

**Grafton Group plc
Capital Markets Event 2026:
Island of Ireland**

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Transcript



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Patrick Atkinson: Good afternoon, everyone. I'm Patrick Atkinson. I'm the CEO of the trade focused businesses on the Island of Ireland. I joined Chadwicks in 2015 and have been responsible for leading the growth in those businesses in the Republic of Ireland. In the last couple of years, I've assumed responsibility for all our trade operations on the island of Ireland, including the Macnaughton Blair businesses in Northern Ireland. Bringing these two elements together has enabled us to maximise our scale and synergies across the island and further leverage our strength and growth opportunities. I'm also joined today by Damien Dwyer, who runs Woodie's, our consumer-focused DOI, home, and garden brand, who will be explaining more about our Woodie's business shortly. He's joined by Pippa Casey, digital marketing director for the business. We intend this afternoon to give you some colour on the extent and strength of our position on the Island of Ireland, how we serve our customers, how we win our markets, and most particularly how we will continue to grow and outperform the market.

But first, let me give you some context on the scale and breadth of our presence on the island of Ireland today, because I think this is worth highlighting to you, our investment community. From a business that was established in Dublin at the start of the last century, we have progressively grown into the Irish powerhouse with sales in 2025 on the Ireland of Ireland of just over one and a quarter billion, from a combined population between the Republic and Northern Ireland of roughly 7.3 million people. So, to put that in context, that sales per head of roughly €170 significantly larger than any of the other well-known brands operating across the UK and Ireland.

Our businesses together generated a double-digit operating margin from 122 branches and the combined efforts of over 3,500 exceptional colleagues. If we look at the economic backdrop of Ireland, we see an economy in the Republic that has experienced strong economic growth over the past few years, and it is expected to have one of the fastest growth rates in Europe for the coming years. This is strongly supported by positive population growth through inward migration and a government that is in a strong fiscal surplus. The rising population has seen an increased demand for housing, especially in the first-time buyer, social and social and affordable sectors. This sector is strongly supported by multiple government policies and a committed investment of over €100 billion in housing and fundamental infrastructure, such as water, waste management, transport projects, all underpinning a promise to build 300,000 homes by the end of 2030.

Our market position and broad product offering leaves us really well placed to service these valuable infrastructure projects and the increasing growth in housing completions, moving from 36,000 to 55,000 per annum over the next few years. These factors, coupled with a strong renovation market driven by growth in house prices, strong consumer confidence, retrofit grants, and a huge demand for second hand homes will all underpin Grafton's growth ambition in Ireland.

If we look back over the last few years, we've experienced strong growth post the global financial crisis with the exception of 2020 when due to COVID, we were closed for six weeks but bounced back sharply in 2021 when we could reopen fully. Excluding those two years, we have seen a normalised and sustainable margin of 10%. Further building on our strong merchandising position, our strategy has been to grow our share of wallet with our customers in our core business and also extend our offering to trade customers through the more recent acquisition of adjacent businesses to compliment our core business. This is represented by the purchase of Proline, Sitetech, Wood Floor Warehouse, HSS Hire, and the most recently acquired timber frame solution provider, Cygnum.

As you can see from the map, we have a strong coverage across the island. Revenue last year at 923 million across all the locations delivered by over 2,000 colleagues and are offering over 200,000 individual SKUs. But in practise, what does this mean for our customers? As you can see from this illustration, we supply everything to everyone that needs building products or solutions through a combination of general and specialist distributors. From early-stage infrastructure and groundworks, first fixed plumbing and heating, renewables, core building materials, and all the way through to second fix kitchens, stairs, flooring, and iron mongering. We offer the complete package. Our adjacent specialist businesses now account for more than €300 million of our distribution business revenue. These specialist distribution businesses quickly gain access to our large trade customer base and of course their sites, allowing them to grow faster than they would as independent standalone businesses.

I'll give an example of that a little bit later on.

So how do we win? We are the largest builders merchants distributor on the island of Ireland by a factor of five or six times, an enviable position. We've grown to 88 locations, both through acquisition and organically. We are serving over 20,000 credit customers and this presence in the market gives us a buying synergy to be competitive across the whole island of Ireland. We continually add to our range either through organic additions or through the acquisition of specialist businesses that have a specific competence to serve the sites we are on across multiple sectors. We have extensive product training for our colleagues who are long serving and highly engaged.

