Grafton Group plc
Trading Update

Grafton Group plc ("Grafton" or "the Group"), the international building materials distributor and DIY retailer, issues this trading update for the period from 1 January 2025 to 30 June 2025 ("the period") ahead of the release of the half year results on 4 September 2025.

Trading and Performance

Grafton traded in line with expectations in the period, with Group revenue of £1.25 billion (2024: £1.14 billion), 10.1 per cent higher than the prior year and up 11.1 per cent in constant currency. Group revenue reflects six months of trading from Salvador Escoda in Spain, which was acquired on 30 October 2024, and one month's trading from the acquisition of HSS Hire Ireland, which completed on 31 May 2025. All our businesses had one fewer trading days compared to the same period in the prior year, except for the Netherlands, Spain and Finland, which each had two fewer trading days.

Group average daily like-for-like revenue for the first half of the year was 2.4 per cent higher than the prior year. Following a slow start to the year, trading activity gained momentum but eased from mid-May and into June, coinciding with a spike in global uncertainties which may have impacted customer confidence. We will continue to closely monitor trading patterns over the summer months.

The following table shows the changes in average daily like-for-like revenue for the period from 1 January 2025 to 30 June 2025 compared to the same period in the prior year.

Segment	**Average Daily Like-for-Like Revenue Change in Constant Currency**
	1 January to 30 June 2025 v 2024
Distribution	
- Ireland	**3.7%**
- UK	**0.2%**
- Netherlands	**2.8%**
- Finland	**(4.2%)**
Retailing	**7.6%**
Manufacturing	**5.2%**
Group	**2.4%**

Distribution

In Ireland, Chadwicks delivered like-for-like revenue growth of 3.7 per cent in the period as trading activity continued to recover from the impact of Storm Éowyn in January. The outlook for growth in the construction sector remains positive, supported by strong policy continuity and backing from the new Government to boost housing completions. However, persistent external challenges, including planning delays, utility connection issues, and labour shortages, continue to constrain the pace of supply expansion. The integration of HSS Hire Ireland is underway with initial trading in line with expectations.

Average daily like-for-like revenue in the UK was 0.2 per cent higher in the period supported by a slight pick up in product price inflation to c. 2 per cent. RMI demand remains soft, especially in and around the London area, as consumer confidence remains weak. However, the medium-term fundamentals remain positive, underpinned by the UK Government's plans to significantly increase new housing activity.

In the Netherlands, average daily like-for-like revenue increased by 2.8 per cent during the period, primarily driven by strong branch-related sales supported by growth from sales to national key accounts.

In Finland, IKH's average daily like-for-like revenue declined by 4.2 per cent in the first half, with performance significantly weaker in May and June. We were delighted to appoint Anu Ora as the new CEO of IKH with effect from 1 June. Anu is a highly experienced business leader who, together with recent appointments to the senior management team, will be focused on further strengthening and developing IKH's proposition in the marketplace.

In Spain, the integration of Salvador Escoda, a leading national distributor operating in a highly fragmented market, continues to progress well. On a pro-forma basis, average daily like-for-like revenue in the period was up 6.9 per cent, supported by the timing of strong project-related sales and favourable market conditions.

Retailing

Woodie's DIY, Home and Garden business in Ireland had a strong start to the year with average daily like-for-like revenue up 7.6 per cent in the period helped by growth in both the number of transactions and average transaction values.

Woodie's focused customer proposition supported strong growth across its business as consumer spending remained resilient in Ireland despite macroeconomic uncertainties. Favourable weather conditions underpinned a particularly strong performance in plants and garden related products with some seasonal demand pulled forward into the spring trading months.

Manufacturing

In Manufacturing, average daily like-for-like revenue was 5.2 per cent higher compared with the same period last year.

CPI EuroMix reported positive sales growth in the period supported by increased volumes from its housebuilding customers on existing sites. Although momentum slowed in the second quarter, the medium-term outlook remains positive, supported by anticipated interest rate cuts and ongoing government efforts to boost housing supply.

StairBox experienced good sales growth in the first half although demand in the RMI market in the UK remains relatively weak.

Share Buyback

A sixth programme was launched on 6 March 2025 to buy back ordinary shares in the Company for an aggregate consideration of up to £30 million. This programme completed on 8 July 2025 and involved the repurchase of 3.29 million ordinary shares.

Cash of £403.3 million has been returned to shareholders through share buybacks completed between 9 May 2022 and 8 July 2025 reflecting the repurchase of 46.54 million ordinary shares at an average price of £8.67 per share. The number of shares bought back by the end of the sixth programme amounted to 19.4 per cent of the shares in issue when the first buyback programme commenced.

Outlook

As anticipated, many of our markets remain challenging and we are not expecting a significant increase in volumes this year. Our experienced management teams continue to actively manage both gross margin and our cost base through-the-cycle and position our market leading brands to provide a strong value proposition to customers.

Despite macroeconomic uncertainty, the medium-term outlook for Grafton remains positive, supported by housing shortages across all our markets and an anticipated recovery in RMI demand. We continue to invest in and strengthen our market positions supported by a robust balance sheet and strong cash flow generation.

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

"We are pleased that our trading performance was in line with our expectations for the first half. Trading activity recovered strongly after a subdued start to the year however there was a slow down in momentum from mid-May and into June as a spike in geopolitical uncertainty appeared to dent consumer confidence in the period. Though we remain cautious about the timing of a broader recovery, particularly in the UK and Finland where markets remain challenging, we remain very well positioned to capitalise on our market leading positions as the cycle turns.

"The integration of our platform acquisition, Salvador Escoda, in Spain is progressing apace, with continuing scope to leverage its scale and national presence in what remains a highly fragmented market. We successfully completed the bolt-on acquisition of HSS Hire Ireland in the first half of the year which will broaden the offering of our Chadwicks business in the Republic of Ireland.

"We continue to actively evaluate growth opportunities in all our markets and to strengthen our position both organically and, where appropriate, by acquisition using the strength of our free cash flow conversion and balance sheet."

Ends

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About Grafton

Grafton Group plc is an international distributor of building materials to trade customers and has leading regional or national positions in the distribution markets in the UK, Ireland, the Netherlands, Finland and Spain. Grafton is also the market leader in the DIY, Home and Garden retailing market in Ireland and is the largest manufacturer of dry mortar and bespoke timber staircases in the UK.

Grafton trades from c. 470 branches and has c. 10,000 colleagues. The Group's portfolio of brands includes Selco Builders Warehouse, Leyland SDM, MacBlair, TG Lynes, CPI EuroMix and StairBox in the UK; Chadwicks and Woodie's in Ireland; Isero and Polvo in the Netherlands; Salvador Escoda in Spain and IKH in Finland.

For further information visit www.graftonplc.com

Forward-looking statements

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