



Grafton Group plc

Trading Update

9 May 2017

Grafton Group plc, the international builders merchandising and DIY Group, issues this trading update for the period 1 January 2017 to 30 April 2017 in advance of its Annual General Meeting which will be held at 10.30am today in the IMI Conference Centre, Sandyford Road, Dublin 16.

Group Revenue

The Group had a good start to the year with a continuation of the favourable trading conditions experienced in the final quarter of 2016 and the benefit of exposure to multiple markets. Group revenue increased by 7.7 per cent to £851 million (four months to 30 April 2016: £790 million) and by 5.0 per cent in constant currency.

The table below shows the changes in average daily like-for-like revenue and total revenue for the four months to 30 April 2017 compared to the same period in 2016.

Segment	Average Daily Like-for-Like Revenue Growth*	Total Revenue	
		Constant Currency	Actual (Sterling)
	Four months to 30 April 2017	Four months to 30 April 2017	Four months to 30 April 2017
Merchandising			
- UK	4.8%	2.5%	2.5%
- Ireland	13.6%	10.4%	21.8%
- Netherlands	4.3%	36.5%	50.8%
- Belgium	(3.4%)	(3.9%)	5.9%
Retailing	11.2%	8.9%	20.0%
Manufacturing	6.1%	4.8%	5.5%
Group	6.1%	5.0%	7.7%

*Constant currency

Growth in total revenue in constant currency and in sterling reflects one less trading day in the merchandising businesses in the UK and Ireland and prior year branch closures in the UK merchandising business.

Merchanting (92% of Group Revenue)

Selco experienced a good level of demand in its established branch network. The seven branches that were opened last year traded in line with expectation and market coverage was improved in Greater London with the opening of branches in Beckton and Crayford. Selco will open its 50th branch later this month in Guildford, Surrey and remains on track to open at least ten new branches this year.

The traditional **UK Merchanting** businesses reported solid growth in like-for-like revenue against strong prior year comparatives. The business benefited from measures to improve profitability including the restructuring plan implemented in the last quarter of 2016.

The Group's market leading merchanting business in **Ireland** continued to outperform in a strong market. The recovery in construction activity was broadly based with positive demand trends in both residential and non-residential markets.

The **Netherlands** merchanting business continued to grow like-for-like revenue against the backdrop of a recovery in the Dutch economy and favourable conditions in the housing market. The acquisition of the 14 branch Gunters en Meuser business in January 2017 has provided a strong presence in the Greater Amsterdam Area and a small single branch business located in the Eastern region of the Netherlands has also been acquired.

Like-for-like revenue was lower in the **Belgium** merchanting business due to the reorientation of the customer base towards a lower volume, higher margin customer model.

Retailing (6% of Group Revenue)

The Woodie's business generated strong revenue growth as customers responded positively to the actions taken in recent years to build on the strengths of the brand and improve the shopping experience. The business experienced strong demand for seasonal outdoor products in April measured against a markedly weaker performance in April 2016.

Manufacturing (2% of Group Revenue)

The mortar manufacturing business in Britain continued to benefit from its market leading position and customer service orientated focus and delivered strong volume growth.

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

"The Group has had a good start to the year and the outlook is positive. We expect a continuation of the favourable trends in the Irish and Netherlands businesses. In view of recent economic and political developments, we are more cautious about the prospects for the UK however we have a good portfolio of businesses with strong market positions and we look to the future with confidence.

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 630 branches and has over 12,000 employees. Its portfolio of brands include Selco, Buildbase, Plumbase, 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