



H1 2026 Update

Resilient first-half revenue, with operational actions underway to improve performance and reduce leverage

30 September 2026



Highlights	Shanker Patel, CEO
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Financial review	Stuart Kilpatrick, CFO
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Business review	Shanker Patel, CEO
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Outlook	Shanker Patel, CEO
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Q&A	
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Shanker Patel, CEO



Stuart Kilpatrick, CFO

H1 2026 was operationally challenging, but management has identified the issues and increased the pace of action

£232.1m Group revenue Broadly in line with H1 2025 (£232.1m)	(6.8)% Group LFL revenue Underlying demand weaker across end markets	£8.4m Adjusted EBITDA ¹ Margin 3.6%	nil Interim dividend Balance sheet discipline prioritised	£26.5m Net debt Seasonal working capital outflow
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What improved

- > Merchanting LFL decline narrowed to 2.3% in Q2
- > CMO delivered positive EBITDA
- > P&H gross margin +130 bps; Spares revenue increased c.8%
- > Refinancing completed April 2026

What challenged performance

- > P&H market conditions difficult
- > APP grew margin on lower market share
- > Market recovery slower than expected – Construction PMI below 50 for 20 consecutive months

What management is doing

- > Focused plan for each operating business
- > Over £3m of opex savings implemented to date
- > Margin, cost and working capital discipline
- > Reduced capex and debt reduction prioritised

¹ Excluding property gains / losses and before adjusting items



Financial review

30 September 2026

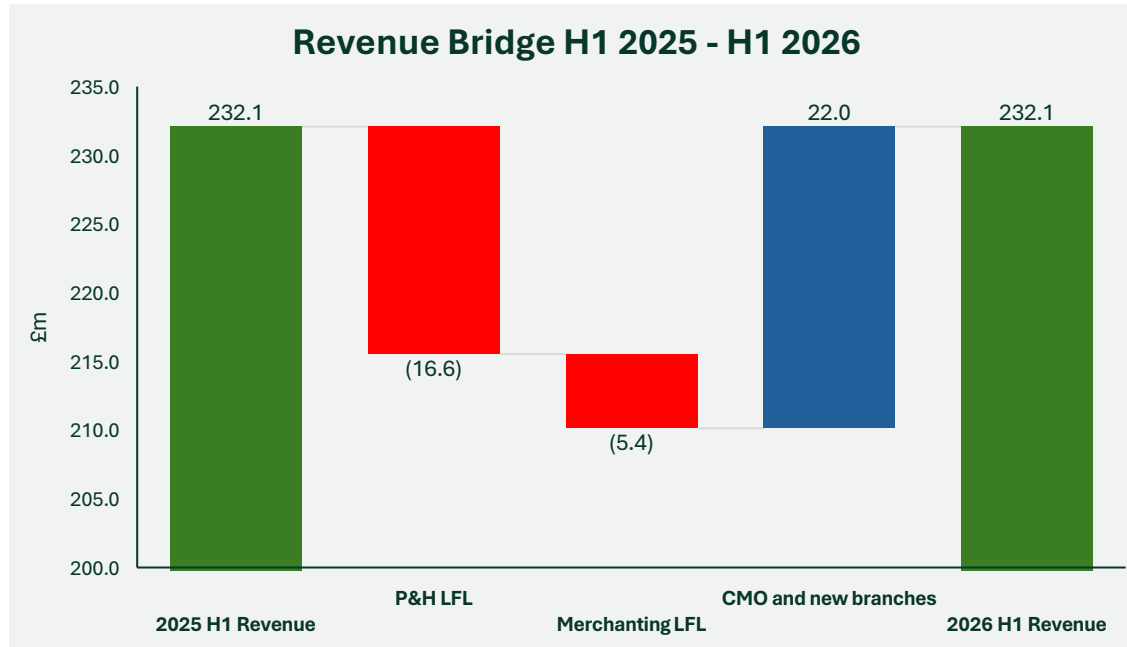


	H1 2026	H1 2025	Change
Revenue	£232.1m	£232.1m	-
Gross profit	£46.9m	£44.8m	4.7%
Adjusted EBITDA ¹	£8.4m	£10.4m	(19.2%)
Adjusted operating profit ¹	£2.3m	£4.5m	(48.9%)
Adjusted earnings per share ²	(0.70p)	1.35p	(n/a)
Net debt ³	£26.5m	£20.9m	26.6%
Dividend per share	-	0.32p	(n/a)

