



# 2025 Full Year Results

20 May 2026

Continued strategic progress  
with increased diversification  
and operational leverage



# Agenda



**Highlights**

Shanker Patel, CEO

**Financial review**

Stuart Kilpatrick, CFO

**Business review**

Shanker Patel

**Outlook**

Shanker Patel

**Q&A**





## Differentiated investment opportunity

Uniquely placed Group in a large addressable market with significant opportunity to grow organically or through acquisition



## Resilient core markets

RMI driven demand supported by structural housing need



## Structural growth drivers

Renewables and product mix improving margin quality



## Digital platform established

CMO accelerates national scale and data driven growth



## Operating leverage embedded

Incremental revenue drives disproportionate profit growth



## Stronger balance sheet

Capacity to invest and capitalise

## Resilience in a tough market with financial progress

- **Record revenue of £472.8m, up 8.3% with positive LFL growth (+ 0.7%)** despite subdued end markets
- **Merchanting LFL +3.1%** reflecting market share gains and disciplined pricing
- **Plumbing & Heating margins improved by 60bps** driven by product mix and margin management
- **Renewables revenue up 57%**, increasing margin quality
- **Adjusted EBITDA<sup>1</sup> of £21.0m**
- **Net debt<sup>2</sup> reduced by 59% to £13.4m** significantly strengthening the balance sheet

## Strategic progress and platform strengthened – strongly positioned for market recovery

- **CMO acquired**, materially accelerating digital capability and national reach
- **Three new branch** openings in FY25, expanding national network
- Structural cost actions taken following **P&H strategic review**, to **streamline** the business
- Increased **operating leverage** as volumes recover

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

2. Net debt excluding leases





# Financial Review

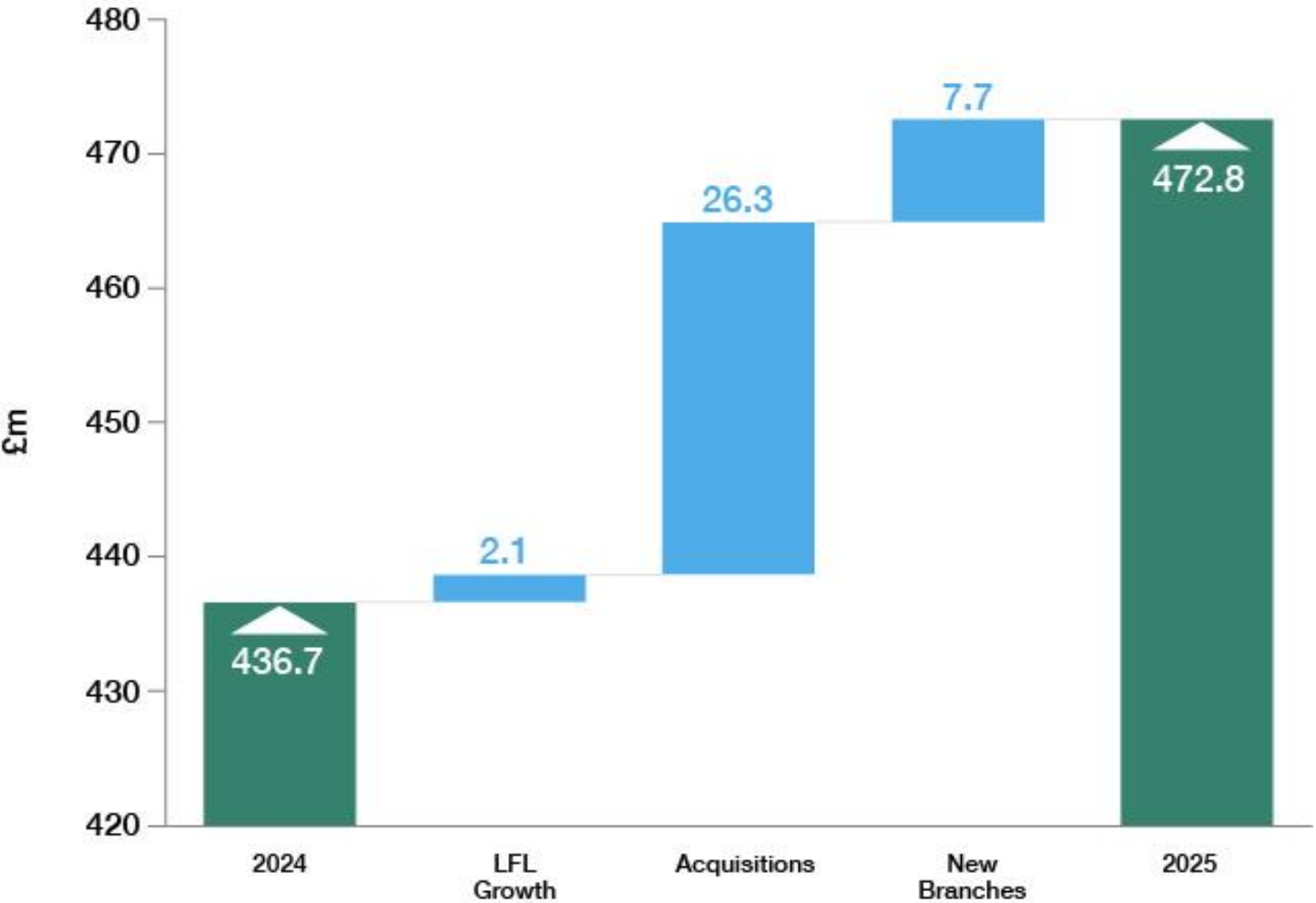
	FY25	FY24	Change
Revenue	£472.8m	£436.7m	+8.3%
Gross profit	£93.0m	£85.2m	+9.2%
Adjusted EBITDA <sup>1</sup>	£21.0m	£22.4m	(6.2)%
Adjusted operating profit <sup>1</sup>	£9.2m	£10.4m	(11.5)%
Adjusted earnings per share <sup>1</sup>	1.14p	1.84p	(38.0)%
Net debt <sup>2</sup>	£13.4m	£32.4m	59.0%
Dividend per share	0.52p	0.84p	(38.0)%

