

Grafton Group plc

Trading Update

Resilient trading performance supported by diversified portfolio

Grafton Group plc (“Grafton” or “the Group”), the European multinational distributor of construction related products and solutions, issues this trading update for the period from 1 January 2026 to 30 April 2026 (“the period”), ahead of the Annual General Meeting (“AGM”) of the Company that will be held today at 10.30 am in the Irish Management Institute (IMI) Conference Centre, Sandyford Road, Dublin 16, D16 X8C3, Ireland.

Highlights

- Acquisitions closed in two of Europe’s fastest-growing markets – Mercaluz (Spain) and Cygnum (Ireland)
- Average daily like-for-like sales were broadly flat in the first four months as growth in Iberia, the Island of Ireland and Northern Europe offset weak markets in Great Britain
- Actively managing supply chain risk – no material disruption to date but inflationary pressures evident
- Ongoing focus on disciplined cost control and margin management
- Full-year 2026 adjusted operating profit¹ is expected to be in the range of £190m - £200m², with the contribution from the acquisitions of Mercaluz and Cygnum offsetting weaker trading in Great Britain
- A Capital Markets Event for pre-registered analysts and investors will be held on 11 June 2026, providing an update on the Group’s strategy, capital allocation framework and medium-term financial targets

Trading and Performance

Group revenue in the period increased by 3.2% to £830.1m (2025: £804.4m), up 1.0% in constant currency. This growth included the positive impact of two acquisitions in Ireland, including HSS Hire Ireland, which was acquired on 31 May 2025, and one month of trading by Cygnum, a supplier of offsite timber frame solutions. Trading days were in line with the prior year across all businesses, except for the Netherlands and Spain, which each had one fewer.

Group average daily like-for-like revenue was in line with the prior year, despite ongoing headwinds in certain markets, which have been further impacted by greater geopolitical uncertainty. A robust performance in Iberia, alongside more modest sales growth in the Island of Ireland and Northern Europe, was fully offset by weaker trading in Great Britain. Trading in the seasonally less important early months of the year was also influenced by exceptionally wet weather in Ireland and the UK.

Though we have experienced no material disruption to date, the Group continues to actively manage supply chain risks arising from conflict in the Middle East, maintaining high levels of stock availability for customers. Supplier price increases and higher fuel costs are being closely managed, while the Group remains mindful that sustained cost inflation may place pressure on market demand and volumes. Against this backdrop, focus remains firmly on disciplined cost control and margin management.

The following table shows the changes in average daily like-for-like revenue compared to the same period in the prior year:

Segment	Average Daily Like-for-Like Revenue Change in Constant Currency
	Four Months to 30 April 2026
Island of Ireland	+1.8%
Great Britain	(5.0%)
Northern Europe	+1.6%
Iberia	+5.0%
Group	0.0%

Island of Ireland

Our Island of Ireland businesses delivered average daily like-for-like revenue growth of 1.8% in the period in comparison to last year driven by strong growth in Chadwicks. Chadwicks benefited from a pick-up in construction activity in recent months following persistently wet weather earlier in the year and some forward purchases ahead of price increases. Woodie's trading was slightly behind strong prior-year comparatives, when favourable weather in early Spring 2025 pulled forward demand for plant and garden related products.

The acquisition of Cygnum, a leading made-to-order supplier of offsite timber frame solutions to developers and contractors in the Irish market, completed on 31 March 2026. The acquisition will broaden Grafton's exposure to the growing new-build market in Ireland and enables Cygnum's customers to benefit from access to a wider range of construction-related products and solutions. The integration process is underway and progressing as planned.

Great Britain

Average daily like-for-like revenue in Great Britain declined by 5.0% in the period compared with the prior year, reflecting a further weakening in construction markets. Following a weather-impacted slow start to the year, subdued construction activity was affected by rising cost inflation and weaker consumer confidence linked to the conflict in the Middle East. All businesses have responded to the challenging market environment by maintaining tight cost control and driving efficiency improvements.