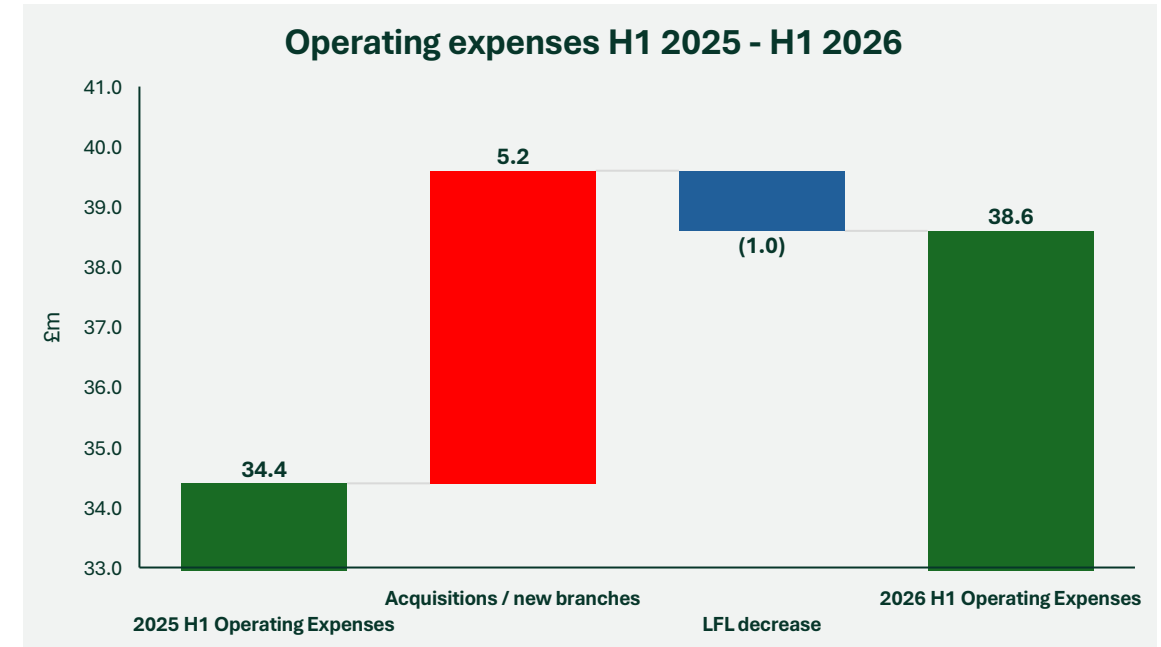
- > Reported revenue resilience masked weaker underlying demand
- > **Gross margin increased to 20.2%** (H1 2025: 19.3%) reflecting pricing discipline and improved gross margin in P&H
- > Profitability declined year-on-year, increasing the importance of cash generation
- > Near-term priorities are working capital, reduced capex and delivery of improvement plans

¹ Excluding property gains / losses and before adjusting items. Property gains in the period were £nil (H1 2025: £1.7m)

² Excluding property gains / losses and before adjusting items. ³ Net debt excluding leases