- Revenue growth delivered in subdued market supplemented by new branches and acquisitions
- Gross margin stable at 19.7% (FY24: 19.5%) demonstrating pricing discipline and mix management
- Adjusted EBITDA<sup>1</sup> resilient at £21.0m, reflects deliberate investment and external cost inflation
- Adjusted operating profit £1.2m lower at £9.2m, due to increased employment costs and branch investment
- £19.0m reduction in net debt underpinned by sale/leaseback discipline and working capital management
- Dividend scaled with EPS; paid £0.9m for FY25

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

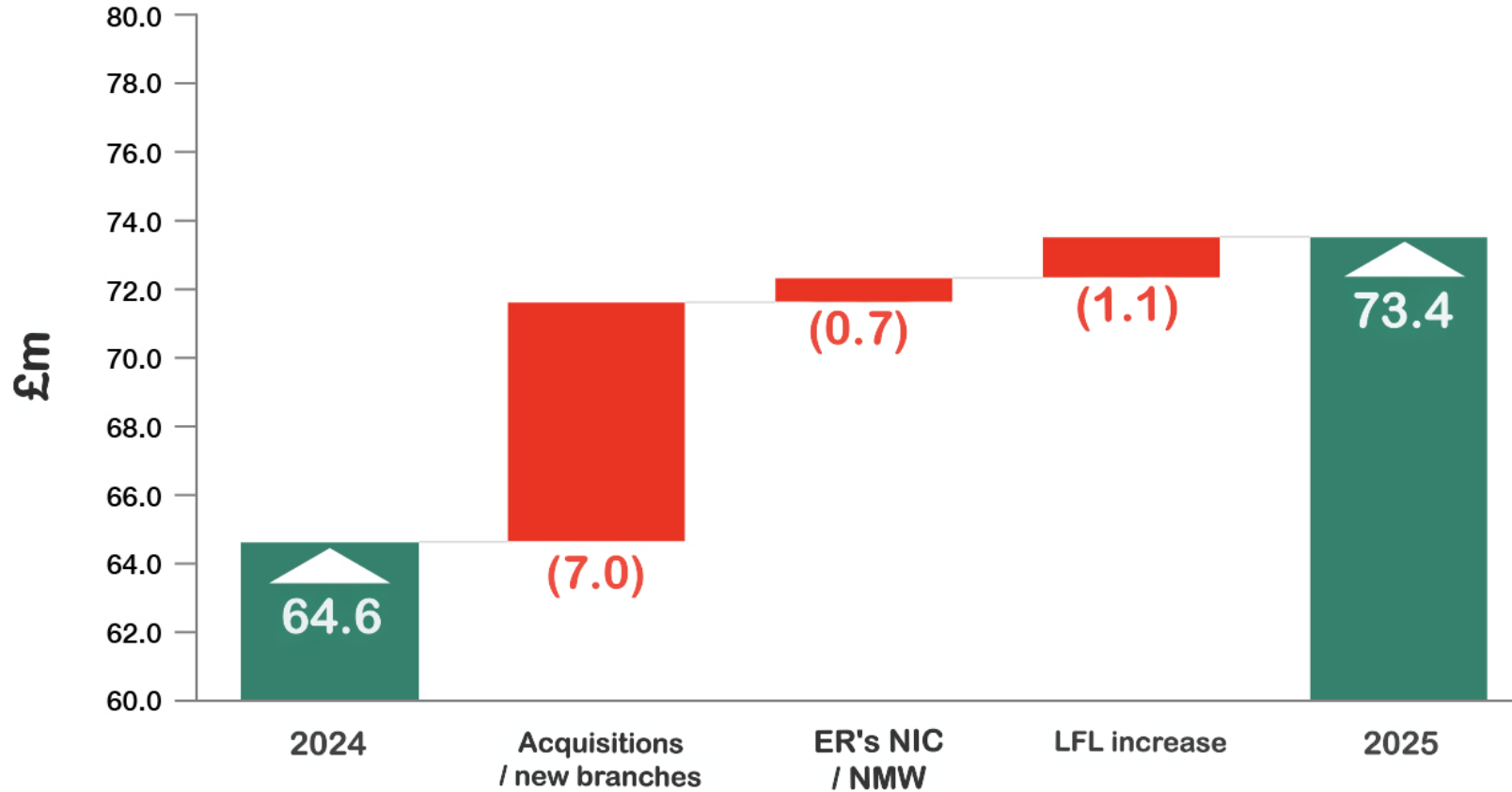
2. Net debt excluding leases

# Revenue bridge FY24 – FY25



- LFL growth of 0.7%
