Grafton Group plc

Half Year Report
For the Six Months Ended 30 June 2026

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Strong EPS growth supported by operational execution and capital allocation strategy

Grafton Group plc ("Grafton" or “the Group”), the European multinational distributor of construction related products and solutions, is pleased to announce its half year results for the period ended 30 June 2026.

Financial Highlights

- First half adjusted operating profit increased by 8.2% to £98.5m (H1 2025: £91.0m) supported by strong underlying trading and acquisitions in Iberia and on the Island of Ireland
- Group operating margin of 7.4% (2025: 7.3%) reflects active gross margin management
- Adjusted earnings per share grew strongly by 10.8% to 39.4p (2025: 35.5p) reflecting our capital allocation strategy including the positive impact of share buybacks
- Balance sheet remains strong with £78.3m net cash (before lease liabilities) (2025: £245.8m), despite recent acquisitions, maintaining firepower for further capital deployment
- The Board has declared an interim dividend of 11.00 pence per share, an increase of 2.3% on last year’s interim dividend of 10.75 pence
- Full year adjusted operating profit guidance of £190m - £200m maintained[1]

Operational Highlights

- Recent Capital Markets Event (see Group Strategy section) set out the positive impact of the ‘Grafton Way’ in driving performance, combining local agility and accountability with the benefits of Group-wide collaboration, shared expertise and operational excellence
- Limited disruption from geopolitical developments - continued proactive management of supply chain for strong product availability
- Strong performances on the Island of Ireland and in Iberia, driven by continued progress in executing organic and inorganic growth opportunities
- Early trading in recently acquired Cygnum and Mercaluz in line with expectations, with integration plans progressing well and the Group additionally benefiting from Mercaluz's seasonally stronger trading period
- Challenging market conditions in Great Britain continue to weigh on profitability with market conditions expected to remain broadly consistent with those experienced in the first half
- Timing of a sustained recovery in Northern Europe remains uncertain, although early signs of self-help led improvement are emerging in Finland

Total Operations[2]	**H1 2026**	H1 2025	Change
Revenue	**£1,336m**	£1,252m	+6.7%
Adjusted[3] operating profit	**£98.5m**	£91.0m	+8.2%
Adjusted operating profit before property profit	**£98.3m**	£91.0m	+8.0%
Adjusted operating profit margin before property profit	**7.4%**	7.3%	+10bps
Adjusted profit before tax	**£93.0m**	£86.8m	+7.1%
Adjusted earnings per share	**39.4p**	35.5p	+10.8%
Interim dividend	**11.00p**	10.75p	+2.3%
Adjusted return on capital employed (ROCE)	**10.7%**	10.9%	(20bps)
Net (debt) (including IFRS 16 lease liabilities)	**(£315.2m)**	(£147.3m)	(£167.9m)
Net cash (before IFRS 16 lease liabilities)	**£78.3m**	£245.8m	(£167.5m)

Statutory Results	**H1 2026**	H1 2025	Change
Operating profit	**£82.9m**	£87.7m	(5.4%)
Profit before tax	**£77.7m**	£83.5m	(6.9%)
Basic earnings per share	**32.8p**	35.1p	(6.4%)

[1] Grafton compiled consensus Analysts’ forecasts for 2026 show adjusted operating profit of circa £194.2m and a range of £191.0m to £199.0m.
[2] Supplementary financial information in relation to Alternative Performance Measures (APMs) is set out on pages 39 to 44.
[3] The term “Adjusted” means before exceptional items, amortisation of intangible assets arising on acquisitions, acquisition related items and unwinding of discount applicable to contingent consideration receivable in both periods, which are defined on page 39.

Outlook

The Group remains on track to deliver full year adjusted operating profit of £190m - £200m recognising that the important Autumn trading season is still to come.

Trading conditions in the second half are expected to remain broadly consistent with those experienced in the first half. The trading environments in Iberia and the Republic of Ireland ("ROI") remain favourable, supported by attractive underlying demand fundamentals. In Northern Europe, market conditions are expected to remain subdued and the timing of a sustained recovery across Finland and the Netherlands remains uncertain. In Great Britain, the market is expected to remain challenging, with market conditions expected to remain broadly consistent with those experienced in the first half.

Our experienced management teams remain relentlessly focused on delivering value to customers, optimising cost-to-serve, driving efficiency and maintaining tight cost control. While geopolitical uncertainty, related inflationary and supply chain risks persist, the medium-term outlook for Grafton remains positive. Key growth drivers include structural housing undersupply across all its markets and an anticipated recovery in RMI demand after an extended period of restrained consumer spending. While market conditions remain challenging in certain regions, the 'Grafton Way' helps ensure our businesses are well positioned to win the recovery. Supported by a resilient balance sheet and significant financial flexibility, the Group remains well positioned to invest in organic growth opportunities, pursue value-enhancing acquisitions and return capital to shareholders.

Group average daily like-for-like revenue from 1 July 2026 to 23 August 2026 was 1.5% ahead of the comparable period last year. Momentum remained strong on the Island of Ireland, where all businesses delivered positive growth during the period. In Great Britain, conditions showed little change from those experienced in the first half, with activity remaining subdued across both the RMI and housebuilding markets. In Northern Europe, trading improved in Finland, reflecting the early stages of economic recovery, while the Netherlands delivered positive sales growth supported by price inflation and stronger project activity. Iberia continued to perform strongly, with the positive momentum seen in the first half extending into the late summer period.

	Average Daily Like-for-Like Revenue Change in Constant Currency	
	H1 2026	**1 July 2026 – 23 August 2026**
Island of Ireland	+3.4%	+4.9%
Great Britain	(5.1%)	(5.6%)
Northern Europe	+0.8%	+2.7%
Iberia	+6.6%	+7.8%
Total Group	**+0.6%**	**+1.5%**
Iberia pro forma[4]	+8.2%	**+7.0%**

[4]Like-for-like results are presented on a proforma basis to reflect the performance of Mercaluz, which was acquired by the Group on 30 April 2026, as though it had been part of the Group for the entire comparative period.

Eric Born, Chief Executive Officer Commented:

"Despite a relatively slow start to the year, we are pleased to have grown revenue, adjusted operating profit and margin in the first half of 2026 and to be in a position to reaffirm that we remain on track to deliver full year adjusted operating profit of £190m - £200m, whilst recognising the important Autumn trading season is still to come.

"Our outlook for the second half is not dissimilar to H1, with Iberia and Island of Ireland strong, Northern Europe mixed and continuing weakness in Great Britain. Our medium-term outlook remains very positive supported by structural housing deficits in each of our markets and, in many cases, pent up demand for RMI.

"We remain well positioned to achieve our medium-term growth and strategic ambitions out to 2030 as set out in our recent Capital Markets Event. Our first half result underpins the rationale of exposure to diverse markets and of investment through the cycle to support sustainable growth across geographies whose economies are operating at different speeds."

Webcast and Conference Call Details

A copy of the results presentation document will be available at 7:00am on 3 September 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 9:00am on 3 September 2026. A live webcast of the presentation, including a Q&A session, 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 08:15am on 3 September 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

At the Group's Capital Markets Event on 11 June 2026, Grafton outlined its medium-term growth ambitions and financial framework out to 2030.

The Group's key medium-term targets are:

- Adjusted earnings per share compound annual growth rate exceeding 10% over the period 2025 to 2030[5];
- Cumulative free cash flow ("FCF") in excess of £850m over the five-year period 2026 to 2030;
- Return on capital employed ("ROCE") of approximately 13%;
- Investment grade credit rating retained, supported by a lease-adjusted net debt to EBITDA ratio of 1.0x to 2.0x; and
- Dividend cover in 2.0x to 3.0x range, supplemented by incremental capital returns when appropriate.

These reflect the Board’s confidence in the strength of the Group's strategy, the resilience of its federated operating model and its ability to generate sustainable earnings growth, strong cash flows and attractive shareholder returns while preserving a robust balance sheet.

Delivery of these objectives will be underpinned by a combination of organic growth, targeted investment in digital and operational capabilities, and disciplined value-accretive acquisitions. The Group is focused on building on its leading positions in attractive construction-related distribution markets and capitalising on long-term structural growth drivers across its geographies.

A key strength of the Group is the ‘Grafton Way’: a federated operating model, which combines local accountability, customer proximity and entrepreneurial decision-making with the resources and capabilities of a pan-European distribution platform. The model facilitates the sharing of expertise, operational best practice and scalable technology solutions across the Group while preserving the agility and customer focus of individual businesses. This balance of local empowerment and Group-wide direction has underpinned Grafton's long-term track record of growth, strong cash generation and attractive shareholder returns.

[5] *CAGR calculated based on 2025 Adjusted EPS of 73.8p (excluding property profit).*

Business Review

Grafton's trading performance in the first half of 2026 reflects the resilience of its diversified portfolio, with strong underlying trading and acquisition contributions on the Island of Ireland and in Iberia more than offsetting challenging market conditions elsewhere, particularly in Great Britain. Trading activity improved as the first half progressed, following weather-related disruption in the early months of the year across the Island of Ireland and Great Britain.

The Group continues to invest in line with its ambition to be the leading European multinational distributor of construction products and solutions, leveraging the 'Grafton Way' to drive organic growth, enhance its customer proposition to trade customers, and execute targeted acquisitions that reinforce its market positions and drive long-term value creation. Supported by strong cash generation and a robust balance sheet, the Group made good progress in the first half towards its 2030 targets, advancing both organic and acquisition-led growth and further strengthening its market positions in the Island of Ireland and Iberia.

The Group's gross margin was broadly in line with 2025, with effective margin management offsetting competitive pressures in certain markets. The Group has experienced no material disruption from geopolitical developments in the Middle East and continues to proactively manage supply chain risks to maintain strong product availability. Our commercial teams have engaged effectively with suppliers and implemented appropriate pricing actions to protect margins.

Our management teams have maintained a disciplined focus on cost control amid rising labour and property costs, taking decisive action to optimise cost-to-serve through efficiency improvements, productivity initiatives and tight management of discretionary expenditure. This relentless focus on operational efficiency positions the Group to benefit from positive operating leverage as conditions in our more challenged markets improve and volumes recover.

Adjusted operating profit increased in the first half to £98.5m (2025: £91.0m) with the increase driven in large part by strong underlying trading and acquisitions on the Island of Ireland and in Iberia more than offsetting the impact on profitability owing to the challenging trading conditions in Great Britain.

Our Island of Ireland business achieved good growth in profitability in the first half underpinned by a strong performance in underlying trading in Chadwicks in addition to the incremental contributions from the HSS Hire Ireland and Cygnum acquisitions.

Trading in Great Britain remained challenging throughout the first half, with weak construction activity, subdued consumer confidence and heightened economic and geopolitical uncertainty continuing to weigh on demand. Profitability declined year-on-year, reflecting lower sales volumes, partly offset by resilient gross margins and a relentless focus on cost control and operational efficiency.