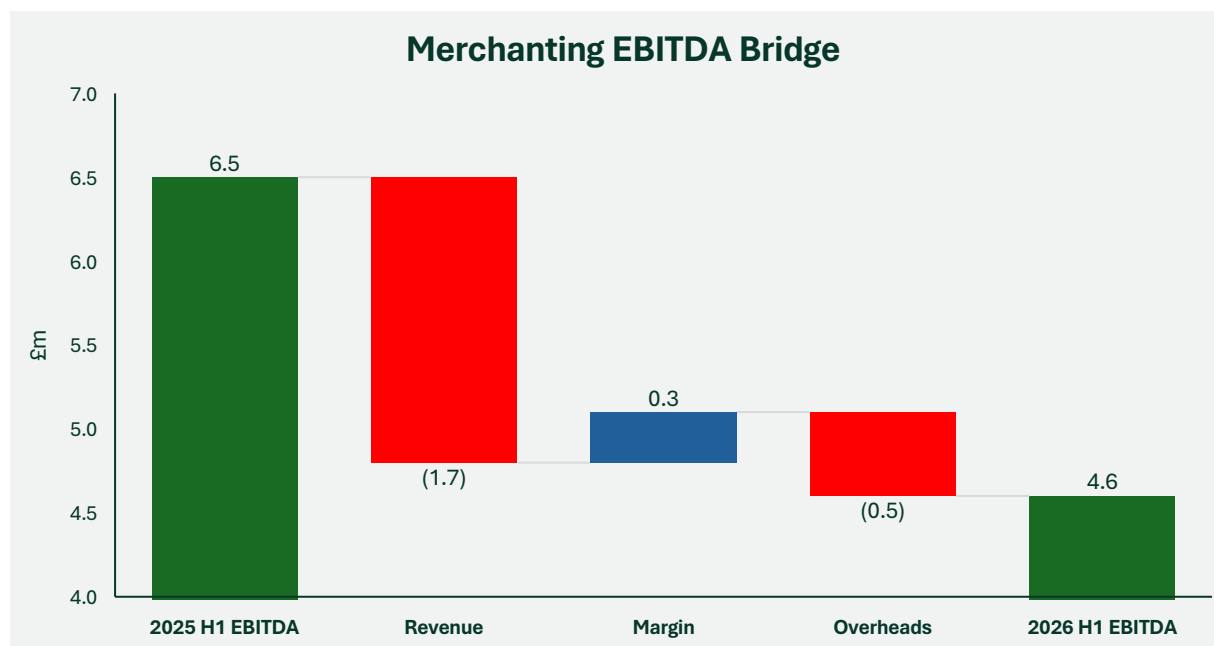


- > CMO and new branches added £22.0m
- > Offset LFL reduction in Merchanting (£5.4m) and P&H (£16.6m)



- > **£5.2m** added from CMO acquisition (June 2025) and net new branches
- > **£1m (2.9%)** of LFL cost reduction delivered despite higher Minimum Wage and Employer's NIC in Q1 and inflationary impact of Middle East conflict on transport and pass through costs,

£m	H1 2026	H1 2025	Change
Revenue	112.3	117.7	(4.6%)
Gross profit	29.0	30.4	(4.6%)
Operating expenses	(24.4)	(23.9)	(2.1%)
Adjusted EBITDA ¹	4.6	6.5	(29.2%)



Revenue down 4.6%; LFL down 4.9%

- > Lords Builders Merchants and George Lines both delivered positive like-for-like growth during the period
- > Businesses with greater exposure to new-build housing remained challenging
- > Gross margin remained stable at **25.8%** (H1 2025: 25.8%) in a highly competitive market
- > Overheads increase limited to £0.5m
- > Adjusted EBITDA¹ of £4.6m reflects lower Construction volumes

Looking ahead

- > Focused on increasing market share, improving gross margin, tightly controlling operating costs

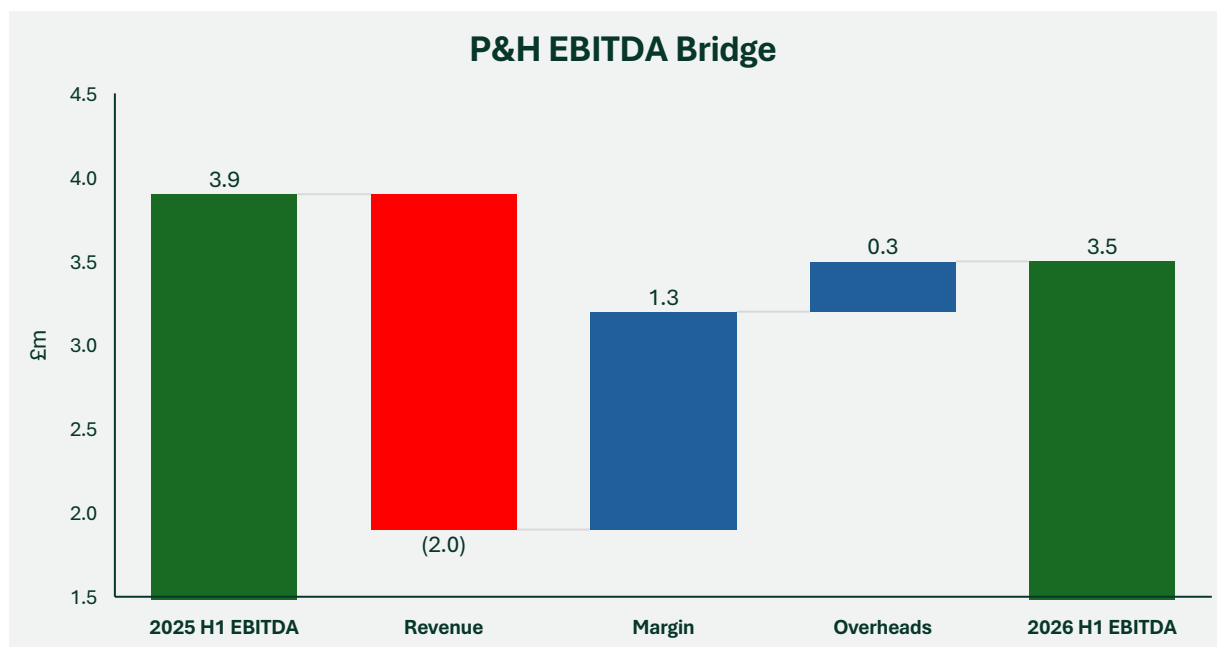
¹ Before adjusting items and property gains of £nil (H1 2025: £1.7m)

