

# Travis Perkins <sup>plc</sup>

Annual Report  
and Accounts

25



## INTRODUCTION

# Welcome to Travis Perkins plc, the UK's largest distributor of building materials

The breadth, reach and scale of the business means it's in a unique position to supply the entire UK construction industry and provide customers with the materials and tools they need for their building projects, when and where they need it.

The Group has a strong heritage and employs over 17,000 colleagues across six leading businesses, which are all number #1 or #2 in their markets.



Leveraging  
scale

### Overview

The Group's breadth, reach and scale to supply the entire UK construction industry

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### At a glance

Travis Perkins plc is the UK's largest distributor of building materials

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Geoff Drabble on creating a simpler, more efficient customer-centric business

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Gavin Slark on joining the Group and the strengths of Travis Perkins plc

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### Market overview

The Group serves a UK construction materials market of £66bn

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### Strategy

Growing market-leading businesses by offering excellent customer service

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### Sustainability

Sourcing responsibly, operating sustainably and developing the next generation

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Online  
On The App  
In Branch



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### Subject guide



Progress



Sustainability



Quote



Customers and colleagues



Focus



For the latest information and more, please visit the Group's website at:  
[www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk)

## 2025 FINANCIAL HIGHLIGHTS

2025 adjusted operating profit at £133m with a significantly enhanced financial position.

## Revenue

£4,565m

2024: £4,607m

## Adjusted operating profit

£133m

2024: £152m

## Net debt/adjusted EBITDA

2.1x

2024: 2.5x

## Return on capital employed

5.3%

2024: 5.4%

## Dividend per share

12.0p

2024: 14.5p

## Loss after tax

£176m

2024: loss after tax of £77m

## Graduated apprentices

480

2024: 427

Carbon emissions (kt of CO<sub>2</sub>e)

6,345

2024: 6,530

## 2025 OPERATIONAL HIGHLIGHTS

**Business performance stabilised**

- Group like-for-like revenue growth of 0.3%, with the sharper competitive proposition in H2 offsetting the impact of operational challenges at the start of the year
- Adjusted operating profit of £133m (2024: £152m), reflecting lower margins in Merchanting
- Strong progress in Toolstation UK with adjusted operating profit increasing 29% to £44m
- Proactive management of overheads to mitigate cost inflation and increased employer national insurance, with significant restructuring of central and regional roles in 2025
- Operating loss of £97m (2024: profit of £2m) reflecting the trading performance and adjusting items of £222m (£8m cash items) related to impairments of Toolstation Benelux, CCF and specific Merchanting branches; the sale of Staircraft; and restructuring actions
- Gavin Slark joined the Group as a sector-experienced CEO on 1 January 2026

**Strong focus on cash generation and strengthening the balance sheet**

- Net cash before leases of £1m driven by £136m working capital inflow, proceeds from the divestment of Staircraft and a disciplined approach to capital expenditure
- Over £800m of liquidity headroom through cash holdings (£427m) and undrawn committed facilities (£390m)
- £250m bond fully refinanced with investment-grade US private placement notes. No significant refinancing requirements until 2028

## OVERVIEW

Focused on providing customers with everything they need for their building projects, when and where they need it.



## Strategic opportunities

The breadth, reach and scale of the Group puts it in a unique position to supply the entire UK construction industry and be customers' first choice for building materials and tools.

The strength of the Group's balance sheet gives the necessary resilience and firepower to underpin our competitiveness against a challenging market backdrop.



## Customer focused

The Group's market-leading businesses serve customer needs from well-located branches, where operations are underpinned by safety and sustainability, and where customers are offered excellent service with a wide range, high-availability, delivery options, finance solutions and value-added services.



We have fantastic brands and locations, complemented by a resilient and committed workforce who want to see us back at our best.

Gavin Slark  
CEO

Employees

c.17,000

Number of branches

1,400+

## OUR STRATEGY FRAMEWORK

### MEETING CUSTOMER NEEDS



- Six leading businesses serving specific construction markets
- Local empowerment to serve small tradesmen and the general builder
- Specialist propositions for larger contractors
- Technical capability
- Value-added services

### LEVERAGING SCALE



- Nationwide network
- Purchasing power
- Range and availability
- Digital capability
- Main contractor and developer relationships
- Value creation from property portfolio

### An efficient and sustainable operating model:

- Leading the market in a responsible manner
- The best people in the industry
- Technical, sustainable solutions fit for purpose
- Focused capital deployment



### The Group's values:

- We care
- We give our best to be the best
- We're better together



### Doing the right thing:

- Safety and wellbeing
- Diversity, equity and inclusion
- Reward
- Legal compliance



## AT A GLANCE

# Travis Perkins plc is the largest distributor of building materials in the UK.

Travis Perkins plc is a trade-focused group, serving generalist and specialist trades with products and services that are designed to help customers grow their businesses in new and established markets.