Despite relatively subdued market conditions, Northern Europe delivered higher profits as improved profitability in Finland more than offset slightly lower earnings in the Netherlands, with favourable foreign exchange movements providing an additional benefit to reported results.

We are pleased with the performance of our Iberian business, which delivered strong year-on-year profit growth, driven by continued organic expansion at Salvador Escoda and the contribution from the newly acquired Mercaluz business during its seasonally important trading months of May and June. The Group continues to support local management teams in executing their organic growth plans, opening six new branches in the first half, while also progressing a strong pipeline of acquisition opportunities to capitalise on the significant consolidation potential within the attractive and highly fragmented Iberian market.

Change to Operating Segments

During the financial year ended 31 December 2025, the Group 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 and Mercaluz (acquired 30 April 2026) in Spain

Comparative figures for H1 2025 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 has declared an interim dividend of 11.00 pence per share, an increase of 2.3% on last year's interim dividend of 10.75 pence which is 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 interim dividend for 2026 will be paid on 9 October 2026 by Grafton Group plc to shareholders on the Register of Members at the close of business on 11 September 2026 (the 'Record Date'). The ex-dividend date is 10 September 2026.

In the half year, the Group had a cash outflow of £51.1m on the payment of the final dividend for 2025. Only dividends paid in the half year have been charged to equity and no liability for the interim dividend has been recognised at 30 June 2026 as there was no payment obligation at that date.

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. At 30 June 2026, the cumulative impact of these programmes represented a total return in cash of £453.9m to shareholders reflecting the repurchase of 52.09m ordinary shares at an average price of £8.71 per share. In total, the Group has now reduced its share count by 21.7% 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. Reflecting the Group's continuing strong cash-generative performance, the Board announced a ninth buyback programme, which commenced on 30 June 2026, to acquire ordinary shares in the Company for an aggregate consideration of up to £25.0m and will end no later than 31 October 2026, subject to market conditions.

Segmental Review

The Group's businesses on the Island of Ireland contributed 43.3% (2025: 42.0%) of Group revenue, Great Britain 27.5% (2025: 30.9%), Northern Europe 18.3% (2025: 18.8%) and Iberia 10.9% (2025: 8.3%). Trading days across our geographies were in line with the prior year across all businesses, except in Spain, which had one day less.

Island of Ireland **(43.3% of Group Revenue, 2025: 42.0%)**

	H1 2026 £'m	**H1 2025 Restated £'m**	**Change***	**Constant Currency Change***
Revenue	**579.4**	525.5	+10.3%	+7.5%
Adjusted operating profit before property profit	**60.6**	55.1	+10.0%	+7.3%
Adjusted operating profit margin before property profit	**10.5%**	10.5%	-	-

**Change represents the movement between 2026 v 2025 and is based on unrounded numbers*

Our Island of Ireland segment comprises Chadwicks and Woodie's in the ROI and MacBlair in Northern Ireland, providing the Group with a uniquely scaled platform and leading market positions across the island.

Average daily like-for-like revenue increased by 3.4% in the first half, primarily due to strong trading in Chadwicks alongside modest growth in Woodie's against strong prior-year comparatives that benefited from favourable spring weather and elevated demand for garden and outdoor living products. Performance strengthened during the period, with improving construction activity supporting stronger growth in Chadwicks in the second quarter following weather-related disruption earlier in the year.

The ROI economy remains resilient, supported by strong employment and population growth, although the rate of economic growth is expected to moderate from the elevated levels recorded in 2025. Consumer sentiment improved during the first half, but cost of living pressures and geopolitical uncertainty continue to influence spending behaviour, with consumers remaining value focused. Following poor weather in Q1, construction activity strengthened over the course of the first half, supported by government investment in housing and infrastructure. Housing completions increased 10% to almost 17,000 units, driven primarily by scheme housing, while construction employment expanded as the sector scaled capacity to meet growing demand. Planning reform continued to progress, with measures aimed at streamlining approvals, reducing judicial review delays and supporting the timely delivery of housing and infrastructure projects. The outlook for the second half remains favourable, underpinned by strong order books and continued government support for housing and infrastructure investment.

In Northern Ireland, the macroeconomic environment remains challenging with a decline in overall construction activity despite growth in the housing sector. No significant uplift in volumes is expected in the second half due to the underlying weakness in the local economy.

Gross margin was broadly unchanged in the first half, reflecting effective commercial management, including timely pricing actions and proactive engagement with suppliers to mitigate cost inflation.

Despite the inflationary headwinds, all businesses maintained a strong focus on cost control through targeted efficiency initiatives, disciplined management of discretionary expenditure and productivity improvement initiatives.

Adjusted operating profit before property profit increased to £60.6m (2025: £55.1m), driven by the contribution from acquisitions and strong underlying trading growth in Chadwicks. Adjusted operating profit margin before property profit was maintained at 10.5% in line with the prior year.

On 31 March 2026, the Group acquired Cygnum, a leading supplier of made-to-order offsite timber frame solutions to the Irish construction sector. The integration continues to progress well, with trading in line with expectations. On a pro forma basis, revenue at Cygnum grew by 18.3% in the first half, benefiting from additional production capacity and strong underlying market demand. The acquisition enhances Grafton's exposure to the growing new-build market in Ireland while broadening the range of products and solutions available to Cygnum's customers.

The Group continued to advance its organic growth strategy on the Island of Ireland to complement and strengthen our existing footprint. This included the opening of a new Woodie's store in Ennis, Co. Clare, in June, the business' first new store in 17 years. In July, Chadwicks opened a new specialist hub in Ravenhill, Belfast, combining branches of our kitchen specialist business, the Panelling Centre, and concrete and brickwork accessories focused Sitetech, in one location. Woodie's continued to accelerate its digital strategy, with online sales increasing by 22.3% in the first half, supported by the introduction of a new dropship channel and the launch of next-day delivery in June.

Great Britain **(27.5% of Group Revenue, 2025: 30.9%)**

	H1 2026 £'m	H1 2025 Restated £'m	Change*
Revenue	**367.2**	387.1	(5.1%)
Adjusted operating profit before property profit	**17.5**	24.8	(29.3%)
Adjusted operating profit margin before property profit	**4.8%**	6.4%	(160bps)

**Change represents the movement between 2026 v 2025 and is based on unrounded numbers*

Our Great Britain segment has a predominant geographic focus on London and the Southeast through our portfolio of businesses which includes Selco, Leyland SDM and CPI Euromix.

Average daily like-for-like revenue in Great Britain decreased by 5.1% in the first half, reflecting continued weakness across construction markets. The UK economy grew modestly in the first half of 2026, supported by consumer spending and business investment, although momentum moderated as macro uncertainty increased during the period. UK construction markets continued to face challenging conditions, with new build housing activity constrained by affordability pressures, higher financing costs and site viability concerns, while demand for discretionary home improvement projects remained subdued. Market activity continued to reflect the impact of weakened consumer and business confidence following the UK Budget in late 2025 and ongoing uncertainty, arising from the Middle East conflict. The outlook for the second half remains cautious, with market conditions expected to remain broadly similar to those experienced in the first half and overall construction activity forecast to contract in the current year.

Despite lower market volumes and heightened competitive pressures, gross margin improved slightly in the first half, supported by disciplined margin management, targeted promotional activity and the successful pass-through of supplier price increases and higher fuel costs.

Despite inflationary pressures across the cost base, overhead growth was well controlled during the period. Like-for-like overheads increased by only 1.1%, driven by disciplined cost management, targeted cost reduction initiatives and strict controls over discretionary spending. Despite tight cost control, adjusted operating profit before property profit declined to £17.5m (2025: £24.8m) and adjusted operating profit margin before property profit was 160 basis points lower at 4.8%.

While profitability declined year-on-year and remains materially below the levels we would expect in a more normal market environment, the Group remains committed to investing in its businesses in Great Britain throughout the cycle. Demand fundamentals in Great Britain remain compelling, underpinned by a structural shortage of housing and significant deferred RMI activity. Through a combination of operational improvements, business improvement initiatives and ongoing enhancements to our customer proposition, our businesses are well positioned to drive stronger returns as market conditions improve.

Northern Europe **(18.3% of Group Revenue, 2025: 18.8%)**

	H1 2026 £'m	H1 2025 Restated £'m	Change*	Constant Currency Change*
Revenue	**244.2**	235.6	+3.6%	+0.7%
Adjusted operating profit before property profit	**16.3**	15.8	+3.4%	+0.6%
Adjusted operating profit margin before property profit	**6.7%**	6.7%	-	-

**Change represents the movement between 2026 v 2025 and is based on unrounded numbers*

Our Northern Europe segment comprises Isero and Polvo in the Netherlands, where the business is the market leader in ironmongery, personal protective equipment ("PPE"), tools and fixings, and IKH in Finland, which holds a number two position in its core tools and PPE markets.

Average daily like-for-like revenue in Northern Europe increased by 0.8% in the first half, driven by positive growth in Finland alongside more modest growth in the Netherlands. In Finland, favourable winter weather and targeted management actions supported trading despite a weak economic backdrop. In the Netherlands, end-market demand remained soft, with management continuing to prioritise operational improvements and self-help initiatives.

Market conditions in the Netherlands remained subdued as the anticipated market recovery has been weaker than expected, resulting in a decline in volumes. While long-term construction demand fundamentals remain favourable, activity continues to be constrained by infrastructure and regulatory bottlenecks, labour shortages, higher construction costs and ongoing economic uncertainty. The outlook for the second half remains broadly unchanged from the first half, with delays in project starts continuing to weigh on market demand and limiting the pace of recovery.

In Finland, despite continued uncertainty, the economy showed early signs of recovery in the first half, supported by strengthening consumer spending, exports and business investment. The construction market also improved modestly, with growth of technical trade sales to the sector and stronger building permit activity, although new-build volumes remained broadly unchanged. Similar conditions are expected in the second half, with economic growth forecast to strengthen gradually in the years ahead.

Gross margin in Northern Europe increased modestly in the first half, primarily reflecting a strong performance in Finland, supported by effective commercial management initiatives and proactive inventory management.

Overheads increased year-on-year in the first half, reflecting general inflationary pressures, wage inflation arising from industry-wide collective labour agreements in the Netherlands and continued strategic investment to strengthen the management team in Finland. Despite continued wage inflation, like-for-like overhead growth in the Netherlands was limited to 1.0% through disciplined cost management and operational efficiency initiatives.

Adjusted operating profit before property profit increased to £16.3m (2025: £15.8m) in the first half, with the adjusted operating profit margin before property profit unchanged at 6.7%. Improved profitability in Finland more than offset slightly lower earnings in the Netherlands, with favourable foreign exchange movements providing an additional benefit to reported results.

Continued progress was achieved in the Netherlands during the first half through the execution of a multi-year business improvement programme focused on the operating model and supporting systems. A significant milestone was reached with end-to-end purchasing and finance processes now operating on the new ERP platform.

