



H1 2025 Results

Strong growth in Merchanting and continued strategic progress

11 September 2025

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Agenda

Highlights

Shanker Patel, CEO

Financial review

Stuart Kilpatrick, CFO

Strategy update

Shanker Patel

Outlook

Shanker Patel

Q&A



Highlights



- Group Revenue up 8.4% in challenging market
 - LFL up 7.0%
- Merchanting revenue up 12.6%; Adjusted EBITDA¹ up 8.6%
- Acquired UK's largest online-only construction retailer, CMO, for £1.8m in June 2025
- Opened three new Merchanting branches to date
- Completed sale & leaseback of four operating sites for £13.1m providing additional liquidity to leverage growth opportunities as the market recovers
- Adjusted EBITDA¹ marginally ahead of pre-CHMM² H1 2024 at £12.1m (H1 2024: £12.6m)
- Net debt³ reduced by £15.4m to £20.9m (30 June 2024: £36.3m) since June last year
- Interim dividend of 0.32p per share (H1 2024: 0.32p per share)

1. Inclusive of property gains / losses and before adjusting items

2. Clean Heat Market Mechanism ('CHMM') 3. Net debt excluding leases

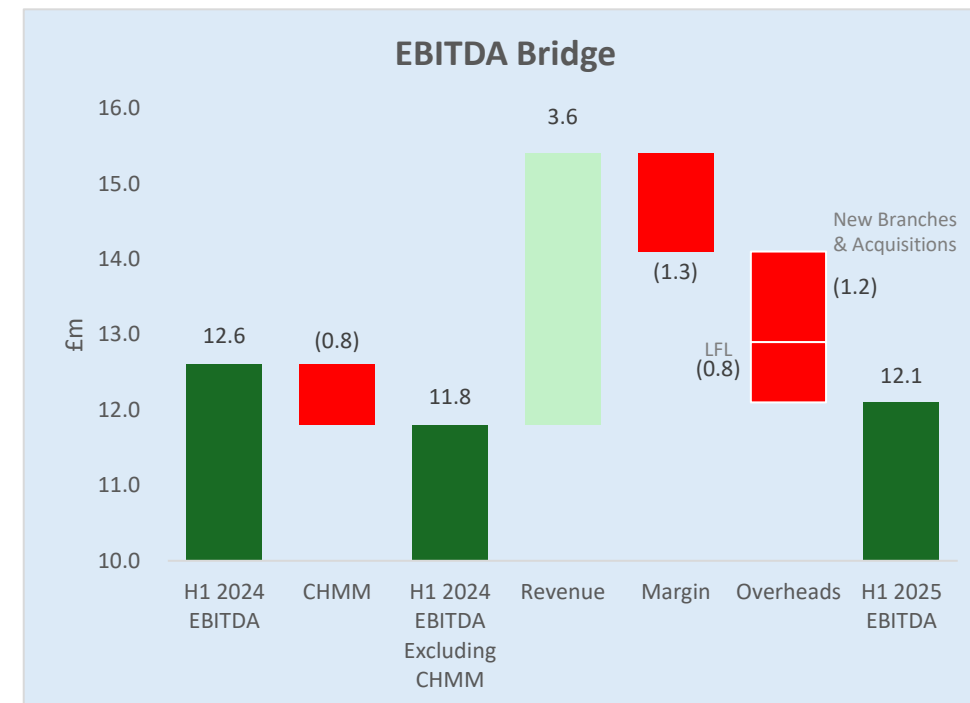


H1 2025 Results Financial Review



Financial Performance

	H1 2025	H1 2024	Change
Revenue	£232.1m	£214.2m	+8.4%
Gross profit	£44.8m	£43.2m	+3.6%
Adjusted EBITDA ¹	£12.1m	£12.6m	(3.9)%
Adjusted operating profit ¹	£6.2m	£7.1m	(12.7)%
Adjusted earnings per share ¹	1.35p	1.57p	(14.0)%
Net debt ²	£20.9m	£36.3m	+42.3%
Dividend per share	0.32p	0.32p	-