The Group's goal is to deliver exceptional customer service from advantaged businesses operating from well-positioned networks on a national scale.

The Group offers a range of high-quality products and gives customers the choice of a range of purchasing channels, delivery options and ways to pay.



1,786 HGVs



Local empowerment to serve small tradesmen and the general builder



Best locations in the UK



We are focused on building flexible, responsive and entrepreneurial local businesses that provide value-added services to our trade customers.

Geoff Drabble  
Chair

Number of branches

1,400+



## Merchanting

### Travis Perkins

The UK's market-leading general builders merchant, offering a destination for heavyside products complemented by lightside convenience. Serving general trades and specialist contractors with the building materials they need, when and where they need them, from 579 national locations. Contains a comprehensive tool hire offer, innovative Managed Services solutions and a kitchen design and supply offer, branded as Benchmarx.

### 

Market-leading supplier of commercial and industrial heating and cooling solutions, supplying specialist contractors with a wide variety of products from 54 branches and two distribution centres. BSS also offers customers a tailored tool hire service.

### 

CCF distributes insulation and interior building products from 37 branches to contractors throughout Great Britain. #2 in its market, CCF supports the construction and renovation of both domestic and commercial buildings with service and specialist knowledge.

### Keyline CIVILS SPECIALIST

A civils specialist, Keyline is #1 in its market and supports housebuilders, groundworkers and infrastructure contractors to build and redevelop facilities, which are vital to the nation. Delivering heavy products from 41 branches in a safe and accurate manner, Keyline works as a partner to its specialist customers and is developing new areas of expertise in roads and highways.

### tf solutions

TF Solutions is a leading UK wholesaler and distributor of air conditioning, refrigeration and heat pump equipment and installation materials. Providing national coverage from its 16 locations, technical support, and delivery services to trade professionals.

### Toolstation

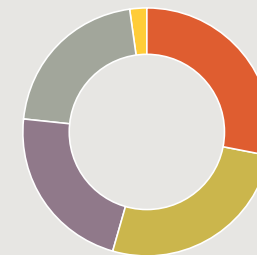
#### 

Toolstation is #2 in its market in the UK and offers customers an innovative lightside proposition from 590 branches across the UK and 109 in Benelux. With a wide range of products available in branch and for next-day delivery, offering long opening hours, a strong digital offering and a committed customer service ethos, Toolstation is changing the purchasing experience of trade and DIY customers.



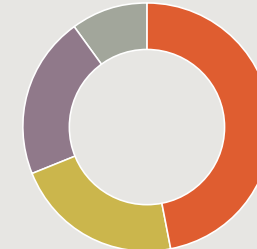
## Serving the construction industry

# 200+ years



### Geographic split

|                      |     |
|----------------------|-----|
| South East           | 29% |
| Midlands             | 26% |
| Wales and South West | 22% |
| North and Scotland   | 21% |
| Europe               | 2%  |



### Product category

|                    |     |
|--------------------|-----|
| Heavyside          | 47% |
| Lightside          | 22% |
| Plumbing & Heating | 21% |
| Timber/Forest      | 10% |

### Payment mix

|        |     |
|--------|-----|
| Cash   | 29% |
| Credit | 71% |

### Fulfilment channel

|         |     |
|---------|-----|
| Collect | 41% |
| Deliver | 59% |

## CHAIR'S STATEMENT

# We have great brands, capable people, a unique portfolio of businesses and the best locations in the industry.



**When I was appointed as Chair of Travis Perkins plc in 2024 I saw this as a business with many inherent strengths and great potential, but which had made short-term tactical missteps. The experience of 2025 has only reinforced this: we have great brands, capable people, a unique portfolio of businesses and the best locations in the industry.**

## Leadership

This year started with the sad and unexpected news that Pete Redfern was stepping down as CEO due to ill-health. He left with our best wishes for his recovery. During the period of uncertainty this created I worked closely with the Group Leadership Team as we continued the work of refocusing the Group on our customers and our operations, and this hands-on involvement helped me to get to know the Group's businesses better.