Iberia **(10.9% of Group Revenue, 2025: 8.3%)**

	H1 2026 £'m	H1 2025 Restated £'m	Change*	Constant Currency Change*
Revenue	**145.1**	104.2	+39.3%	+35.5%
Adjusted operating profit before property profit	**14.1**	6.5	+116.4%	+111.5%
Adjusted operating profit margin before property profit	**9.7%**	6.3%	+340bps	-

**Change represents the movement between 2026 v 2025 and is based on unrounded numbers*

Our Iberia segment includes Salvador Escoda and Mercaluz, both of which predominantly distribute Heating, Ventilation and Air Conditioning ("HVAC") equipment to professional installers serving residential, commercial, and industrial end markets. The acquisition of Mercaluz, which completed on 30 April 2026, expanded 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. Both businesses are supported by long-term structural growth drivers, including stricter energy efficiency requirements and climate-related temperature increases, which continue to underpin demand for HVAC products across the region.

Mercaluz, founded by the Moreno family in 1986, is headquartered in Redován, near Alicante, and operates from 20 locations with approximately 380 employees. The business primarily serves professional HVAC installers, while also supplying household appliances to SME installers and operating through wholesale and property development sales channels. Mercaluz operates a more focused product portfolio through a smaller number of larger-format locations, complementing Salvador Escoda's broader product offering and extensive branch network, which provides a 'one-stop-shop' solution for professional installers. Mercaluz offers a portfolio of approximately 9,000 products, with its high-quality Johnson own-brand range accounting for approximately 75% of sales in 2025.

Spain continued to deliver stronger economic growth than most large European economies in the first half of 2026, supported by resilient domestic demand, strong employment growth and continuing investment activity. Despite elevated energy prices and geopolitical uncertainty, Spain is expected to remain one of the fastest-growing large economies in Europe in 2026, providing a supportive backdrop for demand in the second half of the year.

Average daily like-for-like revenue in Iberia increased by 6.6% in the first half, benefiting from favourable economic conditions, record high first-half temperatures in Spain and strong commercial execution across its air conditioning, refrigeration and ventilation product categories.

Excluding Mercaluz, gross margin increased in the first half, supported by strong commercial management. Overheads increased as a result of inflationary pressures, investment in new branch openings and additional recruitment to strengthen the management team to support the execution of our growth strategy.

Our Iberia businesses reported revenue of £145.1m (2025: £104.2m) and delivered an adjusted operating profit before property profit of £14.1m (2025: £6.5m) in 2026 representing an adjusted operating profit margin before property profit of 9.7%. The year-on-year increase reflects the inclusion of two months of trading from Mercaluz, encompassing the key seasonal trading period of May and June, together with continued strong organic growth in Salvador Escoda.

On a pro forma basis, average daily like-for-like revenue in Mercaluz during the months of May and June was 6.7% higher than the prior year, supported by favourable market conditions, increasing demand for HVAC products and exceptionally hot weather. Sales and adjusted operating profit before property profit in the post-acquisition period were in line with expectations and benefited from the contribution of nine branches opened over the preceding 18 months. The existing management team has remained with the business and integration is progressing well, with Grafton supporting the Mercaluz team in executing a detailed integration and growth plan.

The Group continues to support our local management teams in delivering organic growth, with five Salvador Escoda branches opened during the first half and a further branch opened by Mercaluz following completion of the acquisition. We also continued to advance a strong pipeline of acquisition opportunities across the HVAC sector and adjacent markets, reflecting the significant consolidation opportunities available within the attractive and highly fragmented Iberian market. Having established an annualised revenue platform of approximately €400m in less than two years, Iberia is well positioned to deliver significant organic and acquisitive growth. The scale achieved to date provides a strong platform from which the Group can act as a consolidator in a fragmented market while delivering sustained compounding growth, supporting its ambition to grow revenue in the region to approximately €1bn by 2030.

Financial Review

Revenue

Group revenue was up 6.7% to £1.34bn from £1.25bn in the first half of 2026. Group revenue in the like-for-like business increased by 0.6% (£8.2m) on the prior year. Trading days were in line with the prior year across all businesses, except in Spain, which had one day less.

Incremental revenue from the HSS Hire Ireland acquisition, which was completed in 2025, increased revenue by £11.0m. The Cygnum acquisition, which completed on 31 March 2026, increased revenue by £13.3m and the Mercaluz acquisition, which completed on 30 April 2026, increased revenue by £31.3m.

New branches opened in 2025 and 2026 in the Netherlands (one), Island of Ireland (one) and Spain (seven) contributed incremental revenue of £1.9m in 2026. Business disposals and closed branches reduced revenue by £5.4m in 2026.

Currency translation of revenue in the euro denominated businesses to sterling increased revenue by £23.2m. The average Sterling/Euro rate of exchange for the six months ended 30 June 2026 was Stg86.72p compared to Stg84.23p for the six months ended 30 June 2025.

Adjusted Operating Profit

Adjusted operating profit of £98.5m was up from £91.0m last year, an increase of £7.5m (8.2%). This result for the period included property profit of £0.2m (H1 2025: £Nil) which relates to profit on property disposals of £0.3m of one property in the Netherlands and a fair value loss of £0.1m on investment properties in Great Britain.

Adjusted operating profit before property profit of £98.3m was up from £91.0m last year, an increase of 8.0%. The adjusted operating profit margin before property profit improved by 10 basis points to 7.4%.

Net Finance Income and Expense

The net finance expense was £5.2m (H1 2025: £4.2m) and includes an interest charge of £7.8m (H1 2025: £7.5m) on lease liabilities recognised under IFRS 16. Interest income on cash deposits amounted to £5.7m (H1 2025: £9.1m).

Returns on deposits and account balances decreased in the half year and reflected lower Bank of England and European Central Bank base rates compared to the prior period and lower cash balances following share buybacks and the Group's acquisition of Cygnum in Ireland and Mercaluz in Spain in 2026.

Interest payable on bank borrowings denominated in euro and US Private Placement Senior Unsecured Notes was £4.2m (H1 2025: £4.6m). This reflects the effect of weaker sterling, partly offset by lower interest rates payable on bank debt as the European Central Bank rates were lower than in the prior period.

The net finance expense included a foreign exchange translation gain of £0.5m which compares to a loss of £1.1m in the prior period. The average sterling/euro rate of exchange for the six months ended 30 June 2026 was Stg86.72p (six months ended 30 June 2025: Stg84.23p). The sterling/euro exchange rate at 30 June 2026 was Stg86.18p (30 June 2025: Stg85.55p and 31 December 2025: Stg87.26p).

Taxation

The income tax expense of £15.4m (H1 2025: £14.7m) is equivalent to an effective tax rate of 19.8% of profit before tax (H1 2025: 19.5% before the exceptional profit on disposal). The rate for the six months ended 30 June 2025, after including the exceptional profit on disposal was lower at 17.7%.

The rate is slightly higher 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 is based on the current forecast rate for the full year.

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 half year was £142.6m (H1 2025: £147.6m). The decline of £5.0m compared to the prior period was partly due to an investment of £22.3m in working capital in this period which compares to a cash release of £4.9m in the first half of last year. Also, in the first half of 2025 there was a profit on disposal of Group businesses, before disposal costs, of £15.1m.

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.

Interest paid amounted to £11.6m (H1 2025: £12.3m) which included interest of £7.8m on IFRS 16 lease liabilities (H1 2025: £7.5m). Taxation paid was £16.5m (H1 2025: £16.9m). Cashflow from operations after the payment of interest and taxation was £114.5m (H1 2025: £118.3m).

The cash outflow on the dividend payment was £51.1m (H1 2025: £51.8m) and £25.6m (H1 2025: £28.7m) was spent on the buyback of shares.

Free cash flow of £70.7m (H1 2025: £78.0m) was generated in the period which represents a 72% conversion to cash of adjusted operating profit (H1 2025: 86%).

Capital Expenditure and Investment in Intangible Assets

The Group continued to maintain appropriate control over capital expenditure which amounted to £21.4m (H1 2025: £16.8m). There was also expenditure of £3.4m (H1 2025: £4.4m) on software that is classified as intangible assets.

Asset replacement capital expenditure of £9.7m (H1 2025: £11.1m) compares to the depreciation charge (before IFRS 16) on property, plant and equipment ("PP&E") of £24.2m (H1 2025: £22.9m) and related principally to the replacement of distribution vehicles, plant and tools for hire by customers, forklifts, fixtures and office equipment and other assets required to operate the Group's branch network.

The Group incurred development capital expenditure of £11.7m (H1 2025: £5.7m) on a range of organic development initiatives including property acquisitions in the Netherlands, a new store location for Woodie's, a branch relocation by Chadwicks and general branch upgrades and refurbishments across the Group.

The proceeds received from the disposal of PP&E and properties held for sale was £1.5m (H1 2025: £0.7m). The amount spent on capital expenditure and software development, net of the proceeds received on asset disposals, was £23.3m (H1 2025: £20.4m).

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 in Ireland had an accounting surplus of £12.0m at the period end, an improvement of £0.4m from a surplus of £11.6m at 31 December 2025. The defined benefit pension scheme in the UK had an accounting surplus of £3.1m at the period end, an improvement of £6.4m from a deficit of £3.3m at 31 December 2025. There was a scheme deficit of £0.7m (31 December 2025: £0.7m) related to the Netherlands business.

Net Debt/Cash

Net debt (including lease obligations) at 30 June 2026 was £315.2m (31 Dec 2025: £123.4m and 30 June 2025: £147.3m), an increase of £191.8m from 31 December 2025. This movement consisted of an increase in debt and lease financing of £69.8m which primarily related to additional drawings for the part-funding of Mercaluz. There were additional loans and lease liabilities acquired with Cygnum and Mercaluz totalling £27.1m and there was a movement in the fixed-terms deposits of £100.0m.

Our net cash position, before recognising lease liabilities, was £78.3m (31 Dec 2025: £274.0m and 30 June 2025: £245.8m).

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 period with excellent liquidity, net cash before IFRS 16 lease liabilities and a robust balance sheet.

The Group had liquidity of £590.6m at 30 June 2026 (31 December 2025: £776.8m) comprising accessible cash and deposits of £390.9m (31 December 2025: £491.8m) and undrawn revolving bank facilities of £199.7m (31 December 2025: £285.0m).

At 30 June 2026, the Group had bilateral loan facilities of £335.3m (31 December 2025: £337.6m) with four relationship banks, which all mature in August 2029 and debt obligations of £137.6m (31 December 2025: £139.3m) from the issue of unsecured senior notes in the US Private Placement market. The average maturity of the committed bank facilities and unsecured senior notes was 3.1 years at 30 June 2026 (31 December 2025: 3.6 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 decreased by £17.6m to £1.63bn at 30 June 2026 from £1.65bn at 31 December 2025. Profit after tax increased shareholders' equity by £62.3m. There was a loss of £11.0m on retranslation of euro denominated net assets to sterling at the period-end rate of exchange. Shareholders' equity was increased for a remeasurement gain (net of tax) of £4.2m on the pension schemes and was reduced for dividends paid of £51.1m and by £25.6m for the buyback of shares. Other changes increased equity by £3.6m.

