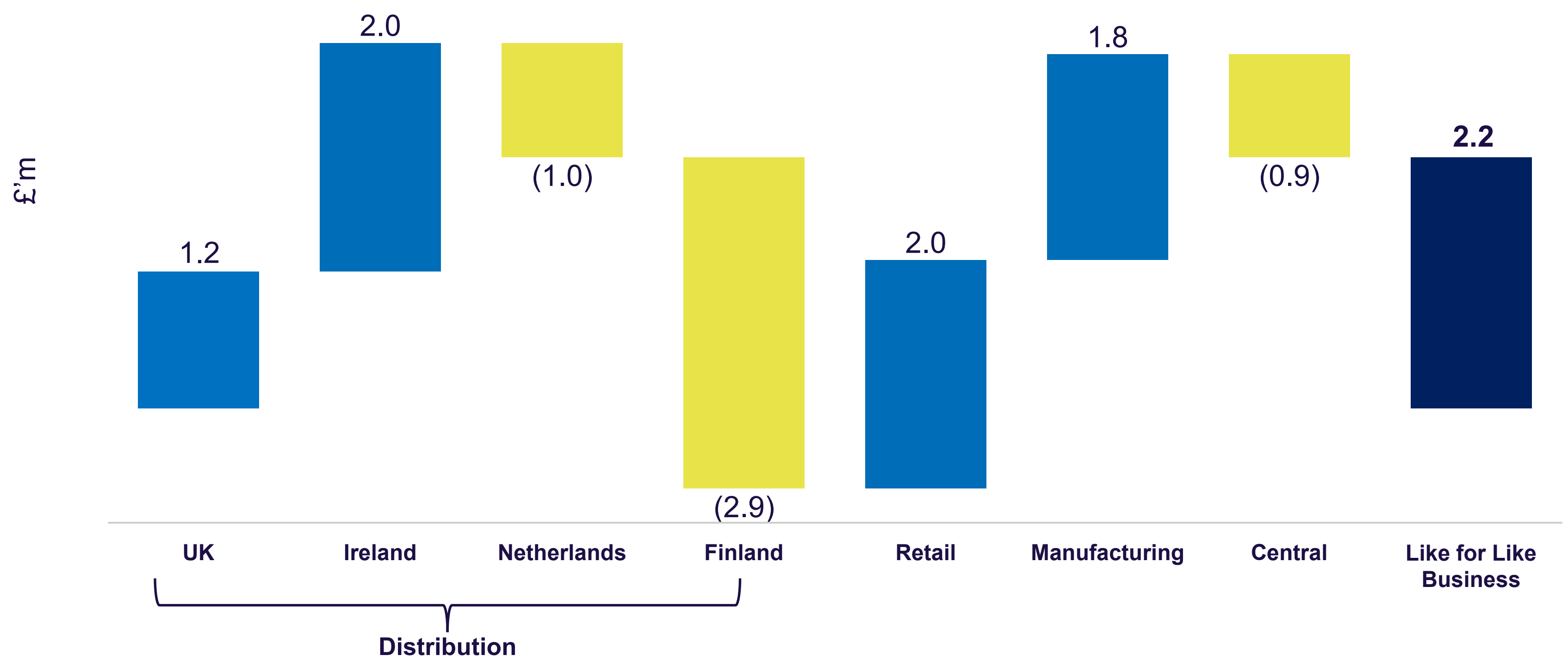
Six **new branches** added across the Group in 2024/2025 in the Netherlands and the UK

Adjusted operating profit – H1 2024 to H1 2025



Acquisitions: Profit contribution from Salvador Escoda in H1 in line with expectations. HSS Hire Ireland – one month trading only.

Analysis of movement in adjusted operating profit in like-for-like business – H1 2024 to H1 2025



Strong growth in Ireland underpinned by expansion in operating margins

UK Distribution returns to profit growth for first time since 2021

Performance in Finland below expectations

Tight control over central costs

Ireland Distribution

CHADWICKS GROUP

£'m	H1 2025	H1 2024	Change	Constant currency
Revenue	323.8	317.2	+2.1%	+3.5%
Adjusted operating profit[1]	31.5	29.7	+6.0%	+7.3%
Adjusted operating margin[1]	9.7%	9.4%	+30bps	-