- Acquisition growth from CMO (June 2025 and Ultimate Renewables (Oct 2024))
- New branches added £7.7m

## Operating expenses FY24 - FY25



### Acquisitions

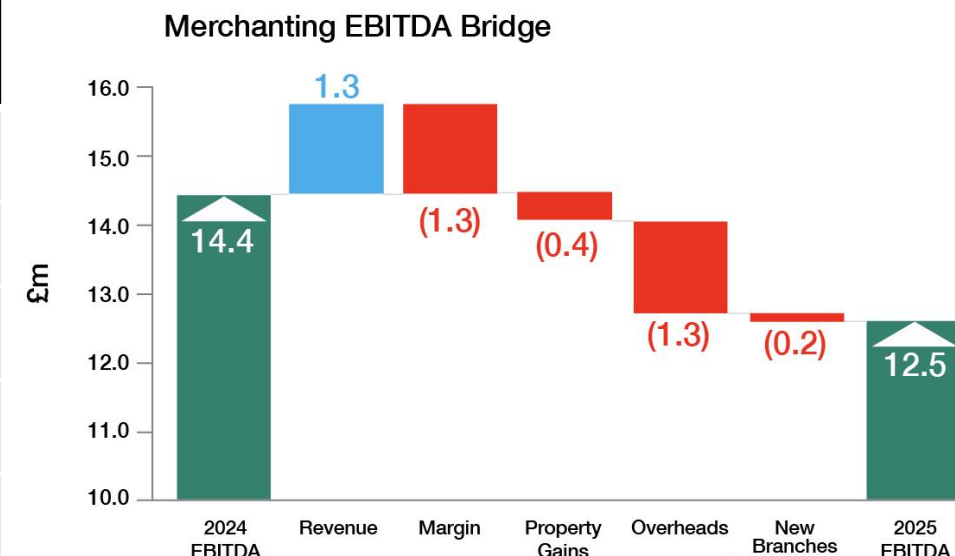
- CMO (7 months of trading) and new branches added £7.0m

### Strong focus on discretionary costs

- ER's NIC / NMW added £0.7m and led to inflated supplier costs
- LFL increase of 1.7%
- LFL FTE headcount 4% lower at 31 December 2025

# Merchanting: Resilient trading; well invested for future growth

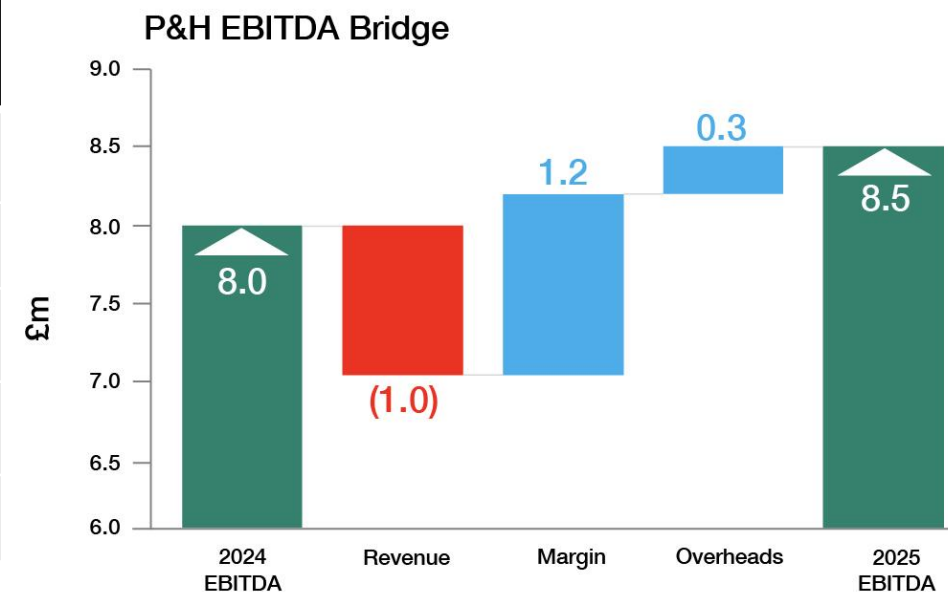
	FY25	FY24	Change
Revenue	£227.1m	£214.3m	+6.0%
Gross profit	£59.1m	£57.3m	+3.1%
Property gains	£1.4m	£1.8m	(22.2)%
Operating expenses	£48.0m	£44.7m	+7.4%
Adjusted EBITDA <sup>1</sup>	£12.5m	£14.4m	(13.2)%