We have invested heavily in re-engineering processes through digital intervention, increasing efficiencies, speeding up time to serve and removing paper from the business. We are flexible insofar as we can move to smaller formats or formats with no yard or a simple popup to serve extra-large sites in strategic development zones with hundreds of subcontractors needing materials and then we move on when that site's built out. Examples of this are our five-year onsite branch in the Cairn PLC Severn Mills site in West Dublin and also a popup branch beside the 4,000-unit glass bottle site in Dublin's Docklands. As the Irish market has evolved, most notably with the rise of large-scale house builders, we've adapted our offering to meet our customers' changing needs. And so now to demonstrate how we will continue to win and grow, share in the future, what are the real underpinnings of our differentiation on the island of Ireland?

Our priorities are threefold, driving growth with our customers, focusing on the gross margin levers in our business to optimise returns, delivering operational excellence in our business so that we have the most productive, most efficient, and slickest processes to support customers on the island of Ireland. We've invested heavily in our digital offering, which I'll speak a little bit more about later. We are expanding our central distribution centre to allow us to further progress direct sourcing and develop our own brand offering, thus increasing our control of our supply chain and creating greater efficiencies.

Our ongoing expansion of our product ranges include the development of our renewables offering for more sustainable buildings, which is a sector that is growing exponentially and in parallel with the development of modern methods of construction, delivering housing at a faster and more sustainable pace, hence the recent acquisition of our Cygnum timber frame solution. In terms of our digital journey, we have five new elements to that digital strategy. The first two being the Trade Hub and Trade Hub Pro. The Trade Hub is the central digital platform that brings together e-commerce, account management, and document access into a single unified experience for trade customers. It allows customers to buy at agreed rates, check real-time stock across the network and manage their accounts end to end, including invoices, statements, and transaction history. Having all this admin in one place simplifies everything and improves efficiency for both the customer and our branches.

The Trade Hub Pro, which builds on this foundation by enabling full digital procurement for large multi-site contractors. It introduces structural purchasing workflows including requests, approvals, and other and order placement, all managed within the platform with full visibility and audit trails. We've enhanced our user journey. We have introduced a one hour click and collect and same day delivery for orders placed before 12 noon. We are using AI for product enhancement and product enrichment for allowing

us to populate our information management system through descriptions, attributes, images, and technical documentation and efficiently developing out that platform.

We've developed a new virtual rep concept. This solution being piloted via a WhatsApp style interface is designed to provide fast, conversational, full support for trade customers as if speaking with a sales rep and provides immediate responses outside of traditional channels and hours. And then we have our branch of the future. This is in full development. The Chadwicks skip the counter concept is a core element of that branch of the future strategy, focusing on removing any delays from the in-branch experience. Customers will be able to complete purchases directly in the yard using handheld devices. This enables faster, more flexible grab and go purchasing, reducing queues, and allowing customers to get in and out quickly. I mentioned earlier, I was going to talk a little bit about one of the acquisitions that we have and how that integrates. I think this slide will start to bring it to life for you and how we have the support of the Group in the inorganic development of our trade offering.

Supported by the Group corporate development team, we identify opportunities to expand our specialist offering into main contractors. A really good example of that is this Sitetech business. Sitetech is a specialist early-stage concrete and masonry accessory specification business. It has a high margin technical product offering and as you can see, their significant growth in revenue and profitability since acquisition is given by two additional elements. First of all, access to a broader customer base to our CRM system and the ability to distribute a range of mainstream products to our merchanting business network, giving them national coverage previously difficult for them to attain and manage at scale.

So just looking forward and to summarise, we have a fantastic platform on the Ireland of Ireland to serve trade customers for building products and solutions. We believe that our operating margin of 9% to 10% is sustainable based on our current business composition and with continued outperformance against the backdrop of an underlying growth rate in the economy that is likely to be one of the fastest in Europe. There are further opportunities to expand our branch network as new communities are built out in urban areas and enhancing our specialist offering through further acquisitions in key product and service categories and expansion across the island. We see significant opportunity for growth with the underlying macro-economic outlook very favourable, which we can augment with continuing outperformance in organic and inorganic growth. We are processing our digital transformation to include the use of AI at a pace which will support our customers and make it easier for them to do business with us while staying relevant to their changing needs in what is now a very dynamic

environment, which due to the high levels of demand, will continue to grow for many years to come.

I'll hand you over now to Damien Dwyer.