£m	H1 2026	H1 2025	Change
Revenue	96.4	112.2	(14.1%)
Gross profit	13.2	13.9	(5.0%)
Operating expenses	(9.7)	(10.0)	3.0%
Adjusted EBITDA ¹	3.5	3.9	(10.3%)

- > Revenue decline of 14.1% reflected no repeat of exceptional boiler volumes in March 2025
 - UK boiler market estimated decline of 3 – 4% offset
 - Deferral of replacement boilers supported by 8% increase in spares revenue
- > Gross margin increased by **130 bps** reflecting deliberate shift to value over volume
- > Adjusted EBITDA¹ down £0.4m reflecting the lower volumes

Strategic progress

- > Depot rationalisation program largely completed in Q2; annualised cost reduction of **£1.5m**



¹ Before adjusting items

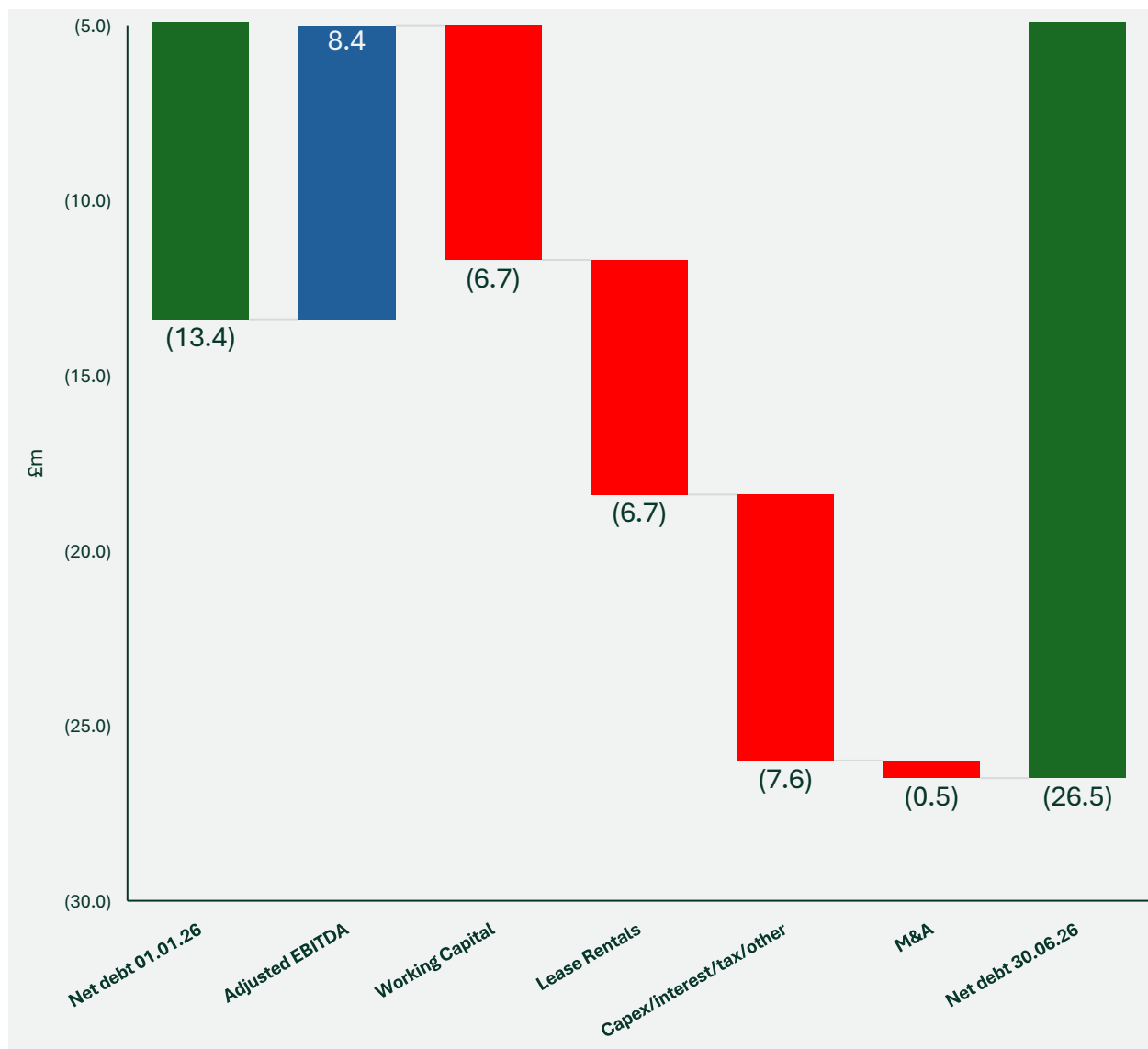
£m	H1 2026	H1 2025
Revenue	23.4	2.2
Gross profit	4.7	0.5
Operating expenses	(4.4)	(0.6)
Adjusted EBITDA ¹	0.3	(0.1)