Return on Capital Employed

Adjusted Return on Capital Employed decreased by 20 basis points to 10.7% (H1 2025: 10.9%).

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.

Period End Financial Information

The consolidated period-end financial statements presented on pages 15 to 38 comprise:

- The Group condensed income statement and Group condensed statement of comprehensive income for the six months ended 30 June 2026.
- The Group condensed balance sheet as at 30 June 2026.
- The Group condensed cash flow statement for the six months ended 30 June 2026.
- The Group condensed statement of changes in equity for the six months ended 30 June 2026.
- The explanatory notes to the condensed consolidated half year financial statements on pages 21 to 38.

Grafton Group plc
Group Condensed Income Statement
For the six months ended 30 June 2026

	Notes	**Six months to 30 June 2026 (Unaudited) £'000**	Six months to 30 June 2025 (Unaudited) £'000
Revenue	**2**	**1,335,884**	1,252,405
Operating costs		**(1,253,198)**	(1,172,576)
Property profit	**3**	**208**	-
Operating profit before exceptional items		**82,894**	79,829
Exceptional items	**3,16**	**-**	7,841
Operating profit		**82,894**	87,670
Finance expense	**4**	**(12,092)**	(13,415)
Finance income	**4**	**6,910**	9,206
Profit before tax		**77,712**	83,461
Income tax expense	**17**	**(15,403)**	(14,733)
Profit after tax for the financial period		**62,309**	68,728
Profit attributable to:			
Owners of the Company		**62,309**	68,728
Earnings per ordinary share – basic	6	**32.77p**	35.05p
Earnings per ordinary share – diluted	6	**32.77p**	35.04p

Grafton Group plc
Group Condensed Statement of Comprehensive Income
For the six months ended 30 June 2026

	Notes	Six months to 30 June 2026 (Unaudited) £'000	Six months to 30 June 2025 (Unaudited) £'000
Profit after tax for the financial period		**62,309**	68,728
Other comprehensive (expense)/income			
Items that are or may be reclassified subsequently to the income statement			
Currency translation effects:			
- on foreign currency net investments		**(10,959)**	23,812
Fair value movement on cash flow hedges:			
- effective portion of changes in fair value of cash flow hedges		**162**	(299)
		(10,797)	23,513
Items that will not be reclassified to the income statement			
Remeasurement gain/(loss) on Group defined benefit pension schemes	**15**	**5,623**	(929)
Deferred tax on Group defined benefit pension schemes		**(1,424)**	4
		4,199	(925)
Total other comprehensive (expense)/income		**(6,598)**	22,588
Total comprehensive income for the financial period		**55,711**	91,316
Total comprehensive income attributable to:			
Owners of the Company		**55,711**	91,316
Total comprehensive income for the financial period		**55,711**	91,316

Grafton Group plc
Group Condensed Balance Sheet
as at 30 June 2026

	Notes	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 Dec 2025 (Audited) £'000
ASSETS				
Non-current assets				
Goodwill	8	727,447	649,822	659,107
Intangible assets	9	214,388	137,157	131,285
Property, plant and equipment	10	375,200	374,524	371,756
Right-of-use asset	11	362,557	366,192	366,279
Investment properties	10	36,474	27,481	36,589
Deferred tax assets	17	7,338	7,690	7,320
Other receivables	12,16	10,373	9,586	10,210
Retirement benefit assets	15	15,050	10,128	11,574
Other financial assets		127	128	128
Total non-current assets		**1,748,954**	1,582,708	1,594,248
Current assets				
Properties held for sale	10	4,602	763	2,581
Inventories	12	462,028	412,842	395,182
Trade and other receivables	12	419,950	376,476	332,467
Derivative financial instruments	13	159	-	3
Fixed-term cash deposits	13	-	150,000	100,000
Cash and cash equivalents (excluding bank overdrafts)	13	394,912	344,495	395,764
Total current assets		**1,281,651**	1,284,576	1,225,997
Total assets		**3,030,605**	2,867,284	2,820,245
EQUITY				
Equity share capital		6,379	6,626	6,488
Share premium account		227,026	225,576	225,813
Capital redemption reserve		2,934	2,683	2,814
Revaluation reserve		11,772	11,939	11,861
Shares to be issued reserve		7,307	7,505	6,405
Cash flow hedge reserve		159	(305)	(3)
Foreign currency translation reserve		71,702	65,995	82,661
Retained earnings		1,308,263	1,295,372	1,316,572
Treasury shares held		(4,442)	(5,710)	(3,897)
Equity attributable to owners of the Parent		**1,631,100**	1,609,681	1,648,714
LIABILITIES				
Non-current liabilities				
Interest-bearing loans and borrowings	13	272,256	194,559	190,810
Lease liabilities	13	312,680	318,629	320,223
Provisions	12	14,688	13,151	12,769
Retirement benefit obligations	15	714	8,308	4,020
Deferred tax liabilities	17	81,836	61,924	62,879
Deferred consideration payable	16	15,171	-	-
Total non-current liabilities		**697,345**	596,571	590,701
Current liabilities				
Interest-bearing loans and borrowings	13	44,553	53,844	30,929
Lease liabilities	13	80,799	74,483	77,185
Derivative financial instruments	13	-	307	-
Trade and other payables	12	550,387	506,121	448,388
Current income tax liabilities		20,982	21,224	18,840
Deferred consideration payable	16	1,398	1,398	1,398
Provisions	12	4,041	3,655	4,090
Total current liabilities		**702,160**	661,032	580,830
Total liabilities		**1,399,505**	1,257,603	1,171,531
Total equity and liabilities		**3,030,605**	2,867,284	2,820,245

Grafton Group plc - Group Condensed Cash Flow Statement

For the six months ended 30 June 2026

	Notes	**Six months to 30 June 2026 (Unaudited) £'000**	Six months to 30 June 2025 (Unaudited) £'000
Profit before taxation		**77,712**	83,461
Finance income	**4**	**(6,910)**	(9,206)
Finance expense	**4**	**12,092**	13,415
Operating profit		**82,894**	87,670
Depreciation	**10,11**	**66,273**	61,128
Amortisation of intangible assets	**9**	**14,393**	12,018
Other non-cash items		**712**	(1,118)
Share-based payments charge		**2,194**	1,227
Movement in provisions		**108**	(2,257)
Fair value losses recognised as property profit	**3**	**62**	-
(Profit)/loss on sale of property, plant and equipment		**(472)**	248
Property profit	**3**	**(270)**	-
Profit on disposal of Group businesses, before disposal costs	**16**	**-**	(15,142)
Loss on derecognition of leases		**92**	95
Contributions to pension schemes in excess of IAS 19 charge		**(1,130)**	(1,137)
(Increase)/decrease in working capital	**12**	**(22,286)**	4,875
Cash generated from operations		**142,570**	147,607
Interest paid		**(11,566)**	(12,334)
Income taxes paid		**(16,505)**	(16,948)
Cash flows from operating activities		**114,499**	118,325
Investing activities			
Inflows			
Proceeds from sale of property, plant and equipment		**837**	728
Proceeds from sale of properties held for sale		**633**	-
Proceeds from sale of Group businesses (net of cash disposed)	**16**	**-**	6,484
Deferred acquisition consideration received	**16**	**117**	-
Maturity of fixed-term cash deposits	**13**	**100,000**	200,000
Interest received		**6,627**	10,461
		108,214	217,673
Outflows			
Acquisition of subsidiary undertakings (net of cash/overdraft acquired)	**16**	**(164,847)**	(20,454)
Investment in fixed-term cash deposits	**13**	**-**	(200,000)
Deferred acquisition consideration paid	**16**	**-**	(2,945)
Investment in intangible assets – computer software	**9**	**(3,422)**	(4,361)
Purchase of property, plant and equipment	**10**	**(21,370)**	(16,791)
		(189,639)	(244,551)
Cash flows from investing activities		**(81,425)**	(26,878)
Financing activities			
Inflows			
Proceeds from the issue of share capital		**1,224**	1,452
Proceeds from borrowings		**95,944**	11,958
		97,168	13,410
Outflows			
Repayment of borrowings		**(9,046)**	-
Dividends paid	**5**	**(51,147)**	(51,769)
Treasury shares purchased (share buyback)	**20**	**(25,596)**	(28,746)
Payment on lease liabilities		**(42,205)**	(37,457)
		(127,994)	(117,972)
Cash flows from financing activities		**(30,826)**	(104,562)
Net increase/(decrease) in cash and cash equivalents		**2,248**	(13,115)
Cash and cash equivalents at 1 January		**395,764**	351,055
Effect of exchange rate fluctuations on cash held		**(3,100)**	6,555
Cash and cash equivalents at the end of the period		**394,912**	344,495
Cash and cash equivalents are broken down as follows:			
Cash at bank and short-term deposits	**13**	**394,912**	344,495

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
Six months to 30 June 2026 (Unaudited)										
At 1 January 2026	6,488	225,813	2,814	11,861	6,405	(3)	82,661	1,316,572	(3,897)	1,648,714
Profit after tax for the financial period	-	-	-	-	-	-	-	62,309	-	62,309
Total other comprehensive income										
Remeasurement gain on pensions (net of tax)	-	-	-	-	-	-	-	4,199	-	4,199
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	162	-	-	-	162
Currency translation effect on foreign currency net investments	-	-	-	-	-	-	(10,959)	-	-	(10,959)
Total other comprehensive (expense)	-	-	-	-	-	162	(10,959)	4,199	-	(6,598)
Total comprehensive income	-	-	-	-	-	162	(10,959)	66,508	-	55,711
Transactions with owners of the Company recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	(51,147)	-	(51,147)
Issue of Grafton Units	11	1,213	-	-	-	-	-	-	-	1,224
Purchase of treasury shares (Note 20)	-	-	-	-	-	-	-	-	(25,596)	(25,596)
Cancellation of treasury shares (Note 20)	(120)	-	120	-	-	-	-	(25,000)	25,000	-
Transfer from treasury shares (Note 20)	-	-	-	-	-	-	-	(51)	51	-
Share-based payments charge	-	-	-	-	2,194	-	-	-	-	2,194
Tax on share-based payments	-	-	-	-	-	-	-	-	-	-
Transfer from shares to be issued reserve	-	-	-	-	(1,292)	-	-	1,292	-	-
Transfer from revaluation reserve	-	-	-	(89)	-	-	-	89	-	-
	(109)	1,213	120	(89)	902	-	-	(74,817)	(545)	(73,325)
At 30 June 2026	6,379	227,026	2,934	11,772	7,307	159	71,702	1,308,263	(4,442)	1,631,100