Northern Europe

Average daily like-for-like revenue in Northern Europe increased by 1.6% compared with the prior year, driven by strong growth in Finland alongside more modest growth in the Netherlands. Despite a subdued economic environment, IKH in Finland had a good start to the year, benefitting from a combination of management actions and favourable winter weather conditions. In the Netherlands, markets remain relatively subdued with management focused on self-help and business improvement.

Iberia

Salvador Escoda's average daily like-for-like revenue was 5.0% ahead of the prior year. The business made a strong start to the year, with a well-executed Spring sales campaign supporting growth across the air conditioning, ventilation and refrigeration product categories.

The acquisition of Mercialuz, which is predominantly a distributor of domestic and commercial air conditioning equipment, completed on 30 April 2026. The acquisition expands Grafton's presence in the Iberian HVAC market and advances the Group's strategy to build a significant distribution business for construction-related products and solutions in Iberia.

Share Buyback

The eighth buyback programme was launched on 5 March 2026 to buy back ordinary shares in the Company for an aggregate consideration of up to £25m. This programme completed on 8 May 2026 and involved the repurchase of 2.75m ordinary shares at an average share price of £9.10.

Reflecting its disciplined approach to capital deployment and supported by its resilient balance sheet and strong cash conversion, Grafton has completed eight share buyback programmes since May 2022. This has returned cash of £453.3m to shareholders through share buybacks reflecting the repurchase of 52.03m ordinary shares at an average price of £8.71 per share. In total, the Group has reduced its share count by 21.6% since the first buyback programme commenced.

Outlook

Following completion of the Cygnum and Mercialuz acquisitions, which are expected to offset weaker trading in Great Britain, full-year adjusted operating profit¹ is now expected to be in the range of £190m - £200m².

Grafton's geographically diversified portfolio underpins its resilience, with over 75% of Group profits in 2025 generated outside Great Britain. Trading conditions remain supportive in the Island of Ireland and Iberia, while the timing of a material recovery in Finland and the Netherlands remains uncertain. In Great Britain, representing less than a quarter of Grafton's 2025 operating profit³, the outlook has weakened, with independent commentators suggesting that total construction activity is now expected to contract in the current year.

Notwithstanding ongoing geopolitical uncertainty and any associated inflationary or supply chain pressures, the medium-term fundamentals for Grafton remain positive, supported by structural housing shortages across its markets and an expected recovery in RMI demand following an extended period of underinvestment by households. The Group's balance sheet remains strong, leaving Grafton well positioned to support future development opportunities as they arise.

Eric Born, Chief Executive Officer of Grafton Group plc commented:

"The first four months of 2026 demonstrate Grafton's resilience and strategic focus. While markets continue to face uncertainty, we are pleased to report growth in three of our four markets, alongside significant acquisitions in our strongest growth markets of Iberia and the Island of Ireland.

"Despite headwinds, we are currently guiding adjusted operating profit in the range of £190m - £200m for 2026 which would represent another year of progression. At our upcoming Capital Markets Event, we look forward to outlining the ambition to develop each of Grafton's geographic segments further, supported by a strong balance sheet and leveraging the power of the Group."

1. Adjusted operating profit is defined as profit before amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items, net finance expense and income tax expense.

2. Grafton compiled consensus analysts' forecasts for 2026 show adjusted operating profit of circa £190.8m.

3. Percentage of Group adjusted operating profit excluding central activities.

Ends

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About Grafton

Grafton Group plc 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 Irish home market, we also operate the leading home improvement retailer.

Trading from c. 490 branches with c.10,000 colleagues, the Group's portfolio of market leading, trusted brands includes:

- Island of Ireland: Chadwicks Group, Woodie's and MacBlair
- Great Britain: Selco, Leyland SDM, T.G. Lynes, CPI EuroMix and StairBox
- Northern Europe: Isero / Polvo (Netherlands) and IKH (Finland)
- Iberia: Salvador Escoda and Mercaluz

For further information visit www.graftonplc.com

Forward-looking statements

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