- > CMO was acquired in June 2025
- > Revenue increased 17.5% year-on-year
- > Positive Adjusted EBITDA¹ following completion of initial integration programme reducing cost base and restoring volumes
- > Condell online moved onto the CMO platform in May 2026

Medium term opportunity

- > Improve profitability, develop the product proposition and increase operational efficiency

¹ Before adjusting items



Net debt¹ at £26.5m at 30 June 2026

- > Seasonal working capital outflow of £6.7m
- > £5.6m higher than June 2025 and leverage above Board's medium-term target

Refinancing completed on 2 April 2026

- > £65.0m total facilities
- > 3-year term + 2 one-year extensions
- > Headroom of **£32.4m** at 30 June 2026

Levers

- > Drive EBITDA through market share in P&H, gross margin in Merchanting, continued progress in CMO
- > Optimise working capital and reduce capex to essential maintenance / high return projects

¹ Net debt excluding leases



Business review

30 September 2026

We combine localism with specialism, offering our customers exceptional customer service, superior product knowledge and highly engaged teams, which together make us local leaders across our branches

(4.9)%

H1 LFL revenue

Decline moderated to
(2.3)% in Q2

4

New branches

Opened in last 18
months

£15.0m

New branch revenue

Additional revenue
delivered last 18 months

Commercial priorities

- > Increase sales intensity
- > Improve gross margin discipline
- > Ensure branch returns on capital employed

Structural actions

- > Restructured in August 2026: £1.6m annualised opex reduction
- > Gross margin challenge for H2 and beyond

Business model

- > Branch autonomy supports differentiated range and customer service
- > Dual-brand sites offer specialist products alongside merchant range



P&H offers its customers specialist product knowledge, outstanding service and an attractive in-store and online proposition

(13.3)%

H1 LFL revenue

Weaker market demand

7 → 4

Distribution centres

Rationalisation completed Q2

£1.5m

FY27 cost saving

£0.9m expected in FY26

Performance context

- > No repeat of March 2025 exceptional boiler volumes
- > UK boiler market estimated down c.3–4%
- > Value for volume Improved APP gross margin – market share reduction being addressed

Actions underway

- > Depot rationalisation and cost reduction
- > Strengthened commercial accountability
- > Customer recovery programme and outbound sales