- **Revenue up 6.0%; LFL +3.1%** indicating market share gains
- **Gross margin pressure of 70bps** in a highly competitive market
- **Overheads increased by Employer’s NIC, inflation and new branch openings**, not yet at maturity
- **Adjusted EBITDA<sup>1</sup> of £12.5m reflects**
  - Capacity investment ahead of market recovery
  - Cost inflation outside of management control
- **Looking ahead**
  - As new branch revenues mature, **incremental sales are expected to deliver higher EBITDA conversion**
  - Well-positioned to benefit from a recovery in RMI activity

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

	FY25	FY24	Change
Revenue	£219.9m	£222.4m	(1.1)%
Gross profit	£28.8m	£27.9m	+3.2%
Gross margin	13.1%	12.5%	+60bps
Operating expenses	£20.3m	£19.9m	+2.0%
Adjusted EBITDA <sup>1</sup>	£8.5m	£8.0m	+6.3%



- **Revenue flat in broadly flat UK boiler market** – market position protected
- **Gross margin increased by 60 bps** reflecting deliberate shift to value over volume
- **Costs tightly controlled** - LFL decrease of 1.5% despite industry-wide inflationary pressures
- **Adjusted EBITDA<sup>1</sup> up 6.3%** demonstrating improved earnings quality

## Strategic progress

- **Renewables revenue up 57%**, increasing contribution to margin
- **Systems investment improving operational efficiency**

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

	FY25
Revenue	£25.8m
Gross profit	£5.1m
Gross margin	19.8%
Operating expenses	£5.1m
Adjusted EBITDA <sup>1</sup>	-

