Grafton Group plc

Trading Update

11 January 2019

Grafton Group plc, the international builders merchanting and DIY Group, issues this trading update for the year ended 31 December 2018 in advance of the announcement of its Final Results for 2018 on 28 February 2019.

Group Revenue and Operating Profit

Group revenue for 2018 was £2.95 billion, an increase of 8.7 per cent from £2.72 billion in 2017. Revenue growth in constant currency was 8.4 per cent and average daily like-for-like revenue increased by 4.3 per cent. As expected, the rate of growth moderated in November and December following above trend growth in September and October.

With a good performance over the year, the Group anticipates reporting EBITA for 2018 slightly ahead of the top end of analyst expectations*.

The year-on-year percentage changes in Group and segment average daily like-for-like revenue for the fourth quarter and the year and in total revenue for the year are shown in the table below:

Segment	Average Daily Like-for-Like Revenue Growth in Constant Currency		Total Revenue	
			Constant Currency	Sterling
	Three Months to 31 December 2018	Year to 31 December 2018	Year to 31 December 2018	Year to 31 December 2018
Merchanting				
- UK	3.4%	2.7%	7.7%	7.7%
- Ireland	9.8%	7.7%	8.4%	9.3%
- Netherlands	3.6%	6.6%	17.6%	18.7%
- Belgium	7.4%	0.1%	1.3%	2.2%
Retailing	5.3%	8.8%	8.8%	9.9%
Manufacturing	13.6%	18.7%	19.2%	19.3%
Group	4.9%	4.3%	8.4%	8.7%

As part of our overall strategy to improve returns, the Group disposed of two small non-core UK businesses which contributed revenue of £40.0 million and EBITA of circa £1.4 million in 2018.

Gavin Slark, Chief Executive Officer of Grafton Group plc commented today:

"We are pleased with the strong performance over the year, with contributions from both organic growth and the Leyland SDM acquisition. The Group continues to benefit from its exposure to multiple geographies and its diverse customer base. The Group's cash generative businesses, strong balance sheet and low level of net debt support our development strategy for the year ahead."

*Grafton compiled analyst forecasts show consensus EBITA for 2018 of £185.1m with the top end of the range £188.5m.

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 merchanting markets in the UK, Ireland, the Netherlands and Belgium. Grafton is also the market leader in the DIY retailing market in Ireland and is the largest manufacturer of dry mortar in the UK.

Grafton trades from circa 675 branches and has over 12,500 employees. Its portfolio of brands include Selco, Buildbase, Plumbase, Leyland SDM, MacBlair and CPI EuroMix in the UK; Chadwicks, Heiton Buckley and Woodie's in Ireland; Isero and Gunters en Meuser in the Netherlands and YouBuild and MPRO in Belgium.

For further information visit www.graftonplc.com