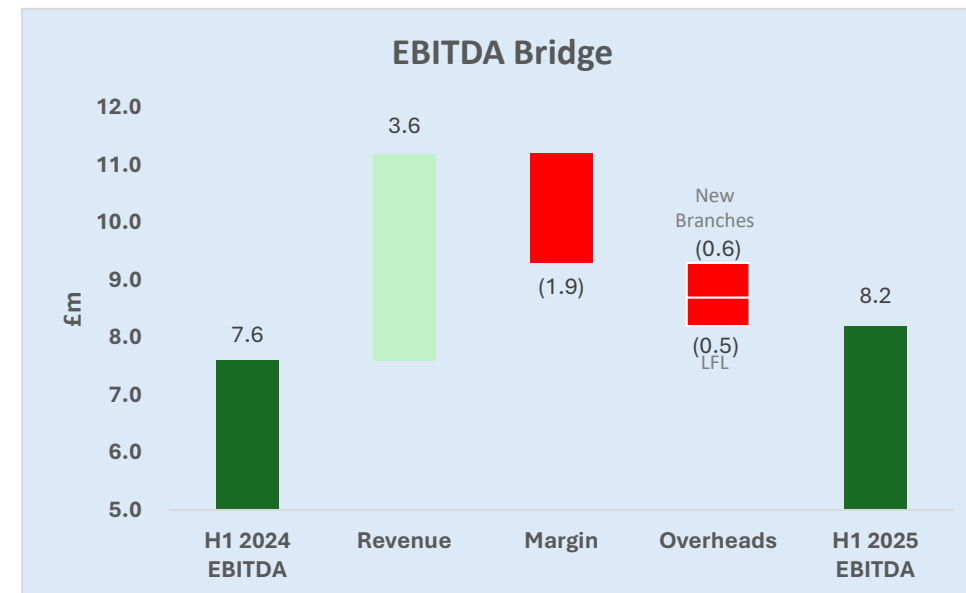
- Strong revenue growth in challenging market – LFL + 7.0%
- Gross profit up 3.6%
 - Strong growth in Civils/Dry lining/boilers impacted margin mix
- Adjusted EBITDA¹ H1 2024 benefitted by £0.8m from CHMM which reversed in H2
- Businesses acquired and new branches added £1.2m to overheads

1. Inclusive of property gains / losses and before adjusting items

2. Net debt excluding leases

Merchanting H1 2025

	H1 2025 £m	H1 2024 £m	Change
Revenue	117.7	104.6	+12.6%
Gross profit	30.4	28.7	+5.7%
Operating expenses	(23.9)	(22.8)	+4.3%
Property gains	1.7	1.7	-
Adjusted EBITDA ¹	8.2	7.6	+8.6%

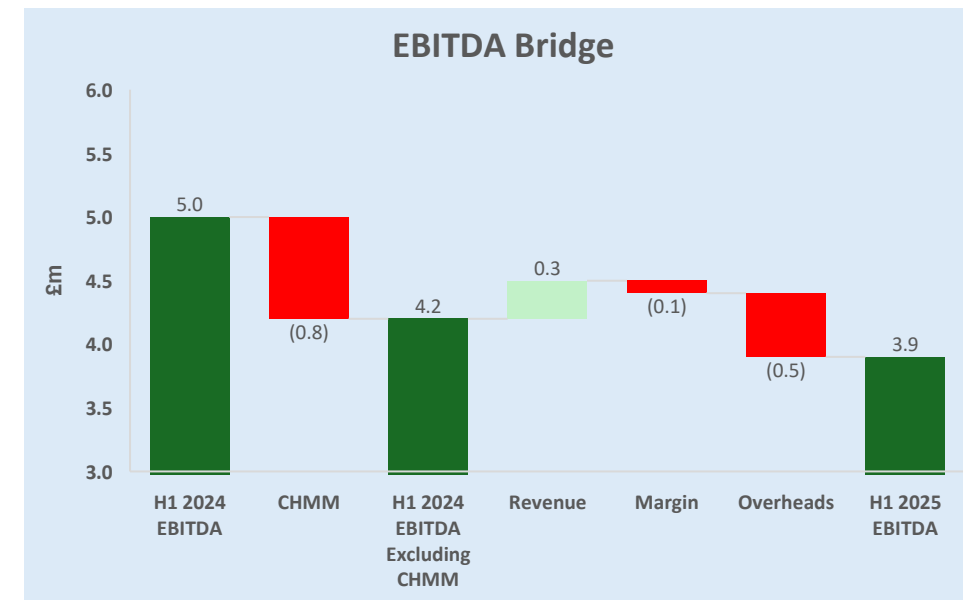


- Strong revenue growth in challenging market – LFL + 11.5%
- Gross profit up 5.7% – growth in Civils/Dry lining impacted margin mix
- New branches c. 50% of overhead increase; LFL c. 2%
- Adjusted EBITDA¹ up 8.6% to £8.2m