	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
Six months to 30 June 2025 (Unaudited)										
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 period	-	-	-	-	-	-	-	68,728	-	68,728
Total other comprehensive income										
Remeasurement loss on pensions (net of tax)	-	-	-	-	-	-	-	(925)	-	(925)
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	(299)	-	-	-	(299)
Currency translation effect on foreign currency net investments	-	-	-	-	-	-	23,812	-	-	23,812
Total other comprehensive income	-	-	-	-	-	(299)	23,812	(925)	-	22,588
Total comprehensive income	-	-	-	-	-	(299)	23,812	67,803	-	91,316
Transactions with owners of the Company recognised directly in equity										
Dividends paid	-	-	-	-	-	-	-	(51,769)	-	(51,769)
Issue of Grafton Units	17	1,435	-	-	-	-	-	-	-	1,452
Purchase of treasury shares (Note 20)	-	-	-	-	-	-	-	-	(28,746)	(28,746)
Cancellation of treasury shares (Note 20)	(135)	-	135	-	-	-	-	(26,930)	26,930	-
Transfer from treasury shares (Note 20)	-	-	-	-	-	-	-	(3)	3	-
Share based payments charge	-	-	-	-	1,227	-	-	-	-	1,227
Transfer from shares to be issued reserve	-	-	-	-	(524)	-	-	524	-	-
Transfer from revaluation reserve	-	-	-	(98)	-	-	-	98	-	-
	(118)	1,435	135	(98)	703	-	-	(78,080)	(1,813)	(77,836)
At 30 June 2025	6,626	225,576	2,683	11,939	7,505	(305)	65,995	1,295,372	(5,710)	1,609,681

Grafton Group plc
Group Condensed Statement of Changes in Equity (continued)

	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 (Audited)										
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										
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

Grafton Group plc
Notes to Condensed Consolidated Half Year Financial Statements for the six months ended 30 June 2026

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 (owned/leased) with c. 10,000 colleagues, the Group's portfolio of market leading, trusted 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 and Mercaluz (Spain)

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 condensed consolidated half year financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority ("FCA") and International Accounting Standard ("IAS") 34 Interim Financial Reporting as adopted by the European Union ("EU"). These condensed consolidated half year financial statements do not include all the information and disclosures required in the Group Annual Report and Accounts and should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2025 that are available on the Company's website www.graftonplc.com.

The condensed consolidated half year financial statements for the six months ended 30 June 2026 are unaudited but have been reviewed by the auditors whose report is set out on pages 46 and 47.

The condensed consolidated half year financial statements presented do not constitute financial statements prepared in accordance with International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ("IASB") as adopted by the EU. The financial information included in this report in relation to the year ended 31 December 2025 does not comprise statutory annual financial statements within the meaning of section 295 of the Companies Act 2014. The Annual Report and Accounts for the year ended 31 December 2025 have been filed with the Registrar of Companies and the audit report thereon was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

The accounting policies and methods of computation and presentation adopted in the preparation of the condensed consolidated half year financial statements are consistent with those applied in the Annual Report and Accounts for the year ended 31 December 2025. The financial information includes all adjustments that management considers necessary for a fair presentation of such financial information. All such adjustments are of a normal recurring nature. Certain tables in the financial information may not add precisely due to rounding. The financial reporting framework that has been applied in the preparation of the Group Annual Report and Accounts for the year ended 31 December 2025 is applicable law and IFRS, as adopted by the EU.

Going Concern

The Group's net cash position, before recognising lease liabilities, was £78.3m at 30 June 2026 (31 December 2025: £274.0m). Net debt including lease obligations was £315.2m at 30 June 2026 (31 December 2025: £123.4m). The Group had liquidity of £590.6m at 30 June 2026 (31 December 2025: £776.8m) of which £390.9m (31 December 2025: £491.8m) was held in accessible cash and deposits and £199.7m (31 December 2025: £285.0m) 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

1. General Information (continued)
Basis of Preparation, Accounting Policies and Estimates (continued)

Going Concern (continued)
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 information.

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 half-yearly 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 as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised. In particular, 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 these consolidated financial statements.

In preparing these half-yearly financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's Annual Report and Accounts for the year ended 31 December 2025.

In addition, further judgements were made by management in relation to the fair value of deferred consideration payable following the acquisitions of both Cygnum and Mercaluz during the period ended 30 June 2026. Deferred consideration payable was calculated assuming a probability of payout, which is 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.

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 2026 but did not have a material effect on the results or financial position of the Group:

- *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)*

The following Standards and Interpretations are effective for the Group for periods beginning after 1 January 2027:

- *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

During the financial year ended 31 December 2025 and as outlined above, the Group 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 2025 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.

	Six months to 30 June 2026 (Unaudited)	Six months to 30 June 2025 (Unaudited) Restated
Revenue	**£'000**	£'000
Island of Ireland	**579,402**	525,513
Great Britain	**367,178**	387,088
Northern Europe	**244,198**	235,634
Iberia	**145,106**	104,170
Total revenue	**1,335,884**	1,252,405
Segmental operating profit before intangible amortisation arising on acquisitions and acquisition related items		
Island of Ireland	**60,564**	55,052
Great Britain	**17,538**	24,799
Northern Europe	**16,287**	15,759
Iberia	**14,140**	6,533
	108,529	102,143
Reconciliation to consolidated operating profit		
Central activities	**(10,264)**	(11,171)
	98,265	90,972
Property profit	**208**	-
Operating profit before exceptional items, intangible amortisation arising on acquisitions and acquisition related items	**98,473**	90,972
Exceptional items (Note 3)	**-**	7,841
Operating profit before intangible amortisation arising on acquisitions and acquisition related items	**98,473**	98,813
Acquisition related items*	**(3,176)**	(383)
Amortisation of intangible assets arising on acquisitions	**(12,403)**	(10,760)
Operating profit	**82,894**	87,670
Finance expense	**(12,092)**	(13,415)
Finance income	**6,910**	9,206
Profit before tax	**77,712**	83,461
Income tax expense	**(15,403)**	(14,733)
Profit after tax for the financial period	**62,309**	68,728

** 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:

	Six months to 30 June 2026 (Unaudited) £'000	Six months to 30 June 2025 (Unaudited) £'000
Revenue*		
Ireland**	**519,623**	464,671
United Kingdom	**426,957**	447,930
Netherlands	**180,595**	175,198
Spain	**145,106**	104,170
Finland	**63,603**	60,436
Total revenue	**1,335,884**	1,252,405

**Service revenue, which relates to plant and equipment hire and is recognised over time, amounted to £19.4m for the period (H1 2025: £8.7m).*
*** Grafton Group plc is domiciled in the Republic of Ireland and the revenues from external customers in the Republic of Ireland were £519.6m (H1 2025: £464.7m).*

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) Restated £'000
Segment assets		
Island of Ireland	**936,048**	849,807
Great Britain	**789,596**	824,748
Northern Europe	**499,049**	498,756
Iberia	**388,326**	181,532
	2,613,019	2,354,843
Unallocated assets		
Deferred tax assets	**7,338**	7,690
Retirement benefit assets	**15,050**	10,128
Other financial assets	**127**	128
Derivative financial instruments (current)	**159**	-
Fixed-term cash deposits	**-**	150,000
Cash and cash equivalents	**394,912**	344,495
Total assets	**3,030,605**	2,867,284

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) Restated £'000
Segment liabilities		
Island of Ireland	**426,396**	406,171
Great Britain	**323,512**	342,520
Northern Europe	**129,084**	119,578
Iberia	**100,172**	49,168
	979,164	917,437
Unallocated liabilities		
Interest bearing loans and borrowings (current and non-current)	**316,809**	248,403
Retirement benefit obligations	**714**	8,308
Deferred tax liabilities	**81,836**	61,924
Current income tax liabilities	**20,982**	21,224
Derivative financial instruments (current)	**-**	307
Total liabilities	**1,399,505**	1,257,603

3. Property Profit & Exceptional Items

Property Profit

The property profit in 2026 of £0.2m relates to profit on property disposals of £0.3m of one property in the Netherlands and a fair value loss of £0.1m on investment properties in Great Britain.

There were no property disposals in the first half of 2025.

Exceptional Items

There were no exceptional items in the first half of 2026.

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 £7.8m with further details outlined in Note 16.

4. Finance Expense and Finance Income

	Six months to 30 June 2026 (Unaudited) £'000		Six months to 30 June 2025 (Unaudited) £'000	
Finance expense				
Interest on bank loans, US senior notes and overdrafts**	**4,172**	*	4,649	*
Interest on lease liabilities	**7,767**	*	7,483	*
Net finance cost on pension scheme obligations	**-**		34	
Unwinding of discount applicable to deferred consideration payable (Note 16)	**153**		165	
Foreign exchange loss	**-**		1,084	
	12,092		13,415	
Finance income				
Interest income on bank deposits	**(5,730)**	*	(9,126)	*
Net finance income on pension scheme assets	**(167)**		-	
Unwinding of discount applicable to contingent consideration receivable (Note 16)	**(467)**		(80)	
Foreign exchange gain	**(546)**		-	
	(6,910)		(9,206)	
Net finance expense	**5,182**		4,209	

** Net bank and US senior note interest income of £1.6m (H1 2025: £4.5m interest income). Including interest on lease liabilities, net interest expense was £6.2m (H1 2025: £3.0m net interest expense).*
***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 2026 of a final dividend for 2025 of 27.00 pence amounted to £51.1m (2025: final dividend for 2024 of 26.50 pence amounted to £51.8m).

An interim dividend for 2026 of 11.00 pence per share will be paid on 9 October 2026 by Grafton Group plc to shareholders on the Register of Members at the close of business on 11 September 2026 (the 'Record Date'). The ex-dividend date is 10 September 2026.

A liability in respect of the interim dividend has not been recognised in the balance sheet at 30 June 2026, as there was no present obligation to pay the dividend at the half-year.

6. Earnings per Share

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

	Half Year 30 June 2026 (Unaudited) £'000	Half Year 30 June 2025 (Unaudited) £'000
Numerator for basic, adjusted and diluted earnings per share:		
Profit after tax for the financial period	**62,309**	68,728
Numerator for basic and diluted earnings per share	**62,309**	68,728
Profit after tax for the financial period	**62,309**	68,728
Exceptional items	**-**	(7,841)
Amortisation of intangible assets arising on acquisitions	**12,403**	10,760
Tax relating to amortisation of intangible assets arising on acquisitions	**(2,727)**	(2,444)
Acquisition related items	**3,176**	383
Unwinding of discount applicable to deferred consideration payable	**153**	165
Unwinding of discount applicable to contingent consideration receivable	**(467)**	(80)
Numerator for adjusted earnings per share	**74,847**	69,671
	Number of Grafton Units	Number of Grafton Units
Denominator for basic and adjusted earnings per share:		
Weighted average number of Grafton Units in issue	**190,122,798**	196,100,791
Dilutive effect of options and awards	**24,226**	62,563
Denominator for diluted earnings per share	**190,147,024**	196,163,354
Earnings per share (pence)		
- Basic	**32.77**	35.05
- Diluted	**32.77**	35.04
Adjusted earnings per share (pence)*		
- Basic	**39.37**	35.53
- Diluted	**39.36**	35.52

** 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 half-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 six months ended 30 June 2026 was Stg86.72p (six months ended 30 June 2025: Stg84.23p). The sterling/euro exchange rate at 30 June 2026 was Stg86.18p (30 June 2025: Stg85.55p and 31 December 2025: Stg87.26p).

