

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 2024 to 21 April 2024 ahead of the Annual General Meeting (“AGM”) of the Company that will be held today at 10.30am in the Irish Management Institute (IMI) Conference Centre, Sandyford Road, Dublin 16, D16 X8C3, Ireland.

Shareholders can find guidance on attending the AGM virtually in the Notice of 2024 AGM which is located at <https://www.graftonplc.com/investors/shareholder-services/shareholder-meetings/>

Trading and Performance

Group revenue in the period from 1 January 2024 to 21 April 2024 was £669.2 million, down 5.0 per cent from £704.3 million in the prior year and by 3.3 per cent in constant currency. Softer trading in the seasonally less important early months of the year was influenced by prevailing macroeconomic conditions in the Group’s individual markets and exceptionally wet weather in Ireland and the UK which impacted demand. Overall activity in the Group’s businesses remained subdued in the period with average daily like-for-like revenue down by 4.5 per cent on the prior year.

In Ireland, Chadwicks encountered materials price deflation of circa 6.0 per cent but continued to benefit from an improving trend in volumes and a favorable macroeconomic backdrop. The provision of housing remains a public policy priority with Ireland’s new Taoiseach raising the build target for new homes over the next five years to 250,000 which compares to 32,700 new home completions in 2023. Demand conditions in the UK RMI market remained weak with materials price deflation of circa 3.5 per cent and adverse weather conditions also contributing to the decline in revenue. In the Netherlands, lower revenue from smaller customers and timber factories was largely offset by revenue growth generated by large construction projects. The slowdown in the Finnish economy and construction sector continued to impact volumes in IKH.

The Woodie’s DIY, Home and Garden business in Ireland had a positive start to the year with revenue growth driven by an increase in both transaction numbers and in average basket size.

In UK Manufacturing, as expected and previously flagged, CPI Mortars experienced a sharp decline in volumes in line with the fall in house building activity. Volumes were also lower in StairBox as demand for bespoke staircases declined in a weaker residential RMI market.

Segmental Trading

The table below shows changes in average daily like-for-like revenue and in total revenue compared to the same period last year.

Segment	Average Daily Like-for-Like Revenue Change*	Total Revenue Change	
		Constant Currency	Actual (Sterling)
	1 January to 21 April 2024 v 2023	1 January to 21 April 2024 v 2023	1 January to 21 April 2024 v 2023
Merchanting			
- UK	(8.0%)	(6.2%)	(6.2%)
- Ireland	0.6%	2.5%	(0.6%)
- Netherlands	(2.8%)	(4.0%)	(6.9%)
- Finland	(8.2%)	(5.7%)	(8.5%)
Retailing	3.2%	2.3%	(0.7%)
Manufacturing	(21.7%)	(17.0%)	(17.2%)
Group	(4.5%)	(3.3%)	(5.0%)

*Constant currency

Share Buybacks

The fourth share buyback programme, launched on 31 August 2023, was extended to 31 May 2024 and the maximum aggregate consideration increased from £50 million to £100 million. This programme completed on 30 April 2024 and involved the repurchase of 11.1 million ordinary shares at an average price of £9.02 per share.

Additional cash of £343.3 million was returned to shareholders through share buybacks completed between 9 May 2022 and 30 April 2024 reflecting the repurchase of 40.27 million ordinary shares at an average price of £8.53 per share. The number of shares bought back amounted to 16.8 per cent of the shares in issue when the first buyback programme commenced on 9 May 2022.

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

“Trading in the period continued to be challenging in most of our markets and revenue trends were also impacted by price deflation and exceptionally wet weather in Ireland and the UK. Looking ahead, whilst we are not expecting a sustained

recovery in our markets in the short term, we do expect profitability to be slightly more weighted than usual to the second half.

“We remain focused on being the providers of choice for our customers, investing in our brands and maintaining tight control of costs. We are confident in the underlying demand fundamentals and the medium-term outlook for our markets and on the opportunities provided by our cash generative business and a healthy balance sheet.”

Ends

For further information please contact:

Investors	Media
Grafton Group plc +353 1 216 0600 Eric Born Chief Executive Officer David Arnold Chief Financial Officer	Murrays +353 1 498 0300 Pat Walsh +353 (0) 87 226 9345 Buchanan GraftonGroup@buchanancomms.co.uk Helen Tarbet +44 (0) 7872 604 453 Toto Berger +44 (0) 7880 680 403

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 and Finland. 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 circa 360 branches and has circa 9,000 colleagues. The Group's portfolio of brands includes Selco Builders Warehouse, Leyland SDM, MacBlair, TG Lynes, EuroMix and StairBox in the UK; Chadwicks and Woodie's in Ireland; Isero and Polvo in the Netherlands; and IKH in Finland.

For further information visit www.graftonplc.com