Strategic categories

- > Spares revenue +8% in H1
- > Renewables progress with low-carbon heating adoption





CMO is the UK's largest online-only retailer of construction products, operating through nine specialist websites

+17.5%

CMO Revenue

H1 year-on-year growth

Positive

EBITDA

Turnaround milestone

£2m

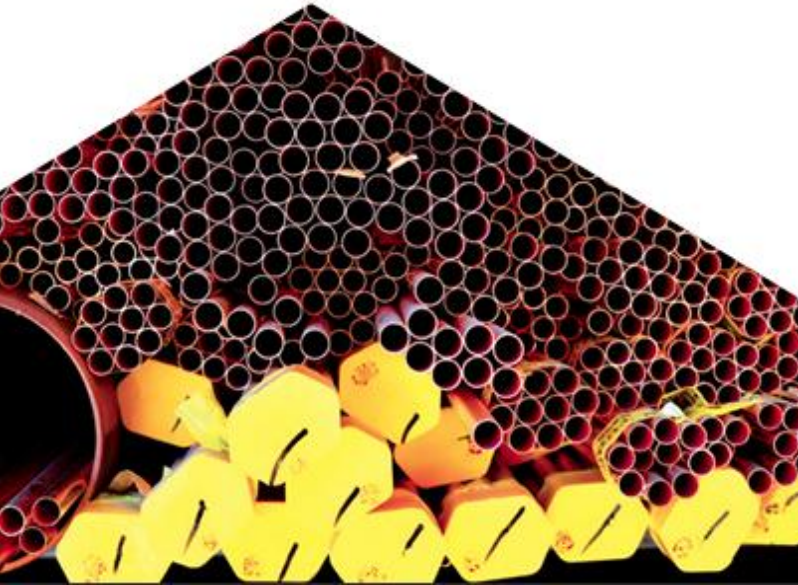
Initiatives

Next phase priorities

- > Sustainable revenue growth and margin improvement
- > Improved operational efficiency and cost discipline
- > Data-led marketing and supplier availability

Next phase priorities

- > Condell online via CMO
- > Trade Credit software



Every operating business has a focused improvement plan with clearer ownership and regular Executive review

Sales Execution	Grow APP share; revitalise inactive CMO accounts; drive AW Lumb direct sales
Gross margin	Merchanting gross margin challenge; supplier support; better procurement
Cost reduction	Completed Merchanting & Condell restructure and P&H DC rationalisation;
Working capital	Inventory optimisation, receivables collection and supplier-term initiatives
Capital discipline	Reduced capex and clear financial returns threshold



Outlook

30 September 2026



Assumption that second-half market conditions are similar to H1

Market conditions

- > S&P Construction PMI was 44.3 in August; 20 months below 50
- > Bank rate held at 3.75% but expectations of 25bps rise in November
- > BMF 2026 building materials forecast reduced from +2.3% to (1.8)%

Priorities to year end

- > Convert profit into cash and reduce leverage
- > Grow market share in P&H (APP)
- > Improve EBITDA through
 - > implemented cost savings
 - > Operating efficiencies
 - > Gross profit improvement