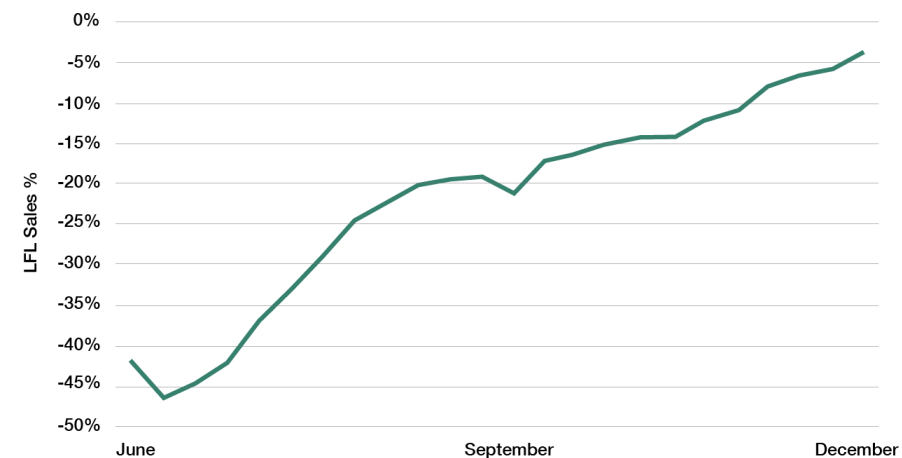


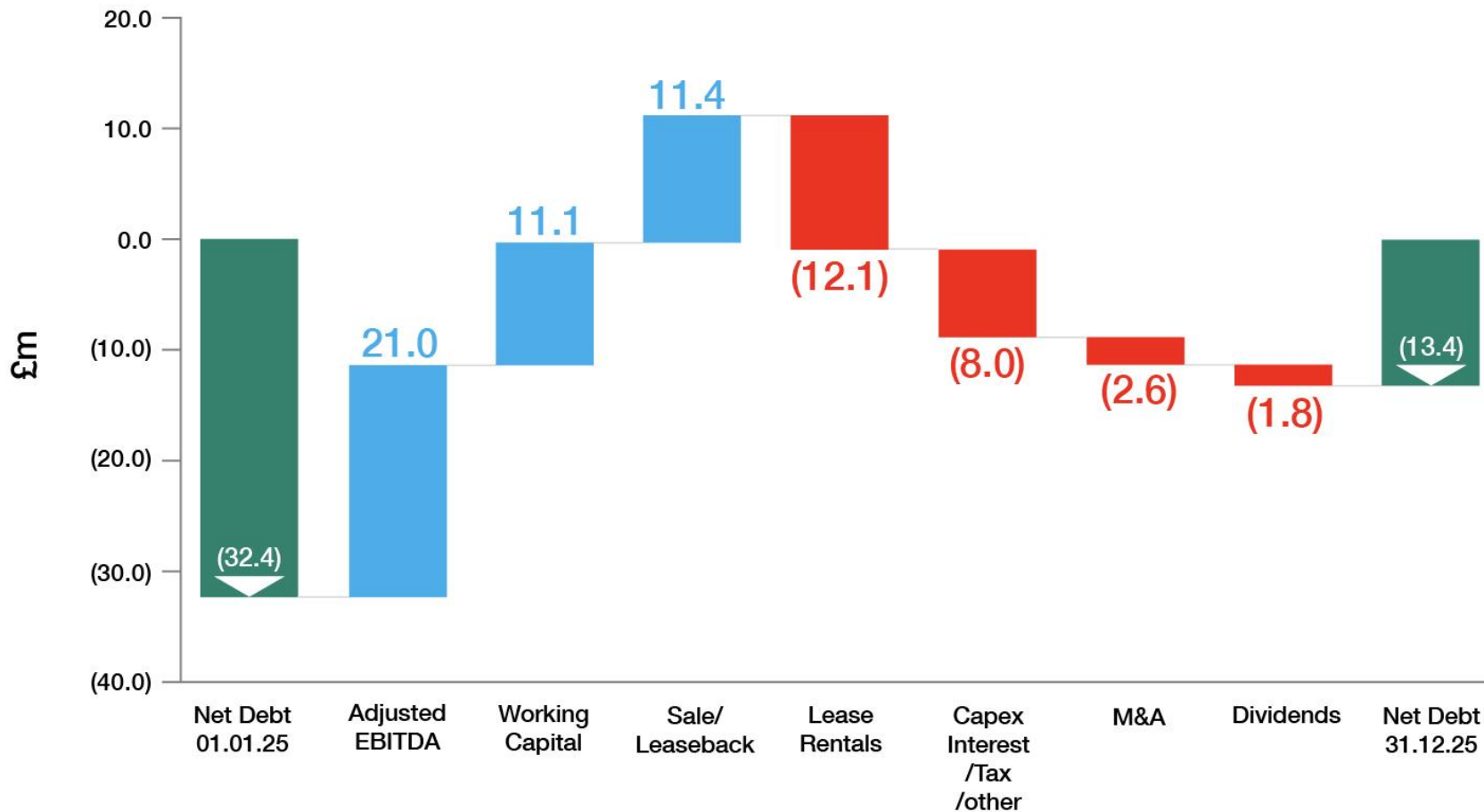
- **CMO acquired in June 2025** providing a national scalable digital platform
- **FY revenue of £25.8m** with **EBITDA positive in H2**
- **£1m of annualised cost savings** delivered rebuilding profitability base

## Medium term opportunity

- Increasing digital penetration expected to support **margin quality, working capital efficiency and operating leverage**

CMO LFL Sales





- **Net debt<sup>1</sup> reduced by £19.0m to £13.4m**
  - **Operating cash - £12.0m**
  - **Sale/leaseback - £11.4m** (proceeds of £12.8m, net of gain of £1.4m)
  - **Less £4.4m of M&A and dividends**
- **Operating cash conversion of 317%** (FY24: 71%)
- **Adjusting items before tax** (appendix 3) of **£8.0m** (FY24: £6.4m)
  - **Non-cash** branch impairments and acquisition amortisation of **£7.5m** (FY24 : £5.5m)
  - **Cash** restructuring of **£0.5m** (FY24: £0.9m)

1. Net debt excluding leases

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

£m	FY25	FY24
Tangible assets	9.6	14.1
Inventory	51.3	49.3
Trade receivables	54.8	61.9
Other working capital	(81.7)	(72.3)
<b>Operating capital employed (OCE)</b>	<b>34.0</b>	53.0
Deferred consideration	(1.2)	(3.3)
Other net assets	94.1	90.3
Lease liabilities	(71.5)	(60.0)
Net debt <sup>1</sup>	(13.4)	(32.4)
Net assets	42.0	47.6
Net debt / OCE	39.4%	61.1%
Net debt / Net assets	31.9%	68.1%

1. Net debt excluding leases

## Substantially strengthened balance sheet and liquidity

- **Net debt reduced to £13.4m** - £19.0m reduction
- **Net debt / OCE reduced to 39.4%** from 61.1%
- Sale/leaseback enhanced flexibility whilst retaining operational control

## Refinancing completed on 2 April 2026

- **£65m total facilities** underpinned by strong receivables base
- Facilities better aligned with business model and working capital requirements
- Liquidity headroom to invest through the cycle