8. Goodwill

	Goodwill £'000
Net Book Value	
As at 1 January 2026	**659,107**
Arising on acquisition (Note 16)	**72,886**
Currency translation adjustment	**(4,546)**
As at 30 June 2026	**727,447**

Impairment Testing
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. Impairment indicators in Great Britain, arising from persistent macroeconomic challenges, prompted an impairment test to be carried out on the Great Britain group of Cash Generating Units (CGUs) at 30 June 2026. The recoverable amount of each CGU is determined based on value-in-use calculations. The carrying value of the Great Britain group of CGUs was compared to its estimated value-in-use. There were no impairments during the period (H1 2025: £Nil).

Value-in-use Calculations
The key assumptions used in the value-in-use calculations are the nominal revenue growth rate, the discount rate and the long-term growth rate. The pre-tax discount rates used were based on the Group's estimated weighted average cost of capital, adjusted to reflect risks associated with each CGU.

For the Great Britain group of CGUs, the following assumptions were used at 30 June 2026:

- Revenue compound annual growth rate (CAGR)* of 4.8% (31 December 2025: 6.2%)
- Pre-tax discount rate of 10.5% (31 December 2025: 12.7%)**
- Long-term growth rate of 2.5% (31 December 2025: 2.5%)

** CAGR for the years 2027 – 2031 (31 December 2025: CAGR for the years 2026 – 2030)*
*** For the period ended 30 June 2026, the pre-tax discount rate applied to cash flow projections for the Great Britain Group of CGUs was adjusted to 10.5% (31 December 2025: 12.7%). This decrease reflects changes in current market assessments of the time value of money and an updated peer-group Weighted Average Cost of Capital (WACC) which is representative of our market participants.*

Sensitivity Analysis
Where impairment assessments have been performed, it is noted that the value-in-use calculations are sensitive to changes in the key assumptions of the revenue growth rate, the discount rate and the long-term growth rate. While management believes that the value-in-use assumptions are appropriate, a sensitivity analysis was performed based on reasonable changes in each of the three key assumptions in the Great Britain CGU.

At 30 June 2026, the Great Britain group of CGUs' recoverable amount has more limited headroom over its carrying amount. A 440bps increase in the discount rate would eliminate the headroom that the Great Britain group of CGUs' recoverable amount has over its carrying amount. Similarly, a decrease in the revenue growth rate of 180bps would eliminate the current headroom. At 30 June 2026, goodwill allocated to the Great Britain group of CGUs amounted to £273.7m (31 December 2025: £273.7m).

9. Intangible Assets

	Computer Software £'000	Trade Names £'000	Customer Relationships & Technology £'000	Total £'000
Net Book Value				
As at 1 January 2026	**21,395**	**28,772**	**81,118**	**131,285**
Additions	**3,422**	**-**	**-**	**3,422**
Arising on acquisition (Note 16)	**679**	**26,081**	**69,083**	**95,843**
Amortisation	**(1,990)**	**(3,009)**	**(9,394)**	**(14,393)**
Currency translation adjustment	**(184)**	**(418)**	**(1,167)**	**(1,769)**
As at 30 June 2026	**23,322**	**51,426**	**139,640**	**214,388**

The amortisation expense of £14.4m (H1 2025: £12.0m) has been charged in 'operating costs' in the income statement. Amortisation of intangible assets arising on acquisitions in prior periods amounted to £12.4m (H1 2025: £10.8m).

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

Net Book Value	Property, plant and equipment £'000	Properties held for sale £'000	Investment properties £'000
As at 1 January 2026	**371,756**	**2,581**	**36,589**
Additions	**21,370**	**-**	**-**
Depreciation	**(24,156)**	**-**	**-**
Disposals	**(365)**	**(363)**	**-**
Transfers	**(2,405)**	**2,405**	**-**
Fair value (losses)/gains	**-**	**-**	**(62)**
Arising on acquisition (Note 16)	**11,654**	**-**	**-**
Currency translation adjustment	**(2,654)**	**(21)**	**(53)**
As at 30 June 2026	**375,200**	**4,602**	**36,474**

11. Right-Of-Use Asset

	Right-of-use asset £'000
As at 1 January 2026	**366,279**
Additions*	**10,423**
Arising on acquisition (Note 16)	**15,708**
Disposals	**-**
Depreciation	**(42,117)**
Remeasurements*	**14,642**
Currency translation adjustment	**(2,378)**
As at 30 June 2026	**362,557**

** Right-of-use asset additions relate to new lease contracts entered into during the period 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.*

12. Movement in Working Capital & Provisions

Movement in Working Capital

Current & non-current	**Inventories £'000**	**Trade and other receivables £'000**	**Trade and other payables £'000**	**Total £'000**
As at 1 January 2026	**395,182**	**342,677**	**(448,388)**	**289,471**
Currency translation adjustment	**(3,780)**	**(3,262)**	**3,836**	**(3,206)**
Interest accruals*	**-**	**(896)**	**(373)**	**(1,269)**
Arising on acquisition (Note 16)	**34,409**	**25,375**	**(25,452)**	**34,332**
Discount unwinding (Note 4)	**-**	**467**	**-**	**467**
Deferred consideration received	**-**	**(117)**	**-**	**(117)**
Working capital movement in 2026	**36,217**	**66,079**	**(80,010)**	**22,286**
As at 30 June 2026 (current & non-current)	**462,028**	**430,323**	**(550,387)**	**341,964**
Split current & non-current				
Current	**462,028**	**419,950**	**(550,387)**	**331,591**
Non-current	**-**	**10,373**	**-**	**10,373**
As at 30 June 2026 (total)	**462,028**	**430,323**	**(550,387)**	**341,964**

** 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 period ended 30 June 2025 is shown below:

	Inventories £'000	**Trade and other receivables £'000**	**Trade and other payables £'000**	**Total £'000**
Working capital movement in H1 2025	23,526	66,258	(94,659)	(4,875)

Provisions

	Total Provisions £'000
As at 1 January 2026	**16,859**
Charged in period	**1,889**
Arising on acquisition (Note 16)	**1,939**
Released	**(726)**
Paid during the period	**(1,055)**
Currency translation adjustment	**(177)**
As at 30 June 2026	**18,729**

The total provisions of £18.7m (30 June 2025: £16.8m) are shown in the Group balance sheet as (i) non-current liabilities of £14.7m (30 June 2025: £13.2m) and (ii) current liabilities of £4.0m (30 June 2025: £3.7m). Provisions include insurance provisions, dilapidation provisions, disposal provisions and other, with details set out on page 167 of the 2025 Annual Report and Accounts.

13. Interest-Bearing Loans, Borrowings and Net Debt

	30 June 2026 £'000	31 Dec 2025 £'000
Interest-bearing loans and borrowings		
Bank credit facilities (current)*	**44,553**	30,929
Bank loans (non-current)	**134,637**	51,499
US senior notes (non-current)	**137,619**	139,311
Total interest-bearing loans and borrowings	**316,809**	221,739
Leases		
Included in non-current liabilities	**312,680**	320,223
Included in current liabilities	**80,799**	77,185
Total leases	**393,479**	397,408
Derivatives		
Included in current assets	**(159)**	(3)
Included in current liabilities	**-**	-
Total derivatives	**(159)**	(3)
Fixed-term cash deposits**		
Included in current assets	**-**	(100,000)
Total fixed-term cash deposits	**-**	(100,000)
Cash at bank and short-term deposits	**(394,912)**	(395,764)
Net debt	**315,217**	123,380
Net (cash) before leases	**(78,262)**	(274,028)

**The euro bank credit facilities of £44.6m at 30 June 2026 (31 December 2025: £30.9m) relate to short-term debt in both Salvador Escoda and Mercaluz in Spain. The bank credit facilities of £44.6m include debt related to discounting effects on debtors and credit facilities covering import lines of credit with four Spanish banking partners.*
*** 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 30 June 2026, the Group had bilateral loan facilities of £335.3m (2025: £337.6m) with four relationship banks, which all mature in August 2029. The increase in drawings under these facilities reflects part-funding for the Mercaluz acquisition completed at the end of April 2026 (Note 16). There were undrawn revolving bank facilities of £199.7m (31 December 2025: £285.0m).

The revolving loan facilities of £335.3m 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 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 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)

	30 June 2026 £'000	31 Dec 2025 £'000
Assets measured and recognised at fair value		
Designated as hedging instruments		
Other derivative instruments	**159**	3
Fair value measurement of liabilities carried at amortised cost		
US senior notes	**(134,560)**	(133,644)

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

	30 June 2026 £'000	31 Dec 2025 £'000
Assets/(liabilities) measured and recognised at fair value		
Contingent consideration receivable on disposal of businesses (Note 16)	**12,448**	12,251
Deferred consideration payable on acquisition of businesses (Note 16)	**(16,569)**	(1,398)

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 30 June 2026.

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. The EBITA/EBITDA forecasts are significant unobservable inputs.