- **Business performed well in H1 against a broadly flat construction market**
- **LFL revenue up 3.7% supported by product price inflation of 3.5%**
- **Gross margin improved due to active commercial management increasing supplier support which more than offset higher overheads**
- **Integration of HSS Hire Ireland progressing well with early trading in line with expectations**

[1] Excludes property profit

UK Distribution

£'m	H1 2025	H1 2024	Change
Revenue	394.4	394.4	-
Adjusted operating profit[1]	13.9	12.6	+10.3%
Adjusted operating margin[1]	3.5%	3.2%	+30bps

- **Return to profit growth for first time since 2021 with operating margin up 30bps compared to H1 2024**
- **RMI demand continued to be weak especially in and around London – LFL revenue growth of 0.2% with product price inflation of 1.9%**
- **Gross margin improved reflecting our active commercial strategy despite the weak volume environment**
- **Tight cost control across the UK businesses**

[1] Excludes property profit

Netherlands Distribution

ISERO

POLVO BOUW EN INDUSTRIE

£'m	H1 2025	H1 2024	Change	Constant currency
Revenue	175.2	175.2	-	+1.4%
Adjusted operating profit[1]	13.9	15.2	(8.0%)	(6.7%)
Adjusted operating margin[1]	8.0%	8.7%	(70bps)	-

- **LFL revenue growth of 2.8% – momentum eased following strong start to year reflecting ongoing market uncertainty**
- **Gross margin improved due to active commercial management despite adverse mix effect**
- **Overhead pressures, primarily driven by industry led labour cost increases, eroded operating margin**
- **Good progress was made on part of a multi-year business improvement project**

[1] Excludes property profit

Spain Distribution

SALVADOR ESCODA

£'m	H1 2025
Revenue	104.2
Adjusted operating profit[1]	6.5
Adjusted operating margin[1]	6.3%

- **Integration progressing well with trading performance in line with expectations**
- **LFL revenue rose 6.9% (proforma) supported by strong project sales and a growing market**
- **Spain continues to be one of the fastest-growing economies in Europe and Salvador Escoda is a market leader**
- **New branch opened in Catalonia in H1**

[1] Excludes property profit

Finland Distribution

£'m	H1 2025	H1 2024	Change	Constant currency
Revenue	60.4	65.1	(7.1%)	(5.8%)
Adjusted operating profit[1]	1.8	4.7	(61.8%)	(61.6%)
Adjusted operating margin[1]	3.0%	7.3%	(430bps)	-

- **Performance fell short of expectations, impacted by challenging market conditions, adverse weather and temporary operational challenges**
- **Slower recovery in the Finnish construction market than anticipated with historically low activity levels**
- **Gross margin remains under pressure due to intense competition and sell through of aged inventory**
- **Strengthened management team to maximise upside from market recovery**

[1] Excludes property profit

Retailing

£'m	H1 2025	H1 2024	Change	Constant currency
Revenue	138.1	130.7	+5.6%	+7.0%
Adjusted operating profit[1]	19.2	17.2	+11.2%	+12.2%
Adjusted operating margin[1]	13.9%	13.2%	+70bps	-

- **Strong trading performance supported by resilient consumer spending**
- **LFL revenue growth of 7.6% with increased transaction numbers representing bulk of increase**
- **Improved overhead efficiency achieved despite ongoing cost pressures**
- **Robust growth of online channel with continued progress on improving the in-store customer proposition**