Q&A

30 September 2026



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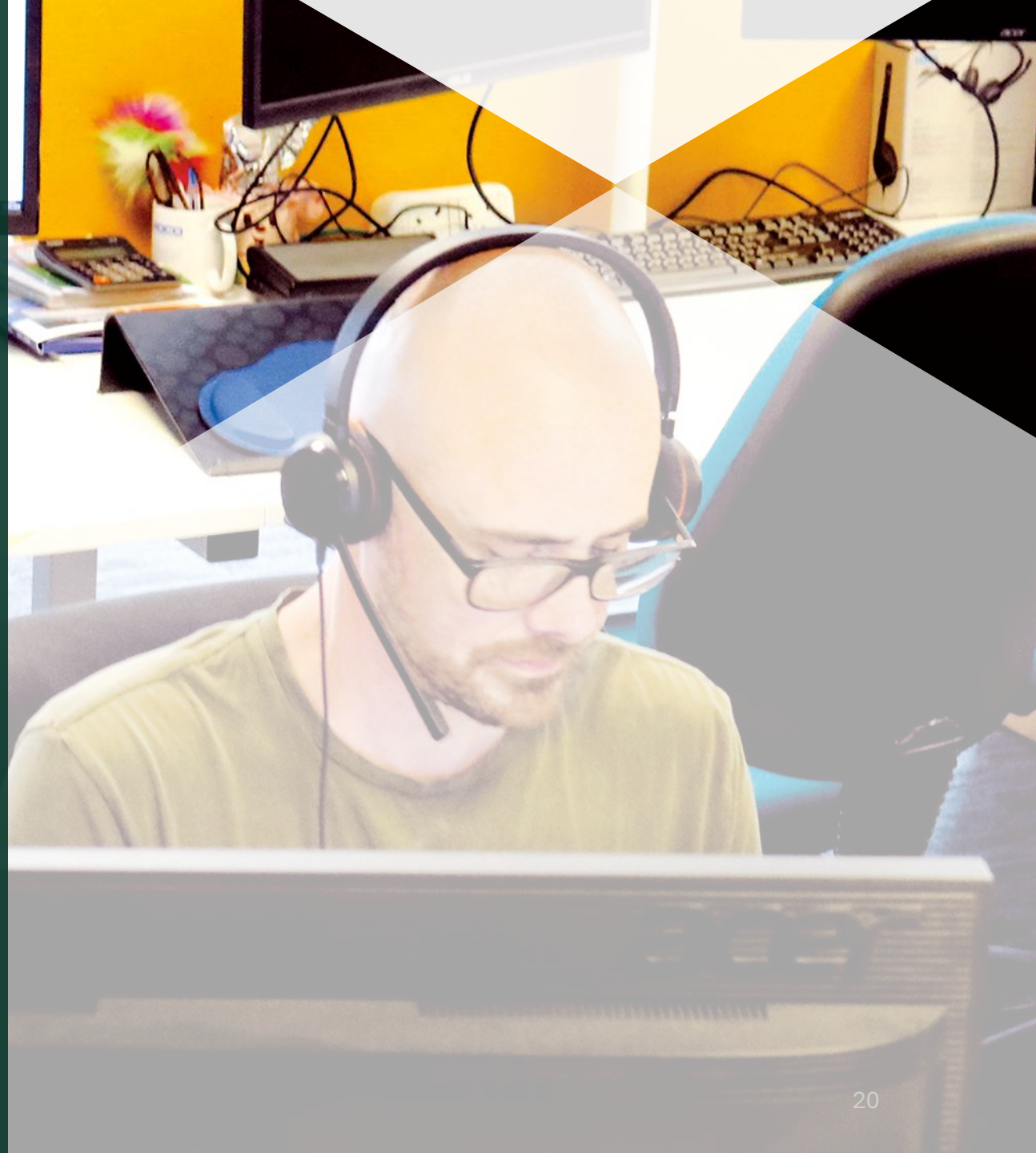
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Appendices

30 September 2026



Appendix 1 – Alternative Performance Measures

£m	H1 2026	H1 2025
Operating profit	(3.1)	3.7
Amortisation of acquired intangibles	1.7	1.7
Exceptional items	3.7	0.4
Share based payments	-	0.4
Adjusted operating profit	2.3	6.2
Depreciation & amortisation	6.1	5.9
Adjusted EBITDA	8.4	12.1
Property gains	-	(1.7)
Adjusted EBITDA excluding property gains and losses	8.4	10.4

£m	H1 2026	H1 2025
Loss before taxation	(6.9)	0.6
Amortisation of acquired intangibles	1.7	1.7
Unamortised loan arrangement fees on refinancing	0.3	-
Exceptional items	3.7	0.4
Share based payments	-	0.4
Adjusted (loss) / profit before taxation	(1.2)	3.1
Taxation on adjusted profit	-	(0.7)
Minority interest	-	(0.1)
Adjusted Earnings	(1.2)	2.3
Weighted average no. of shares (m)	166.2	166.1
Adjusted EPS (p)	(0.70)	1.35p

£m	H1 2026	H1 2025
Business combination charges and amortisation of acquired intangibles	2.0	2.1
Depot rationalisation in P&H	2.1	-
Restructuring and redundancy	1.3	-
Share-based payments	-	0.4
Arrangement fees following refinancing	0.3	-
Total	5.7	2.5