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)

	30 June 2026 £'000	30 June 2025 £'000
Net increase/(decrease) in cash and cash equivalents	**2,248**	(13,115)
Net movement in fixed-term cash deposits	**(100,000)**	-
Net movement in derivative financial instruments	**156**	(302)
Bank loans acquired with subsidiaries (Note 16)	**(11,388)**	-
Lease liabilities acquired (Note 16)	**(15,708)**	(4,045)
Movement in debt and lease financing	**(69,615)**	8,691
Change in net (debt) resulting from cash flows	**(194,307)**	(8,771)
Currency translation adjustment	**2,470**	(6,881)
Movement in net (debt) in the period	**(191,837)**	(15,652)
Net (debt) at 1 January	**(123,380)**	(131,675)
Net (debt) at end of the period	**(315,217)**	(147,327)

15. Retirement Benefits

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

	Irish Schemes		**UK Schemes**	
	At 30 June 2026	At 31 Dec 2025	**At 30 June 2026**	At 31 Dec 2025
Rate of increase in salaries*	**N/A**	N/A	**N/A**	N/A
Rate of increase of pensions in payment	**-**	-	**2.90%**	2.70%
Discount rate	**4.30%**	4.20%	**6.00%**	5.50%
Inflation rate increase	**2.10%**	1.80%	**2.50%/3.00%** **	2.30%/2.80% **

* 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)	
	Half Year to 30 June 2026	Year to 31 Dec 2025	**Half Year to 30 June 2026**	Year to 31 Dec 2025	**Half Year to 30 June 2026**	Year to 31 Dec 2025
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
At 1 January	**174,320**	178,375	**(166,766)**	(177,034)	**7,554**	1,341
Interest income on plan assets	**4,123**	7,827	**-**	-	**4,123**	7,827
Contributions by employer	**1,295**	2,629	**-**	-	**1,295**	2,629
Benefit payments	**(4,159)**	(12,653)	**4,159**	12,653	**-**	-
Administration costs	**(113)**	(194)	**-**	-	**(113)**	(194)
Other long-term benefit (expense)	**-**	-	**(52)**	(46)	**(52)**	(46)
Interest cost on scheme liabilities	**-**	-	**(3,956)**	(7,859)	**(3,956)**	(7,859)
Remeasurements						
Actuarial (loss)/gains from:						
-experience variations	**-**	-	**(125)**	(1,095)	**(125)**	(1,095)
-financial assumptions	**-**	-	**3,559**	10,495	**3,559**	10,495
-demographic assumptions	**-**	-	**(312)**	331	**(312)**	331
Return on plan assets excluding interest income	**2,501**	(6,410)	**-**	-	**2,501**	(6,410)
Translation adjustment	**(1,096)**	4,746	**958**	(4,211)	**(138)**	535
At 30 June / 31 December	**176,871**	174,320	**(162,535)**	(166,766)	**14,336**	7,554
Related deferred tax (net)					**(2,083)**	(436)
Net pension asset					**12,253**	7,118

The net pension scheme asset before tax of £14.3m (31 December 2025: £7.6m) is shown in the Group balance sheet as (i) retirement benefit obligations (non-current liabilities) of £0.7m (31 December 2025: £4.0m) and (ii) retirement benefit assets (non-current assets) of £15.1m (31 December 2025: £11.6m).

At 30 June 2026, the retirement benefit asset of £15.1m (Dec 2025: £11.6m) relates to three schemes in Ireland and one scheme in the UK. 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 £0.7m at 30 June 2026 relates to one scheme in the Netherlands. The retirement benefit obligation of £4.0m at 31 December 2025 related to one scheme in the UK of £3.3m and one scheme in the Netherlands of £0.7m.

The gain on plan assets was £6.6m (31 December 2025: gain on plan assets of £1.4m).

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

Acquisitions

On 31 March 2026, the Group completed the acquisition of the entire share capital of Cygnum Holdings Limited ("Cygnum"). Cygnum was founded in 1997 and is based in Macroom in County Cork, Ireland. It is a leading made-to-order supplier of offsite timber frame solutions to developers and contractors in the Irish market. The Group intends to operate Cygnum as part of Chadwicks Group, its market-leading distribution business in the Republic of Ireland. This acquisition aligns with Chadwicks Group's strategy to extend its offering and acquire adjacent competencies. It allows Chadwicks to continue to be a 'one-stop shop' for customers as they adopt modern methods of construction. This acquisition is incorporated in the Island of Ireland segment.

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

Acquisitions (continued)

On 30 April 2026, the Group completed the acquisition of Componentes Eléctricos Mercaluz, S.A., Mercaluz Hogar, S.L.U., EAS Electric Smart Technology, S.L.U. and Mercaluz Canarias, S.L.U. (together "Mercaluz"). Mercaluz is a family-founded Spanish group, founded in 1986, that is predominantly a distributor of domestic and commercial air conditioning equipment, with c.10,500 customers in 2025. This acquisition reinforces Grafton's position in the fast-growing Iberian HVAC market and is a further step in the Group's ambition to build a significant business distributing construction related products and solutions in Iberia, following the acquisition of Salvador Escoda in October 2024. This acquisition is incorporated in the Iberia segment.

The fair value of assets and liabilities acquired in 2026, and adjustments to provisional fair value of assets and liabilities from previous acquisitions, are set out below:

	Cygnum £'000	Mercaluz £'000	**Total £'000**
Property, plant and equipment	9,822	1,832	**11,654**
Right-of-use asset	656	15,052	**15,708**
Intangible assets – computer software	151	528	**679**
Intangible assets – trade names	2,865	23,216	**26,081**
Intangible assets – customer relationships	17,801	51,282	**69,083**
Inventories	1,072	33,337	**34,409**
Trade and other receivables	4,860	20,515	**25,375**
Trade and other payables	(8,776)	(16,676)	**(25,452)**
Provisions	(492)	(1,447)	**(1,939)**
Lease liability	(656)	(15,052)	**(15,708)**
Corporation tax (liability)/asset	(267)	386	**119**
Deferred tax liability	(2,885)	(18,658)	**(21,543)**
Debt acquired	-	(11,388)	**(11,388)**
Cash acquired	8,023	5,450	**13,473**
Net assets acquired	32,174	88,377	**120,551**
Goodwill	25,892	46,994	**72,886**
Consideration	58,066	135,371	**193,437**
Satisfied by:			
Cash paid	49,013	129,307	**178,320**
Deferred consideration payable (see below)	9,053	6,064	**15,117**
	58,066	135,371	**193,437**
Net cash outflow – arising on acquisitions			
Cash consideration	49,013	129,307	**178,320**
Less: cash and cash equivalents acquired	(8,023)	(5,450)	**(13,473)**
	40,990	123,857	**164,847**

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. 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. 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.

The gross contractual value of trade and other receivables as at the acquisition date amounted to £26.9m. The fair value of these receivables is £25.4m and is inclusive of a loss allowance of £1.5m.

The acquisitions contributed revenue of £44.6m and operating profit of £9.2m for the period from the date of acquisition to 30 June 2026. If these acquisitions had occurred on 1 January 2026, it is estimated that they would have contributed revenue of £102.7m and adjusted operating profit of £13.8m in the period.

The Group incurred acquisition costs of £3.2m in H1 2026 (H1 2025: £0.3m), 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 30 June 2026:

	Deferred Consideration Payable
	£'000
As at 1 January 2026	**1,398**
Arising on acquisition (see above)	**15,117**
Deferred acquisition consideration paid in the period	**-**
Unwinding of discount applicable to deferred consideration payable (Note 4)	**153**
Currency translation adjustment	**(99)**
As at 30 June 2026	**16,569**

Split of deferred consideration payable	**£'000**
Current	**1,398**
Non-current	**15,171**
	16,569

Deferred consideration payable recognised in the period of £15.1m relates to amounts expected to be paid to the vendors in respect of the acquisitions of both Cygnum and Mercaluz. The liability reflects the estimated amount payable at 30 June 2026 and is subject to change as the conditions of the relevant acquisition agreements are satisfied. Further details of the valuation methodology are provided in Note 13.

Disposal of Group Businesses in 2025

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 £7.6m representing an overall profit on disposal after costs of disposal. The profit on the disposal reflects the cash consideration received of £9.1m and deferred cash receivable of £11.2m offset by the net book value of the assets being disposed of £5.2m and disposal costs of £7.3m.

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 did not meet the definition of a discontinued operation and therefore was not disclosed as such. The consolidated results for the first half of 2025 include five months of operating profit from the MFP business amounting to £1.0m.

The carrying value of assets and liabilities disposed in H1 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 liability	**(63)**
Deferred tax liability	**(47)**
Cash disposed	**2,588**
Net assets disposed	**5,179**
Cash consideration received	**(9,072)**
Contingent consideration receivable	**(11,249)**
Profit on disposal of Group businesses, before disposal costs	**(15,142)**

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

Disposal of Group Businesses in 2025 (continued)

Amounts recognised in the prior period within Exceptional Items	
Gross profit on disposal of Group businesses	**15,142**
Disposal costs*	**(7,301)**
	7,841

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

Net cash inflow – arising on disposal	
Cash consideration received	**9,072**
Less: cash and cash equivalents disposed	**(2,588)**
	6,484

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 2026	**12,251**
Currency translation adjustment	**(153)**
Deferred consideration received in the period	**(117)**
Unwinding of discount applicable to contingent consideration receivable (Note 4)	**467**
As at 30 June 2026	**12,448**

Split of contingent consideration receivable	**£'000**
Non-current	**10,373**
Current	**2,075**
	12,448

17. Taxation

The income tax expense of £15.4m (H1 2025: £14.7m) is equivalent to an effective tax rate of 19.8% on profit before tax from continuing operations (H1 2025: 19.5%, Full Year 2025: 18.2% and both before the exceptional profit on disposal in 2025. The rate after including the exceptional profit on disposal was lower in H1 2025 at 17.7% and Full Year 2025 at 17.3%). This is a blended rate of corporation tax on profits in the five jurisdictions where the Group operates and is based on the current forecast rate for the full year. The movement 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 higher profits in Spain taxed at 25.0%.

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.

17. Taxation (continued)

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.

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 expects to recognise a Pillar Two current tax expense of £1.5m for 2026 (2025: £1.6m) 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 30 June 2026, the deferred tax asset was £7.3m (31 December 2025: £7.3m) and the deferred tax liability was £81.8m (31 December 2025: £62.9m). At 30 June 2026, there were unrecognised deferred tax assets in relation to capital losses of £0.6m (31 December 2025: £0.6m), trading losses of £1.5m (31 December 2025: £1.6m) and deductible temporary differences of £5.8m (31 December 2025: £5.5m).

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 2025 that materially affected the financial position or the performance of the Group during the period to 30 June 2026.

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

LTIP awards were made over 900,910 Grafton Units on 25 March 2026 (19 March 2025: 843,932) and 55,342 Grafton Units on 19 May 2026. The total fair value of these awards of £7.9m (March 2025: £5.4m), which are subject to vesting conditions, will be charged to the income statement over the vesting period of three years (March 2025: 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	Total Purchase Cost * £'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)
Share buybacks in 2025	56,612	113	56,725	(56,612)	(113)	-
Total at 31 December 2025	**439,287**	**962**	**440,249**	**(439,287)**	**(962)**	**-**
Buyback programme 8	25,000	50	25,050	(25,000)	(50)	-
Buyback programme 9	545	1	546	-	(1)	545
Period ended 30 June 2026	**25,545**	**51**	**25,596**	**(25,000)**	**(51)**	**545**
Total at 30 June 2026	**464,832**	**1,013**	**465,845**	**(464,287)**	**(1,013)**	**545**

* Including transaction costs.
** At 30 June 2026, with the exception of programme 9, 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 commencement.

Since the first buyback commenced on 9 May 2022 and up to 30 June 2026, the Group has purchased a total of 52.09m ordinary shares which represents 21.7% of the issued share capital on the date of commencement. It acquired them at an average price of £8.71 per share. Excluding shares re-purchased to offset the impact of LTIP awards vesting in 2022 (£7.6m) and 2023 (£3.4m), cash of £453.9m has been returned to shareholders through all completed share buybacks.