1. Inclusive of property gains / losses and before adjusting items

Plumbing & Heating H1 2025

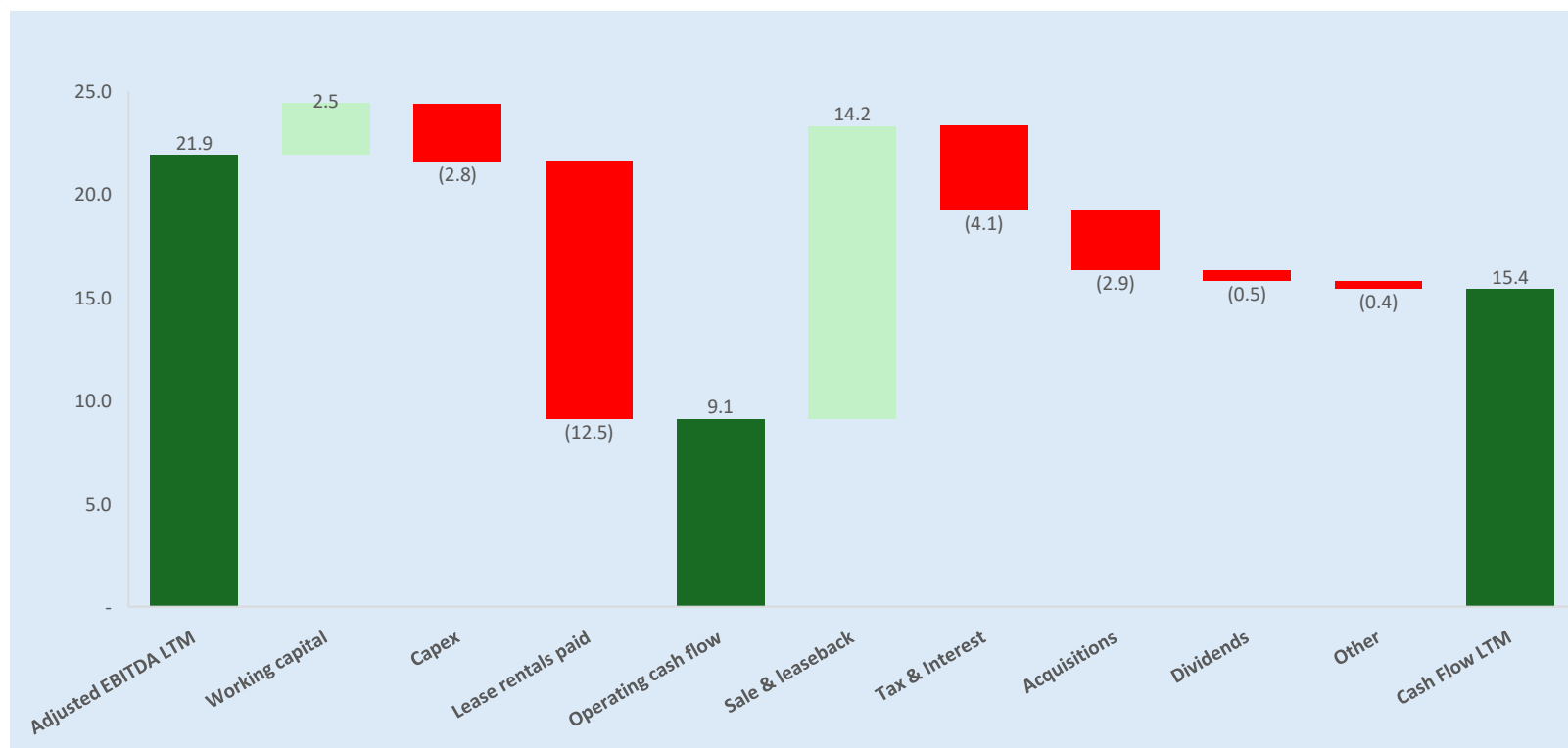
	H1 2025 £m	H1 2024 £m	change
Revenue	112.2	109.6	+2.4%
Gross profit	13.9	14.5	(3.8)%
Operating expenses	(10.0)	(9.5)	+5.2%
Adjusted EBITDA ¹	3.9	5.0	(21.0)%
Adjusted EBITDA ¹ pre-CHMM	3.9	4.2	(5.8)%



