



## Trading and Liquidity Update

29 April 2020

Grafton Group plc, the international distributor of building materials and DIY retailer, is today providing a further update on the impact of Covid-19 on its business.

Our number one priority continues to be the health, safety and wellbeing of our colleagues, customers, business partners and the communities where we operate.

### Trading

Trading in the year to mid-March was broadly in line with our expectations as branches generally operated at close to normal levels of activity. The impact of Covid-19 became visible over the second half of March and intensified following the introduction of Government restrictions leading to national lock downs. The majority of our UK distribution branches and manufacturing plants were closed on 24 March 2020 and the distribution business in Ireland was significantly scaled down on 28 March 2020. On the same date, trading in the Woodie's DIY, Home and Garden business was suspended except for on-line transactions.

Construction activity has largely continued in the Netherlands where our distribution operations have successfully implemented physical distancing measures and, as a consequence, we are currently trading at circa 90 per cent of anticipated revenue.

The UK distribution business is currently trading at circa ten per cent of normal volumes from the provision of materials for emergency supplies and essential projects. From 4 May, many of its branches will return to more extended operations and will gradually expand their offering over the coming days and weeks. Leyland SDM continues to operate most of its branches in Central London on a collection basis. The Irish distribution business is currently trading from all branches during restricted trading hours and is operating at circa 15 per cent of normal volumes though this has been gradually increasing.

We are taking appropriate actions to manage our cost base while protecting jobs and ensuring that our businesses are strongly positioned for a phased return to trading as restrictions in the UK and Ireland are relaxed. The Group is availing of job retention scheme arrangements for almost 9,000 colleagues in the UK and Ireland out of a total workforce of circa 11,000 in the two countries.

### Liquidity

Grafton continues to be in a strong financial position with excellent liquidity. As at 24 April, the Group had total liquidity of £562m primarily in accessible cash deposits. In addition, approval has been received from the Bank of England which permits drawdown under their Covid Corporate Finance Facility providing further financial flexibility. No refinancing of debt is due until March 2023, the Group does not have a leverage (net debt/EBITDA) covenant in any of its financing arrangements and its assets are unsecured.

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

**“Grafton has a strong and geographically diverse portfolio of brands and very experienced management teams who are focused on protecting the Group’s businesses and the interests of all stakeholders. The actions that we are taking are to ensure that we emerge from the crisis as a strong and vibrant business.”**

**Ends**

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