Damien Dwyer:

Thanks, Patrick. Good afternoon, everyone. As Patrick mentioned, I'm Damien Dwyer and I'm the CEO of Woodie's. I'm joined today by my colleague, Pippa Casey, our digital and marketing director at Woodie's. So as Patrick has already explained the overall growth of Grafton on the island of Ireland, and he has talked about our trade focus offer, and I want to take some time to talk about our consumer-focused retail offer in the Republic. So, what is Woodie's? Woodie's is Ireland's leading omnichannel, DIY home and garden retailer and we are the most recognised and trusted brand in our sector in Ireland. Our business is built around a strong store estate and a growing e-commerce proposition. Since the first store opened in 1987, the business has been at the heart of Irish retail, and it has become the go to destination for home improvement in Ireland. As the retail arm of Grafton, we represent circa 11% of total Grafton business and almost one third of the island of Ireland division.

Woodie's combines strong brand equity with consistent financial performance. The business operates at double digit operating margins and in 2025 delivered an operating margin of 13.5% with strong cash generation being a core strength. Woodie's has delivered a sales cager of 6% over the last decade. At Woodie's, we serve a broad customer base, that's homeowners, families, renters, and more, and the proposition is designed to win on range authority and value. Our offer spans the full home improvement mission, giving us strong participation across essential and project led categories. Our model is intentionally store led, but it is digitally enabled. That's stores, click and collect, home delivery, and extended online only ranges are core parts of how customers shop with us today. The strategic intent here is simple. Make Woodies.ie the starting point for customer journeys and connect that seamlessly to stores. And at its core, Woodie's is a scaled, trusted Irish retail platform built on excellent stores and strengthened by digital.

And for anyone that doesn't know Woodie's, it's synonymous with Irish retail. It's an institution. It's a locally loved brand and the success of the business is anchored in a brand that is both trusted and widely recognised. We have brand awareness of 97% of the Irish population. We operate a nationwide network of 36 stores that is complemented by a fully integrated e-commerce model, giving us both scale and depth. Our large store formats anchor prime retail parks positioning us in high traffic, highly visible locations and this is a strong competitive advantage and would be difficult to replicate. We combine this with immense range authority in depth selling 30,000 products and that's underpinned by seasonal relevance and constant innovation.

So, this all translates into strong customer engagement with over 17 million annual visits and high in-store conversion, but behind all of this sits a very well-developed sourcing model enabling value, availability and margin strength. We have a continuous focus on developing a sustainable and forward-thinking supply chain. Our own sourced and exclusive brands represent almost 30% of our purchases. Critically, our in-store experience is a competitive differentiator. We have highly trained, highly engaged colleagues who drive customer experience, loyalty, and conversion. We are a gender balanced business, and we are ranked really highly in the Irish market that supports both talent attraction and retention. In 2025, Woodie's achieved number four position in the great places to work best super large organisation. We're the only retailer to appear in the top 20 and we continue to be the highest place European retailer in the great places to work index.

Put simply, Woodie's wins because we get the fundamentals right. That's customer focus, that's highly engaged in store teams, that's brand love, that's scale, and that's a strong operating model.

At Woodie's, we have a clear strategy focused on driving profitable growth, driving strong returns, and further scaling the platform over the medium term. Firstly, we are focused on growing the core business. Now that starts with protecting and developing the store estate, which remains the engine of the model and the primary driver of volume and customer engagement. On this front, we are opening a store in Ennis, County Clare tomorrow and we have a pipeline of new stores in our five-year plan to continue to fill white space geographical locations. Secondly, we are integrating a digital offering around our customers. Our approach is to serve customers where they want to shop. With that seamless connection between stores and digital, the key point here is customer value. Typically, customers shopping across channels spend 2.5x to 5x more than single channel customers. So digital is not a separate channel strategy for us.

It's a core lever to increase customer value, increase customer frequency, and increase customer basket size. At Woodie's, we have a modern, well-invested store estate and we are optimising the business for continued success. This means ongoing investment in technology and platforms. In 2025, we completed a full ERP implementation, and our retail and digital technology stack is modern, scalable, and ready for AI optimisation. On people and capability, we've industry leading colleague engagement and labour turnover with a 10-year record has been recognised as a great places to work. On supply chain and sourcing infrastructure, we have a well-developed sourcing model with over 85% of our supply base going through our central distribution centre with almost 30% of our purchases being own and exclusive brands. So, our strategy is to grow the core, scale digital, invest in capability, and allocate capital with discipline. In line with the Grafton way,

this means driving sustainable growth, driving strong cash generation, and driving long-term value creation.

And naturally in a retail environment, maintaining competitive advantage through a compelling digital offer is critical and that's why I wanted Pippa to explain some of the great work we are executing on this front.