Share buyback programme 8 (commenced 5 March 2026 and completed 8 May 2026)
The Board announced an eighth programme, commencing 5 March 2026, to buy back ordinary shares in the Company for an aggregate consideration of up to £25.0m which will end no later than 31 August 2026, subject to market conditions. At 30 June 2026, the Group had purchased 2,747,684 shares in aggregate for cancellation at a total cost of £25.1m, including transaction costs. This programme fully completed on 8 May 2026.

Share buyback programme 9 (commenced 30 June 2026)
The Board announced a ninth programme, commencing 30 June 2026, to buy back ordinary shares in the Company for an aggregate consideration of up to £25.0m which will end no later than 31 October 2026, subject to market conditions. At 30 June 2026, the Group had purchased 60,000 shares in aggregate for cancellation at a total cost of £0.5m, including transaction costs. Due to timing, none of these were cancelled at 30 June 2026.

21. Issue of Shares

During the period, 177,555 Grafton Units were issued under the Group's Savings Related Share Option Scheme (SAYE) to eligible UK employees.

In addition, 81,134 Grafton Units were issued under the 2021 Grafton Group Long Term Incentive Plan (LTIP), on the vesting of Awards granted in 2023, as the conditions for Total Shareholder Return ("TSR") targets were met. No other Grafton Units were issued on the vesting of Awards granted in 2023, as the performance conditions for Earnings Per Share ("EPS") targets were not met.

22. Events after the Balance Sheet Date

The Company bought back, for cancellation, 1.8m shares at a cost of £17.5m between 1 July 2026 and 1 September 2026.

There have been no other material events subsequent to 30 June 2026 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 2 September 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 2025 are available in the 2025 Annual Report and Accounts and the 2025 Half Year Report.

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 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	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items, exceptional items, net finance expense and income tax expense.
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 after tax	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items, the unwinding of discount applicable to contingent consideration receivable and exceptional items but after deducting the income tax expense.
Adjusted profit before tax	Profit before amortisation of intangible assets arising on acquisitions, acquisition related items, the unwinding of discount applicable to contingent consideration receivable, exceptional items and income tax expense.

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.
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.
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.
Operating profit margin	Profit before net finance expense and income tax expense as a percentage of revenue.

Adjusted Operating Profit/EBITA

	H1 2026 £'m	H1 2025 £'m
Revenue	**1,335.9**	1,252.4
Operating profit	**82.9**	87.7
Exceptional items	**-**	(7.8)
Acquisition related items	**3.2**	0.4
Amortisation of intangible assets arising on acquisitions	**12.4**	10.8
Adjusted operating profit/EBITA	**98.5**	91.0
Adjusted operating profit/EBITA margin	**7.4%**	7.3%

Adjusted Operating Profit/EBITA before Property Profit

	H1 2026 £'m	H1 2025 £'m
Revenue	**1,335.9**	1,252.4
Operating profit	**82.9**	87.7
Property profit	**(0.2)**	-
Exceptional items	**-**	(7.8)
Acquisition related items	**3.2**	0.4
Amortisation of intangible assets arising on acquisitions	**12.4**	10.8
Adjusted operating profit/EBITA before property profit	**98.3**	91.0
Adjusted operating profit/EBITA margin before property profit	**7.4%**	7.3%

Adjusted Profit after Tax

	H1 2026 £'m	H1 2025 £'m
Profit after tax	**62.3**	68.7
Amortisation of intangible assets arising on acquisitions	**12.4**	10.8
Tax on amortisation of intangible assets arising on acquisitions	**(2.7)**	(2.4)
Exceptional items	**-**	(7.8)
Acquisition related items	**3.2**	0.4
Unwinding of discount applicable to deferred consideration payable	**0.2**	0.2
Unwinding of discount applicable to contingent consideration receivable	**(0.5)**	(0.1)
Adjusted profit after tax	**74.8**	69.7

Adjusted Profit before Tax

	H1 2026 £'m	H1 2025 £'m
Profit before tax	**77.7**	83.5
Amortisation of intangible assets arising on acquisitions	**12.4**	10.8
Exceptional items	**-**	(7.8)
Acquisition related items	**3.2**	0.4
Unwinding of discount applicable to deferred consideration payable	**0.2**	0.2
Unwinding of discount applicable to contingent consideration receivable	**(0.5)**	(0.1)
Adjusted profit before tax	**93.0**	86.8

Adjusted Return on Capital Employed

	30 June 2026 £'m	30 June 2025 £'m
Operating profit – rolling 12 months	**170.1**	169.0
Exceptional items – rolling 12 months	**(0.3)**	(7.8)
Acquisition related items – rolling 12 months	**4.3**	3.3
Amortisation of intangible assets arising on acquisitions	**23.6**	21.0
Adjusted operating profit – rolling 12 months	**197.7**	185.4
Total equity – current period end	**1,631.1**	1,609.7
Net debt	**315.2**	147.3
Capital employed – current period end	**1,946.3**	1,757.0
Total equity – prior period end	**1,609.7**	1,593.7
Net debt	**147.3**	46.8
Capital employed – prior period end	**1,757.0**	1,640.5
Average capital employed	**1,851.7**	1,698.8
Adjusted return on capital employed	**10.7%**	10.9%

Capital Turn

	30 June 2026 £'m	30 June 2025 £'m
Total revenue for previous 12 months	**2,603.1**	2,397.5
Average capital employed	**1,851.7**	1,698.8
Capital turn – times	**1.4**	1.4

Cash Outflow on Dividends and Share Buyback, excluding transaction costs

	H1 2026 £'m	H1 2025 £'m
Dividend payment	**51.1**	51.8
Purchase of treasury shares (Note 20)	**25.5**	28.7
Cash outflow on dividends and share buyback, excluding transaction costs	**76.7**	80.5

EBITDA - Reconciliation of Profit to EBITDA

	H1 2026 £'m	H1 2025 £'m
Profit after tax	**62.3**	68.7
Exceptional items	**-**	(7.8)
Net finance expense	**5.2**	4.2
Income tax expense	**15.4**	14.7
Depreciation	**66.3**	61.1
Acquisition related items	**3.2**	0.4
Intangible asset amortisation	**14.4**	12.0
EBITDA	**166.7**	153.4

EBITDA Interest Cover (including interest on lease liabilities)

	30 June 2026 £'m	30 June 2025 £'m
EBITDA	**166.7**	153.4
Net bank/loan note interest expense/(income)	**6.2**	3.0
EBITDA interest cover – times	**26.9**	51.0

Free Cash Conversion

	H1 2026 £'m	H1 2025 £'m
Free cash flow	**70.7**	78.0
Adjusted operating profit	**98.5**	91.0
Free cash conversion	**72%**	86%

Free Cash Flow

	H1 2026 £'m	H1 2025 £'m
Cash generated from operations	**142.6**	147.6
Replacement capital expenditure	**(9.7)**	(11.1)
Proceeds on sale of property, plant and equipment	**0.8**	0.7
Proceeds on sale of held for sale/investment properties	**0.6**	-
Interest received	**6.6**	10.5
Interest paid	**(11.6)**	(12.3)
Payment of lease liabilities	**(42.2)**	(37.5)
Deferred acquisition consideration paid	**-**	(2.9)
Income taxes paid	**(16.5)**	(16.9)
Free cash flow	**70.7**	78.0

Gearing

	30 June 2026 £'m	30 June 2025 £'m
Total equity attributable to owners of the Parent	**1,631.1**	1,609.7
Group net debt	**315.2**	147.3
Gearing	**19.3%**	9.2%

Like-for-Like Revenue

	H1 2026 £'m	H1 2025 £'m
2025/2024 revenue	**1,252.4**	1,137.2
Organic growth	**2.9**	16.2
Organic growth – new branches	**1.9**	2.2
Total organic growth	**4.8**	18.4
Acquisitions	**55.6**	106.3
Foreign exchange	**23.1**	(9.5)
2026/2025 revenue	**1,335.9**	1,252.4
Like-for-like movement (organic growth, excluding new branches, as % of prior period revenue)	**0.2%**	1.4%

Liquidity

	30 June 2026 £'m	30 June 2025 £'m
Cash and cash equivalents	**394.9**	344.5
Fixed-term cash deposits	**-**	150.0
Less: cash held against letter of credit*	**(4.0)**	(4.0)
Accessible cash	**390.9**	490.5
Undrawn revolving bank facilities	**199.7**	274.7
Liquidity	**590.6**	765.2

**At 30 June 2026, cash of £4.0m (31 December 2025 & 30 June 2025: £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

	30 June 2026 £'m	30 June 2025 £'m
Net (debt) - after leases	**(315.2)**	(147.3)
Lease liability	**393.5**	393.1
Net cash – before leases	**78.3**	245.8

Net (Debt)

	30 June 2026 £'m	30 June 2025 £'m
Cash and cash equivalents	**394.9**	344.5
Interest-bearing loans (non-current)	**(272.3)**	(194.6)
Interest-bearing loans (current)	**(44.6)**	(53.8)
Lease liabilities (non-current)	**(312.7)**	(318.6)
Lease liabilities (current)	**(80.8)**	(74.5)
Derivatives	**0.2**	(0.3)
Fixed-term cash deposits	**-**	150.0
Net (Debt)	**(315.2)**	(147.3)

Net Debt to EBITDA

	30 June 2026 £'m	30 June 2025 £'m
EBITDA (rolling 12 months)	**332.6**	306.1
Net debt	**315.2**	147.3
Net debt to EBITDA – times	**0.95**	0.48

Operating Profit Margin

	H1 2026 £'m	H1 2025 £'m
Revenue	**1,335.9**	1,252.4
Operating profit	**82.9**	87.7
Operating profit margin	**6.2%**	7.0%

Responsibility Statement in Respect of the Six Months Ended 30 June 2026

The Directors are responsible for preparing this interim management report and the condensed consolidated half year financial statements in accordance with International Accounting Standards 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The Directors confirm that, to the best of their knowledge:

- The condensed consolidated interim financial statements for the half year ended 30 June 2026 have been prepared in accordance with the international accounting standard applicable to interim financial reporting, IAS 34 as adopted by the EU;

- The interim management report includes a fair review of the important events that have occurred during the first six months of the financial year, and its impact on the condensed consolidated interim financial statements for the half year ended 30 June 2026, and a description of the principal risks and uncertainties for the remaining six months;

- The interim management report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board:

Eric Born
Chief Executive Officer

David Arnold
Chief Financial Officer

Independent review report to Grafton Group plc

Report on the condensed consolidated half year financial statements

Our conclusion

We have reviewed Grafton Group plc's condensed consolidated half year financial statements (the "interim financial statements") in the Half Year Report of Grafton Group plc for the six month period ended 30 June 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:
- the group condensed balance sheet as at 30 June 2026;
- the group condensed income statement and group condensed statement of comprehensive income for the six months then ended;
- the group condensed cash flow statement for the six months then ended;
- the group condensed statement of changes in equity for the six months then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Year Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Report including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report based on our review. Our conclusion, including our conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants
Dublin
2 September 2026