Refinancing	New	Old
Invoice Financing	£45m	£25m
RCF	£20m	£50m
<b>Total</b>	<b>£65m</b>	£75m



# Business Review



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

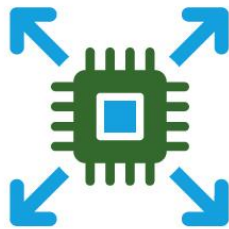
- **Organic growth**
  - Three new branches delivered £8.0m of additional revenue
- **Selective M&A**
  - Acquired CMO in June 2025



**New Branch Openings**



**Product Range Expansions**



**Digital Expansion**



**Acquisitions**



## New branch openings

### George Lines – Civils & Landscaping – Revenue £39m

- 5<sup>th</sup> George Lines civils branch opened in Aylesford, near Maidstone, Kent (1.5 acre site)

### AW Lumb – Distribution / Dry lining – Revenue £51m

- 3<sup>rd</sup> branch opened in Mansfield, Notts (2.5 acre site)

### LBM / Advance Roofing – General merchancing / specialist roofing – Revenue £97m

- Dual brand site opened in Bicester, Oxon (1 acre site)
- Bury St Edmunds opened March 2026 (2 acre site)

## Continued investment in branch network – £2.4m total

- New branch fitouts of £0.8m

## Tight control of costs despite inflationary headwinds

- National minimum wage and Er's NIC added £0.4m
- Restructured central team to save £0.8m annualised



## Selective Geographical Development

- 4 new branches opened in last 15 months

## Product and Service Offering

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

**Tight cost control and increased efficiency positioning the division for market upturn**

**Drive gross margin through increased supplier support and competitive pricing**

**Selective M&A for new specialist brands or geographies**



- **Took decisive action to improve gross margin from April 2025**
  - Gross margin increased by 60 bps in FY25 to 13.1%
- **UK boiler market flat at 1.35m units**
  - Market share marginally lower at 10.2% (FY24: 10.8%)
  - Strategically chose to improve product mix at the expense of volume
- **Digital**
  - Customer portal launched providing live stock information to customer
  - Podfather (electronic proof of delivery) established across wholesale distribution
- **Renewables**
  - Revenue increased by 57% in FY25
  - Relocated to larger site and upgraded ERP