- **Boiler volumes up 6.8%; market share unchanged**
- **Wholesale revenue up 11%; market challenging for MrCH**
 - Product mix resulted in 80bps gross margin decline
- **Costs tightly controlled**
 - LFL increase 1% excluding acquisitions
- **Adjusted EBITDA¹ in H1 2024 benefitted from £0.8m from CHMM which reversed in H2**

1. Inclusive of property gains / losses and before adjusting items

Cash Flow – Last Twelve Months



	£m
Adjusted EBITDA	21.9
Working capital movement	2.5
Capex	(2.8)
Lease rentals paid	(12.5)
Operating cash flow	9.1
Adjusted operating profit	9.4
Operating cash conversion	96.8%

- Net debt¹ reduced by £15.4m from £36.3m to £20.9m in last twelve months
- Working capital improvement added £2.5m
- Capex tightly controlled at £2.8m
- Operating cash conversion of 97%
- Operating cash applied to tax, interest, M&A and dividends, offset by sale/leaseback proceeds

1. Net debt excluding leases

2. Operating cash flow conversion = Operating cash flow / Adjusted operating profit

Balance Sheet

	30 June 2025 £m	30 June 2024 £m
Tangible assets	9.0	20.5
Working capital	39.5	41.7
Operating capital employed	48.5	62.2
Deferred consideration	(1.4)	(2.8)
Other net assets	89.9	74.7
Lease liabilities	(67.2)	(47.7)
Net debt ¹	(20.9)	(36.3)
Shareholders' funds	48.9	50.1

- **Tangible assets lower following sale/leaseback**
- **Working capital reduced by £2.2m to £39.5m (2024: £41.7m)**
 - Working capital: sales 8.7% (2024: 9.0%)
- **Net debt reduced to £20.9m**
 - Leverage 2.2x (covenant 3.25x)
- **Facilities of £75m**
 - RCF of £50m committed to April 2027; £25m IF
 - £20m RCF released in April 2025 to save future commitment fees
 - Headroom > £50m

1. Net debt excluding leases

H1 2025 Results

Strategy Update



Strategic Progress - Last Twelve Months



Our strategy is a combination of margin accretive organic growth and selective M&A

- **Organic growth**
 - Three new branches adding £2.4m revenue in H1
 - New product ranges
- **Selective M&A**
 - Acquired Ultimate Renewables in Oct 2024
 - Acquired CMO in Jun 2025
- **Strengthened Management Team**
 - Steve Durdant-Hollamby appointed COO Merchanting Nov 2024
 - Matt Webber appointed COO Plumbing and Heating Sep 2025
 - Neil Lake now responsible for Group Business Development
- **Strengthened balance sheet**
 - Net debt reduced by £15.4m

Merchanting Strategic Update

- **Strong H1 revenue growth of 12.6% in challenging market**
- **Brand development**
 - George Lines branch opened 5th branch in Aylesford, near Maidstone, Kent (1.5 acre site)
 - AW Lumb opened 3rd branch in Mansfield, Notts (2.5 acre site)
 - Lords Builders Merchants/Advance Roofing dual brand site opened in Bicester, Oxon
- **Further opportunities to incrementally add to each brand's geographical footprint**
- **Selective M&A for new specialist brands or geographies**



Bicester branch

Acquired 2016

Aylesbury
opened 2019

Horsham
opened 2022

Ilkeston branch
2024

Maidstone
opened 2025

- Strong regional brand trading for 70 years
- Specialist civils merchant selling aggregates, concrete, drainage & ducting
- Grown from £13m revenue to 5 branch £44m revenue business
- Organic growth plan to extend branch network whilst maintaining excellent customer service