[1] Excludes property profit

Manufacturing

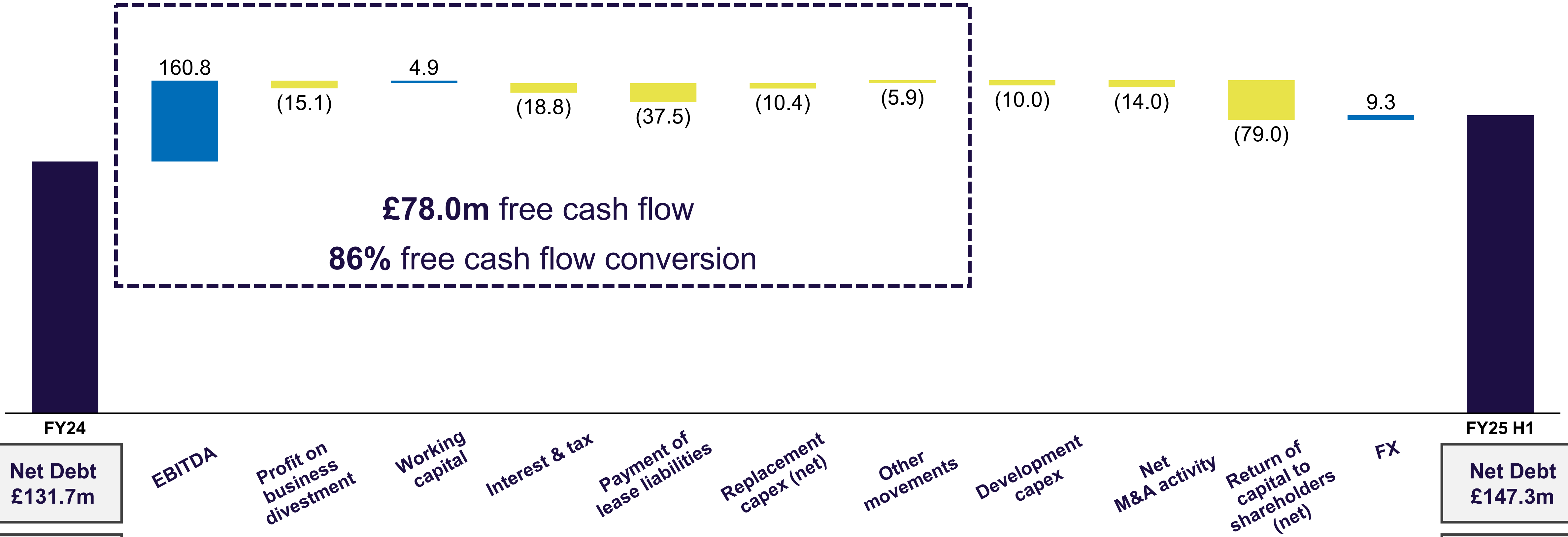
£'m	H1 2025	H1 2024	Change	Constant currency
Revenue	56.3	54.6	+3.1%	+3.2%
Adjusted operating profit[1]	12.2	11.0	+10.9%	+11.1%
Adjusted operating margin[1]	21.6%	20.1%	150bps	-

CPI EuroMix
- Healthy start as housebuilders ramped up output but momentum eased in Q2
- Bulk volumes up 5.7% driven by increased activity on existing sites
- Strong profitability growth underpinned by improved fixed cost absorption

StairBox
- RMI market remains weak but staircase market has stabilised with volumes flat
- Recovery in wooden windows with volumes up 6.5%
- Higher profits supported by gross margin improvement

[1] Excludes property profit

Analysis of Cash Flow – H1 2025



Net Debt £131.7m

0.45x Leverage

Cashflow supporting shareholder returns

Net Debt £147.3m

0.47x Leverage

Balance sheet

£'m	30 June 2025	31 December 2024
Goodwill and intangible assets	**787.0**	769.2
Right-of-use assets	**366.2**	377.7
Tangible assets	**402.8**	395.4
Working capital	**292.8**	280.7
Other liabilities	**(93.5)**	(96.5)
Pension asset/(deficit)	**1.8**	1.3
Capital employed	**1,757.0**	1,727.9
Net cash excluding leases	*245.8*	*272.1*
Leases	*(393.1)*	*(403.7)*
Net debt including leases	**(147.3)**	(131.7)
Equity	**1,609.7**	1,596.2
Adjusted ROCE	**10.9%**	10.3%

Outlook & strategy update

Eric Born, Chief Executive Officer

Grafton Group plc

Current trading

	Average daily like-for-like revenue change in constant currency	
	H1 2025	**1 July 2025 - 24 Aug 2025**
Distribution		
Ireland	+3.7%	+5.3%
UK	+0.2%	(0.2%)
Netherlands	+2.8%	(1.1%)
Finland	(4.2%)	(9.0%)
Retailing	**+7.6%**	**+8.7%**
Manufacturing	**+5.2%**	**+11.9%**
Total Group	**+2.4%**	**+2.3%**

- **Strong performance in our Irish businesses**
- **UK Distribution improved from weak trading at end of Q2 – overall similar to H1**
- **Trading in the Netherlands impacted by timing of regional holidays and weaker project sales**
- **Finland continued to perform below expectations**
- **Manufacturing businesses performed well compared to weak trading in the prior year.**
- **Salvador Escoda sales +9.4% (proforma) based on successful summer campaigns**
- **Important Autumn trading months yet to come**