I was delighted to announce in May 2025 that Gavin Slark would be our new CEO. Gavin sees great potential for our business and brings unrivalled experience in our industry, with a long and distinguished career in the building materials sector

in the UK and Europe, including 11 years at Grafton plc and five years as CEO of our own BSS business before it was acquired by the Group.

## Performance

The immediate task at the start of 2025 was to align all parts of the business behind a clear and achievable strategy that prioritised customer service. We put in place more business-focused operating teams and filled key positions. We instigated a number of targeted sales promotions, reintroduced local incentive schemes and removed distractions that took us away from trading. These were all sensible operational steps that are part of setting us up for future success.

Over the course of the year we were able to put the challenges of implementing new systems behind us, with further Oracle enhancements deployed in the second half of the year to enhance direct sales functionality and flexibility. There was a focus across the Group in 2025 on reducing colleague turnover to give greater front-line stability.

I was pleased with how our teams responded to the challenge of building top-line momentum and regaining market share in the Merchanting business, with the Group returning to revenue growth and our operating performance stabilising. This is a resilient business with resilient colleagues and they have

shown that with fewer distractions and a clear focus on trading they will deliver excellent service, gain customers and win orders.

## Balance sheet

One of the highlights of 2025 has been our cash generation and the reduction in leverage and I am thankful to everyone involved in this effort. In the short term our balance sheet strength allows us to invest in core areas such as fleet updates and older parts of the property estate. In the long term, the ability of this business to generate cash, combined with good discipline on capital allocation and overheads, will let us take advantage of commercial opportunities and deliver shareholder returns. The Travis Perkins Group is behaving like the market leader again and we have a great balance sheet to benefit when the market inflects.

## Market and outlook

The market was tough in 2025 and the strength and timing of any recovery in UK construction activity remains uncertain. We are not assuming any help from the market in 2026 and, with a new leadership team and operational MDs in place, we have the opportunity and ability to make improvements in a number of areas that are within our control. Regardless of the backdrop, we are focused on building flexible, responsive and entrepreneurial local businesses, supported by



Clear focus  
on trading

world-class central functions that differentiate us from our competitors and where we provide value-added services to our trade customers.

I am confident that we are taking the right decisions to deliver a robust performance in 2026 and look forward to working with Gavin, the Board and the leaders in this business to achieve this.

**Geoff Drabble**

Chair

16 March 2026



I am delighted with how our teams responded to the challenge of building top-line momentum and regaining market share in the Merchenting business.

**Geoff Drabble**

Chair

## CEO'S STATEMENT

# Leading the business during the next stage of its evolution.



**I would like to start by saying how pleased I am to have taken up the role of CEO at Travis Perkins plc from 1 January 2026 this year.**

**It is a business that I have known well for many years and it is a real privilege to lead the business during the next stage of its evolution.**

I have spent the early weeks of the year visiting branches, talking to colleagues, customers and suppliers to really understand the priority areas for the Travis Perkins Group in the coming months and years. The people that I have met so far have demonstrated real passion, enthusiasm and commitment, and that has been brilliant to see in a people-driven business, where relationships and collaboration can generate so much value.

Recent times have been challenging on a number of fronts but the Group has a number of fundamental, underlying strengths that give us great confidence looking forwards. Our market position, supplier relationships, branch network and direct customer contact are all strong factors and, coupled with the quality and knowledge of our colleagues across the Group, give us a strong platform from which to build.

We have also seen significant improvements in the cash performance of the Group and that strong financial base is another component of the strong foundations that we have, and gives us the ability to invest appropriately in our businesses.

I believe in the power of a branch-based, sales-led organisation and that principle stands well for each of the businesses that we have in the Group.

All of our trading businesses are either number one or number two in their respective markets, which gives us the benefits of scale and market leadership and also makes us an important route to market for our supplier partners.

Every great business needs great support. I believe we have opportunities to develop our procurement, range management, supply chain and systems functions to be genuinely world class. Technology is a critical enabler to our support functions as our business and sector continues to evolve and digitise.

We also need to maintain a disciplined approach to margin, costs and capital allocation, really appreciating value for money in every pound we spend to ensure that we deliver a great return for all of our stakeholders.

Our priority is delivering industry-leading levels of service to our customers and supporting the front line with lean and effective support functions, driving improvements in financial performance across the whole Group.

Each of our trading businesses and the management teams within them are at different stages of their evolution and we will support them to develop at pace and deliver a world-class experience for our colleagues, customers and shareholders.