Maidstone branch

Specialist brand -



- Specialist roofing brand
- Suppliers of new and reclaimed roofing materials
- Grown from 2 branch £7m revenue to 4 branch £10m revenue business
- Advance Roofing expansion via implants in selected Merchanting sites
 - Opened with LBM in Beaconsfield in 2022
 - Moved to shared site in Aylesbury in 2023
 - Shared opening in Bicester with LBM in May 2025

Acquired 2022

Beaconsfield
implant 2022

Moved to
shared
Aylesbury site
2023

Bicester shared
opening with
LBM 2025

Plumbing & Heating Strategic Update

- Revenue up 2.4% and boiler market share maintained
- Management strengthened in MrCH brand
- Renewables revenue up 57% as Ultimate Renewables performed in line with expectations
- **Matt Webber appointed COO on 2 September 2025**
 - Over 20 years P&H experience
 - Ex Genuit / Adey / Wolseley
- **Strategic goals**
 - Maximise efficiency of wholesale business model
 - Air Source Heat Pump design, supply and implementation service to address new build as well as retro-fit
 - Drive non-boiler products and higher margin MrCH brand



Specialist brand –

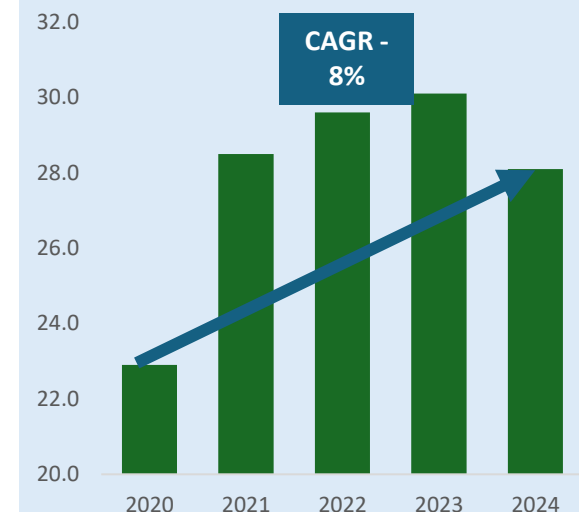


HRPTrade



- **Acquired for £9.3m in 2022**
- **HRP Trade**
 - National distributor of plumbing & heating spares
 - Complimentary to P&H wholesale business
- **Direct Heating**
 - 4 branch trade counter plumbing merchant
 - Southend, Colchester, Benfleet, Chelmsford
 - Aligned with MrCH brand
- **5-year revenue CAGR of 8%**
 - Despite challenging market in 23/24

DHP Revenue (£m)