Pippa Casey:

Thank you. Thanks, Damien. Good afternoon, everyone. As Damien previously mentioned, our strategy is to be Ireland's omnichannel leading DIY home and garden retailer and I'm going to walk you through how our digital strategy is one of the core pillars underpinning this, but first a little bit of why it's one of our core pillars. So as Damien mentioned, omnichannel customers are significantly more valuable. So, a customer who's shopping both in store and online with us is spending two and a half times someone who's shopping in store only and a customer who's shopping across all of our channels is worth five times an in-store only customer. So really for us creating seamless omnichannel experiences is going to drive customer value. Secondly, as Damien also mentioned, Woodie's, our e-com platform is a really powerful front door to our physical store state. So, 60% of our customers research on our website before coming into store.

So, we know that driving that experience is going to increase our footfall and our share of wallet with our customers. And lastly, over the last 24 months, we've seen real growth in our pure e-comm channel. So that's an opportunity for us to gain incremental market share, particularly in white spaces around the island with the strong e-com experience. So, what have we done so far? Over the last 24 months, we focused on really getting the core Technology stack in place. So as Damien said, an ERP implementation. We've also really enhanced our core e-com platforms, and we've increased our fulfilment capacity. This has allowed us to increase our volume extend our range on the website and also to introduce more complex distribution models. Secondly, we've launched some new revenue streams. So extended online range has been a real growth driver for us. Essentially, we've done that in a capital light approach, which means that we have product available on our Woodie's website that is fulfilled directly from our supplier to the customer.

We do not own or distribute the product. This has allowed us to tap into some really new ranges in specialist product and a broader range of our existing product range. So, a couple of examples of that would be high price point, really bulky aluminium pergolas. Another example of a product would be high price point robotic lawnmowers. So, for those of you that are familiar with the Irish climate, we're great at growing grass so we're happy to meet that demand for robotics. So as a result of that, we've gotten our roadmap in a really good place and we're seeing the delivery of that growth. Our sales have increased by 44% through our digital channels over the last 24 months.

So, what are we doing going forward? So, looking at our future roadmap, we are focusing on four key areas. So, continuing to expand that online range.

So far, the range has grown about 20%. Through extended range, we're going to increase that to 50% over the next 18 to 24 months to keep driving that incremental demand. Secondly, a big focus for us is CRM and loyalty. We want to get to know that in store shopper. And actually, being part of the Grafton Group has really benefited us. Our sister company, Selco, have been very generously knowledge sharing with us around their loyalty journey. That's allowed us to get some of the fundamentals right before we launch our own loyalty programme. Really for us, loyalty is about acquiring first party data. That will allow us to really increase our share of wallet with our customer and also to attract a newer customer base into the Woodie's business. Thirdly, retail media. This is a new area for us. We have a really brilliant store estate. We have a great digital platform.

We now want to start using that to sell some advertising space within our stores to our suppliers and in the future to brands not within our sector. Really what we've seen there is a real interest in that from our supplier base and it's very margin accretive. So, some green shoots there for us on that strategy. And last but not least, continued e-com penetration. So, we've invested in our technology, and we continue to be in a really good phase of innovation. We'll be launching a Woodie's app in the next 12 months and that will allow us to be more mobile friendly and also, we'll compliment our existing e-com platform really well. So, where we are in Woodie's is we've done the foundations. We've got a clear roadmap for success. We've seen that really working over the last 24 months. We continue to be really ambitious. Our digital store is now our number on store, and our plan is to deliver 130% growth in that channel by 2030.

So, thank you very much. I'm going to hand you back to Damien to look forward for Woodie's.

Damien Dwyer:

Thank you, Pippa. So, to close, I just want to summarise how we see the next phase of growth and where we are taking the business. So, our growth strategy from here is focused on further scaling what we already do well. That means deepening our market leading proposition by continuing to grow share. We are also accelerating digital as a core growth engine using it to drive higher engagement, higher frequency and basket size. That means tripling the digital share of business and doubling digital revenue over the period to 2030. We are also leveraging data and loyalty to build deeper customer relationships, insight, and lifetime value. We're also expanding on our footprint and our categories, capturing white space opportunities across both stores and product categories. And as I mentioned, we're opening a new store tomorrow and we have a pipeline for the next number of years.

And critically, we are delivering all of this through one integrated model, combining stores, digital, and supply chain capabilities.

So, from an investor perspective, there are three things to take away. Firstly, the model is scalable. Secondly, the opportunity remains attractive. And thirdly, growth is disciplined. Woodie's is a scaled market leading platform. We've headroom for growth. We are already leveraging a proven model. We are accelerating digital. We are operating with a great brand and world-class teams, and we've proven capability to deliver great customer experiences, return to sustainable long-term shareholder value. Thank you. So now I will hand over to Frank Elkins, the CEO of GB Distribution.