I look forward to working with colleagues across the Group to ensure that Travis Perkins and all of our trading businesses are established as the premier businesses within their markets.

**Gavin Slark**  
CEO

16 March 2026



I believe in the power of a branch-based, sales-led organisation and that principle stands well for each of the businesses that we have in the Group.

**Gavin Slark**  
CEO

Delivering  
for our  
customers



## MARKET OVERVIEW

The market for building materials in the UK coming through distribution channels is £66bn.

**Private domestic and structured****Growth drivers:**

- Government housing targets
- A shortage of housing in the UK
- Growth in the population
- Government regulation
- Upcoming building regulation change

Market mix

18%

Group revenue mix

15%

**Commercial and industrial****Growth drivers:**

- Data centres and AI infrastructure
- Investment in infrastructure
- Greater demand for energy efficient buildings
- Cladding remediation on commercial buildings

Market mix

26%

Group revenue mix

23%

**Private domestic repair, maintenance and improvement ("RMI")****Growth drivers:**

- The age and quality of UK housing stock
- Mortgage rate stability
- Government schemes to boost energy efficiency
- Energy efficiency retrofit trends

Market mix

17%

Group revenue mix

37%

**Public sector****Growth drivers:**

- Need for public infrastructure investment and social housing
- Decarbonising the electricity grid
- Modernisation of the public sector estate

Market mix

39%

Group revenue mix

25%



Note: The market mix and market size figures are based on 2025 data from the Builders Merchant Market Report UK. The Group mix is based on internal estimates.

## BUSINESS MODEL

# People are at the heart of the business model.

The Group's businesses bring together customers, suppliers and colleagues into mutually beneficial relationships, which can last many years. The Group invests time and resources with all of its stakeholders and is mindful of the impact it has on the environment.

## Competitively advantaged resources and relationships



### Customers

- Strong customer relationships
- Local empowerment to serve small trade and the general builder
- Specialist propositions for larger contractors
- Technical capability and value-added services

### Resources

- A 200-year heritage and businesses that are #1 or #2 in their market
- A national branch and supply chain network
- Digital platforms to improve the customer experience
- c.17,000 colleagues with technical knowhow and industry experience

### Suppliers

- Partnership relationships with suppliers, which work for the success of all



## What the Group does

Converting the inputs, demands and requirements of stakeholders to generate valued outputs.



### The Group

- Collaborates, specifies and quotes
- Negotiates, converts and sells
- Ranges and sources
- Procures
- Fulfils, collects and delivers
- Provides and manages credit



## Value for all stakeholders



### Stakeholders

- Fulfilled customers
- Satisfied shareholders
- Engaged colleagues
- Valued suppliers



## Underpinned by

Responsible and sustainable approach (See page 26) Sound corporate governance (See page 61) Robust risk management (See page 52)

## OUR STRATEGY

The strategy of the Group is to grow the share of its market-leading businesses by offering customers attractive propositions and excellent service.



| Proposition     |                        |                |             |
|-----------------|------------------------|----------------|-------------|
|                 |                        |                |             |
| Customers       | Large                  | Large to small | Small       |
| Price           | Variable and framework | Variable       | Fixed       |
| Range           | Variable               | Part-mandated  | Mandated    |
| Delivered       | 85%                    | 60%            | 10%         |
| Typical branch: |                        |                |             |
| Size            | 22,000 sqft.           | 14,000 sqft.   | 4,500 sqft. |
| Headcount       | 14                     | 11             | 7           |
| Turnover        | £9m                    | £3m            | £1m         |

| Priorities and initiatives                                                                                           |                                                                                                                                          |                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
|                                                                                                                      |                                                                                                                                          |                                                                                                         |
| Strategic priorities                                                                                                 |                                                                                                                                          |                                                                                                         |
| <ul style="list-style-type: none"> <li>Being the distributor of choice</li> <li>Leading on infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Hire</li> <li>Managed Services</li> <li>Benchmark</li> <li>General builder proposition</li> </ul> | <ul style="list-style-type: none"> <li>Network roll-out</li> <li>Ongoing digital development</li> </ul> |
| Strategic initiatives                                                                                                |                                                                                                                                          |                                                                                                         |
| <ul style="list-style-type: none"> <li>Technical development</li> <li>Data-led sales approach</li> </ul>             | <ul style="list-style-type: none"> <li>Operational efficiency</li> <li>Network investment</li> </ul>                                     | <ul style="list-style-type: none"> <li>Customer, colleague and supplier propositions</li> </ul>         |

## KEY PERFORMANCE INDICATORS (“KPIs”)

## Operational

## Adjusted operating profit

|      |       |
|------|-------|
| 2025 | £133m |
| 2024 | £152m |
| 2023 | £198m |
| 2022 | £295m |
| 2021 | £353m |

**Definition (note 2b):** Profit before tax, financing charges and income, amortisation of acquired intangibles and adjusting items.