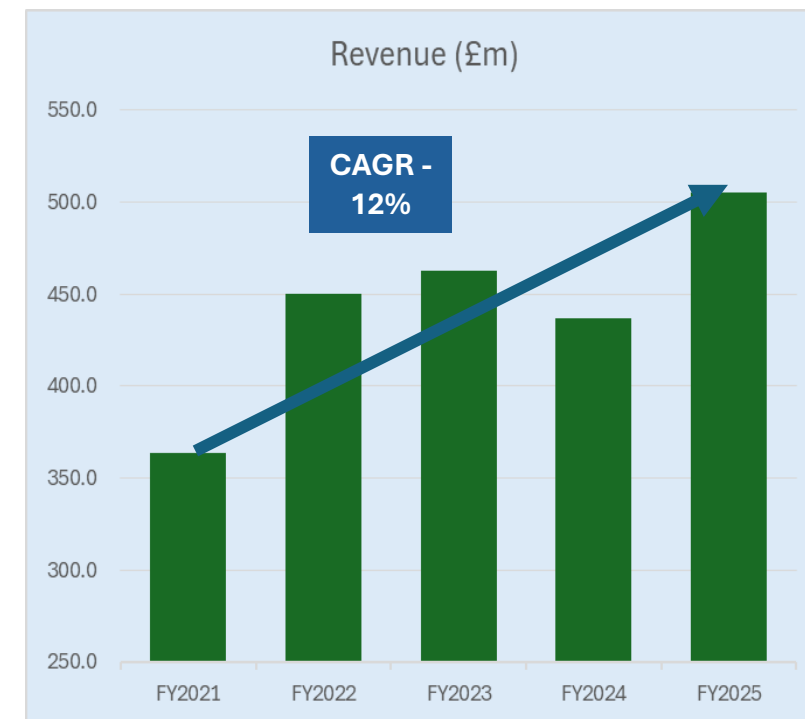


- **UK's leading online-only retailer, CMO, acquired on 6 June 2025 for £1.8m (inclusive of £1.2m for a freehold property)**
 - LTM revenue to 30 June 2025 of c. £47m
- **Supply chain challenges restricted trading prior to acquisition**
- **Key progress post 6 June**
 - Re-established supplier base from scratch to > 90% product availability
 - Driven down refunds: revenue from 21% on 6 June, to 6% currently
 - LFL annualised cost reduction expected to exceed £1m in 2026
- **Initiate medium term strategic plan**
 - Recovery of revenue to prior year run rate
 - Leverage off Group purchasing and product range
 - Drive efficiencies through cost model



Summary

- **Revenue expected to exceed £500m in 2025**
 - 5-year CAGR of 12%
 - Listed peer group¹ 5-year CAGR of 2.2%
- **Continue to drive margin accretive organic growth**
 - Year 5 revenue from three new branches projected to exceed £25m at c. 7% EBITDA margin potentially adds £1.8m
- **Selective M&A**
 - Strong track record of value accretive M&A in fragmented market
 - CMO acquisition accelerates online business model
 - Adds c. £50m of revenue at a conservative 5% EBITDA margin, could add £2.5m in the medium term



1. Listed peer group comprises Travis Perkins, Grafton Group, Wickes and SIG

H1 2025 Results Outlook



Outlook

- **Strong revenue growth of 8.4% in challenging market**
- **Continued strategic progress**
 - Integration of recently acquired CMO
 - 3 new Merchanting branches
 - Continue to seek opportunities for margin accretive organic growth and selective, value-added, acquisitions
- **Management focused on**
 - operational efficiency
 - excellent customer service
 - working capital management
- **Seasonally significant trading period ahead, trading in line with market expectations**



H1 2025 Results Q&As



Appendices

H1 2025 Results

Appendix 1 – Alternative Performance Measures

	H1 2025 £m	H1 2024 £m
Operating profit	3.7	4.5
Amortisation of acquired intangibles	1.7	1.8
Exceptional items	0.4	0.5
Share based payments	0.4	0.3
Adjusted operating profit	6.2	7.1
Depreciation & amortisation	5.9	5.5
Adjusted EBITDA	12.1	12.6

	H1 2025 £m	H1 2024 £m
Profit before taxation	0.6	1.1
Exceptional items	0.4	0.5
Share based payments	0.4	0.3
Amortisation of acquired intangibles	1.7	1.8
Adjusted profit before taxation	3.1	3.7
Taxation on adjusted profit	(0.7)	(1.1)
Minority interest	(0.2)	
Adjusted Earnings	2.2	2.6
Weighted average no. of shares (m)	167.0	165.6
Adjusted EPS (p)	1.35	1.57

In addition to the statutory performance measures reported under IFRS, the Group provides alternative performance measures (APMs) to enable a better understanding of the underlying performance of the business. APMs should be considered in addition to and not in place of statutory performance measures.

Appendix 2 – Income Statement

	H1 2025			H1 2024		
	Adjusted	Adjusting Items	Total	Adjusted	Adjusting Items	Total
Revenue	232.1	-	232.1	214.2	-	214.2
Cost of sales	(187.3)	-	(187.3)	(171.0)	-	(171.0)
Gross profit	44.8	-	44.8	43.2	-	43.2
Operating expenses	(34.4)	(0.8)	(35.2)	(32.3)	(0.8)	(33.1)
Property gains	1.7	-	1.7	1.7	-	1.7
EBITDA	12.1	(0.8)	11.3	12.6	(0.8)	11.8
Depreciation, amortisation and impairment	(5.9)	(1.7)	(7.6)	(5.5)	(1.8)	(7.3)
Operating profit	6.2	(2.5)	3.7	7.1	(2.6)	4.5
Finance income	0.3	-	0.3	0.1	-	0.1
Finance expense	(3.4)	-	(3.4)	(3.5)	-	(3.5)
Profit before taxation	3.1	(2.5)	0.6	3.7	(2.6)	1.1
Tax	(0.7)	0.5	(0.2)	(1.1)	0.8	(0.3)
Total comprehensive income	2.4	(2.0)	0.4	2.6	(1.8)	0.8