Outlook

Ireland	Outlook for economic growth remains positive – notwithstanding impact of US tariffs Construction market activity in H2 expected to be similar to H1 Strong government support to increase investment in housing and infrastructure
UK	Medium-term fundamentals remain positive but no meaningful volume recovery in 2025 Higher household savings and pent-up demand expected to support RMI recovery Current speculation around property taxes unhelpful in short term
Netherlands	Construction market recovery in 2025 slower than anticipated; timing of upturn uncertain Medium-term outlook remains positive supported by favourable market dynamics
Finland	Recovery in the Finnish construction sector slower than anticipated Muted economic growth in 2025 with return to modest levels of growth expected in 2026
Spain	Economic growth continues to trend among the fastest in Europe Positive construction market outlook with HVAC sector well-positioned for robust growth

Strategy update – our ambition

Ireland	Further enhance market position through organic expansion and acquisitions
UK	Capture market recovery and further deploy capital as opportunities arise
Netherlands	Strengthen market position through organic expansion (eastern Netherlands) and acquisitions
Finland	Capitalise on market recovery with strengthened management team
Iberia	Objective to significantly scale business over the next five years given growth opportunities
Europe	Actively evaluating opportunities for entry into other attractive markets

Group well positioned to deliver significant shareholder value

Attractive market positions

- Strong portfolio of distribution formats mainly focused on SME customers
- Supportive market fundamentals; including aged housing stock and housing shortages
- Strategic focus to further strengthen in existing markets and accelerate expansion in Iberia

What sets Grafton apart

- Geographic diversification across European markets – 64% of revenue non-UK
- Highly cash generative despite subdued markets in UK, Finland and the Netherlands
- Well invested assets in all markets and excellently positioned for market recovery
- Building on our international platform to become a leading player in the European building materials distribution market

Questions

Grafton Group plc

Appendices

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 and payment of lease liabilities. In the current year the definition has been refined to also deduct payment of deferred acquisition consideration, and the prior year has been restated to reflect this.

Appendix 2 – FY 2025 technical guidance

Finance Charge: c.£9m-£10m but remains dependent on further anticipated reduction of interest rates by Central Banks

Tax Rate: c.19.5% and trend likely to be upwards toward 21.5% in subsequent years

Depreciation and asset amortisation (pre IFRS): c.£50m

Depreciation and amortisation incl. right of use assets (leases) and acquired intangibles: c.£150m

Gross replacement capex: c.£25m - £30m

Organic development capex: c.£25m - £30m

Appendix 3 – Revenue change H1 2025 v H1 2024

	Average Daily Like-for-Like Revenue Change			Total Revenue 1 Jan – 30 June 2025	
	Q1	Q2	Six months to 30 June 2025	Constant Currency	Sterling
Distribution					
Ireland	+2.9%	+4.3%	+3.7%	+3.6%	+2.1%
UK	(1.9%)	+2.0%	+0.2%	+0.0%	+0.0%
Netherlands	+3.4%	+2.2%	+2.8%	+1.4%	+0.0%
Finland	(1.9%)	(6.1%)	(4.2%)	(5.8%)	(7.1%)
Retailing	**+9.6%**	**+6.0%**	**+7.6%**	**+7.0%**	**+5.6%**
Manufacturing	**+4.3%**	**+6.2%**	**+5.2%**	**+3.2%**	**+3.1%**
Total Group	**+1.8%**	**+3.0%**	**+2.4%**	**+11.1%**	**+10.1%**

Appendix 4 – Income statement statutory reconciliation

£'m	H1 2025	H1 2024	Change
Revenue	**1,252.4**	1,137.2	+10.1%
Adjusted operating profit pre property profit	**91.0**	83.1	+9.5%
Property profit	-	-	
Adjusted operating profit	**91.0**	83.1	+9.5%
Profit on disposal of Group business	7.8	0.0	
Acquisition related expenses	(0.4)	(1.7)	
Amortisation of acquired intangibles[1]	(10.8)	(10.0)	
Statutory operating profit	**87.7**	71.3	+22.9%
Net finance (cost)/income	(4.2)	0.3	
Statutory profit before tax	**83.5**	71.7	+16.5%

[1]Amortisation of intangible assets arising on acquisitions

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Thank You.