## Distribution - £170m



## Trade Counters - £38m



## Renewables – £12m

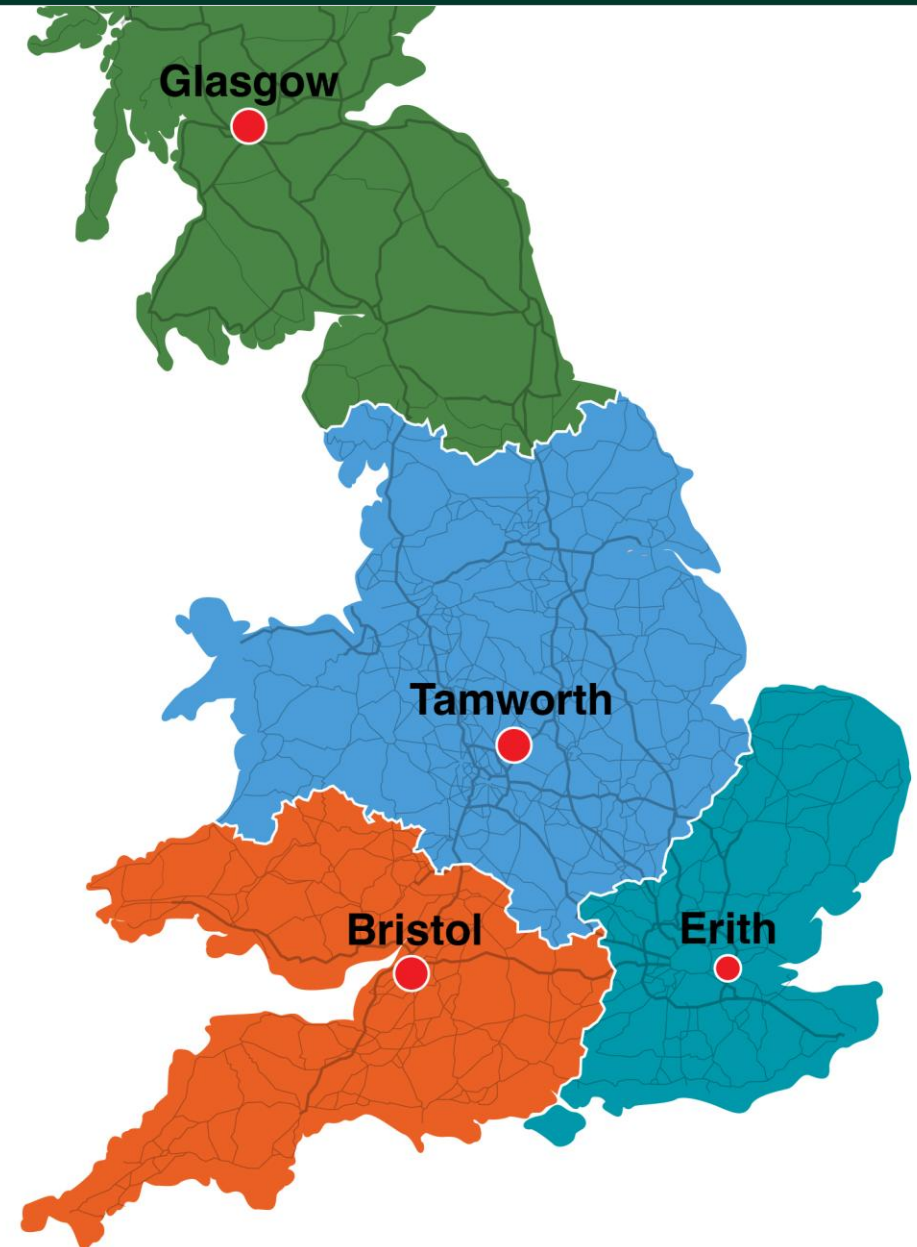


Ultimate Renewables Supplies  
*Supplying your renewable future*

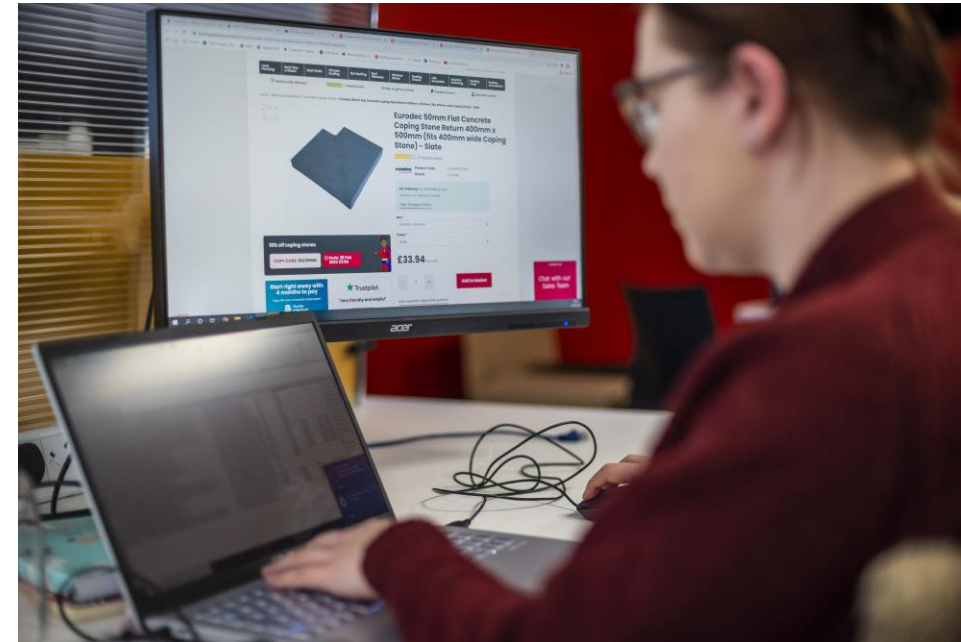
- **Maximise efficiency of wholesale business model**
  - Post strategic review, reduce from seven Distribution Centres to four

<b>Glasgow</b>	<b>Scotland and North of England</b>
<b>Tamworth</b>	<b>Midlands, Wales, up to North Yorks</b>
<b>Erith, Kent</b>	<b>South East, Suffolk</b>
<b>Bristol</b>	<b>South West, South Central</b>

- Smaller MrCH trade counter sites at Park Royal and Dagenham, Portsmouth to close
- Drive non-boiler products and higher margin MrCH brand
- Annualised savings of c. £1.4m



- **UK's leading online-only retailer, CMO, acquired on 6 June 2025 at an attractive entry point with clear turnaround upside**
- **Supply chain challenges restricted trading prior to acquisition**
- **Key progress in FY25**
  - Restored operational performance and profitability in H2 FY25
  - Re-established supplier base to > 90% product availability by September
  - Driven down refunds: revenue from 21% on 6 June, to c. 5%
  - Implemented annualised cost reduction of c.£1m
  - LFL sales increased week by week in H2 FY25
  - Repeat revenue recovered to c.63%
  - Trustpilot ratings recovered to Excellent/Good



## National reach without proportional capital investment

- Extends customer access beyond branch footprint
- Enables scalable growth with limited incremental infrastructure
- Over 30,000 orders delivered within 5 miles of a Lords branch

## Enhancing customer acquisition and lifetime value

- Data-driven marketing and pricing capability
- Strong repeat revenue profile (c.63%)
- Improved Trustpilot ratings and customer experience

## Driving cross-channel synergies

- Integration of over 13,000 Group SKUs onto platform
- Cross-selling of boilers, spares and renewables
- Selective fulfilment through branch network improving asset utilisation

## Strategic value creation

- Positions the Group to benefit from structural shift to online purchasing
- Creates a hybrid model combining local service + national digital scale
- Provides platform for future digital expansion and category growth





# Outlook



## Clear priorities for FY 26

- Driving like-for-like sales growth in Merchanting
- Enhancing P&H margins through mix and efficiency
- Scaling CMO and embedding digital capability across the Group
- Maintaining disciplined capital allocation, cost control, pricing discipline and working capital efficiency

## Outlook and medium-term potential

- Market conditions remain subdued, with continued macro uncertainty
- Inflationary pressures and interest rate dynamics impacting demand

## Materially better positioned

- Strengthened our balance sheet
- Expanded our digital capability
- Accelerated renewables growth
- Rationalised our cost base

**As volumes recover, the Group expects to benefit from significantly increased operating leverage, with incremental revenue driving a disproportionate increase in profitability over the medium term**





# Q&A



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# Appendices

# Appendix 1 – Alternative Performance Measures

	2025 £m	2024 £m
Operating profit	<b>1.1</b>	4.3
Amortisation of acquired intangibles	<b>3.4</b>	3.3
Impairment of ROU assets	<b>3.2</b>	1.5
Exceptional items	<b>1.3</b>	0.5
Share based payments	<b>0.2</b>	0.8
<b>Adjusted operating profit</b>	<b>9.2</b>	10.4
Depreciation & amortisation	<b>11.8</b>	12.0
<b>Adjusted EBITDA</b>	<b>21.0</b>	22.4

	2025 £m	2024 £m
Loss before taxation	<b>(5.2)</b>	(2.6)
Unwind of discount	<b>(0.1)</b>	0.3
Amortisation of acquired intangibles	<b>3.4</b>	3.3
Impairment of ROU assets	<b>3.2</b>	1.5
Exceptional items	<b>1.3</b>	0.5
Share based payments	<b>0.2</b>	0.8
<b>Adjusted profit before taxation</b>	<b>2.8</b>	3.8
Taxation on adjusted profit	<b>(0.5)</b>	(0.5)
Minority interest	<b>(0.2)</b>	(0.2)
Adjusted Earnings	<b>2.1</b>	3.1
Weighted average no. of shares (m)	<b>166.4</b>	166.6
<b>Adjusted EPS (p)</b>	<b>1.14</b>	1.84

# Appendix 2 – Income Statement

£m	2025			2024		
	Underlying	Adjusting items	Total	Underlying	Adjusting items	Total
Revenue	472.8	–	472.8	436.7	–	436.7
Cost of sales	(379.8)	–	(379.8)	(351.5)	–	(351.5)
<b>Gross profit</b>	<b>93.0</b>	<b>–</b>	<b>93.0</b>	85.2	–	85.2
Operating expenses	(73.4)	(1.5)	(74.9)	(64.6)	(1.3)	(65.9)
Property gains	1.4	–	1.4	1.8	–	1.8
Depreciation, amortisation and impairment	(11.8)	(6.6)	(18.4)	(12.0)	(4.8)	(16.8)
<b>Operating profit/(loss)</b>	<b>9.2</b>	<b>(8.1)</b>	<b>1.1</b>	10.4	(6.1)	4.3
Finance income	0.3	–	0.3	0.3	–	0.3
Finance expense	(6.7)	0.1	(6.6)	(6.9)	(0.3)	(7.2)
<b>Profit/(loss) before taxation</b>	<b>2.8</b>	<b>(8.0)</b>	<b>(5.2)</b>	3.8	(6.4)	(2.6)
Taxation	(0.5)	1.5	1.0	(0.5)	1.3	0.8
<b>Profit/(loss) for the year</b>	<b>2.3</b>	<b>(6.5)</b>	<b>(4.2)</b>	3.3	(5.1)	(1.8)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive income/(expense)</b>	<b>2.3</b>	<b>(6.5)</b>	<b>(4.2)</b>	3.3	(5.1)	(1.8)

# Appendix 3 – Adjusting Items Statement

	2025 £m	2024 £m
Exceptional items:		
Restructuring costs	0.5	0.9
Business combination charge / (income)	0.8	(0.4)
	1.3	0.5
Share based payments	0.2	0.8
Amortisation related to business combinations	3.3	3.6
Impairment of ROU assets	3.2	1.5
<b>Adjusting items before tax</b>	<b>8.0</b>	<b>6.4</b>
Tax on adjusting items	(1.5)	(1.3)
<b>Adjusting items after tax</b>	<b>6.5</b>	<b>5.1</b>