**Reason:** Adjusted operating profit excludes adjusting items and the amortisation of intangible assets arising on the acquisition of a business, so management can monitor the Group's underlying performance.

## Sales growth

|      |        |
|------|--------|
| 2025 | (0.9)% |
| 2024 | (4.7)% |
| 2023 | (3.2)% |
| 2022 | 8.9%   |
| 2021 | 24.0%  |

**Definition (note 1b):** Total revenue growth.

**Reason:** Sales growth helps management monitor the performance trend of the business and gives a good indication of its overall health compared to its competitors. Total sales growth is not distorted by actions such as the consolidation of branches.

## Financial

## Leverage ratio

|      |      |
|------|------|
| 2025 | 2.1x |
| 2024 | 2.5x |
| 2023 | 2.6x |
| 2022 | 1.8x |
| 2021 | 1.2x |

**Definition (note 25):** The ratio of net debt to earnings before tax, interest, depreciation, amortisation and adjusting items (“Adjusted EBITDA”).

**Reason:** The leverage ratio is an indicator by management and lenders of the Group's ability to support its debt. The Group has a target of 1.5–2.0x.

## Non-financial

## Accident frequency rate

|      |     |
|------|-----|
| 2025 | 3.9 |
| 2024 | 3.6 |
| 2023 | 3.9 |
| 2022 | 4.7 |
| 2021 | 5.6 |

**Definition:** The number of lost-time incidents (“LTIs”) per million hours worked.

**Reason:** Keeping people safe is the Group's first priority. This ratio allows management to measure progress in ensuring a safe workforce.

## Free cash flow

|      |       |
|------|-------|
| 2025 | £205m |
| 2024 | £109m |
| 2023 | £62m  |
| 2022 | £95m  |
| 2021 | £65m  |

**Definition (note 24):** Net cash flow before dividends, freehold property purchases and disposals, pension deficit repair contributions, adjusting and discontinued cash flows and the issuance and repayment of debt.

**Reason:** The Group needs to generate strong free cash flows to enable it to invest, expand its operations and pay dividends to shareholders. Freehold investments are financed by property disposals and enable the Group to access the best property locations.

## Return on capital employed

|      |       |
|------|-------|
| 2025 | 5.3%  |
| 2024 | 5.4%  |
| 2023 | 6.9%  |
| 2022 | 10.8% |
| 2021 | 14.1% |

**Definition (note 26):** Adjusted operating profit divided by the combined value of balance sheet debt and equity excluding pension assets.

**Reason:** This ratio allows management to measure how effectively capital is used in the business to generate returns for shareholders.

## Carbon emissions

|      |       |
|------|-------|
| 2025 | 6,345 |
| 2024 | 6,530 |
| 2023 | 7,012 |
| 2022 | 8,294 |
| 2021 | 9,111 |

**Definition:** Total Scope 1, 2 and 3 carbon emissions (kilotonnes of CO<sub>2</sub>e).

**Reason:** The Group has a responsibility to take action to prevent the worst impacts of climate change. This measure allows management to measure progress in the decarbonisation of the business. This includes Scope 3 in addition to Scope 1 and 2, as Scope 3 represents over 99% of the Group's carbon footprint and the Group has set a target of reducing Scope 3 emissions by 63% by 2035 from a 2020 baseline.

Carbon emissions and accident frequency rate are two key sustainability metrics. [See page 26 for more information](#) →

## OPERATING REVIEW

## 2025 performance

| £m (unless otherwise stated)             | Note | 2025           | 2024    | Change   |
|------------------------------------------|------|----------------|---------|----------|
| Revenue                                  | 1    | <b>4,565</b>   | 4,607   | (0.9)%   |
| Adjusted operating profit <sup>1</sup>   | 2a   | <b>133</b>     | 152     | (12.5)%  |
| Adjusted earnings per share <sup>1</sup> | 20b  | <b>30.8p</b>   | 36.6p   | (15.8)%  |
| Return on capital employed <sup>1</sup>  | 26   | <b>5.3%</b>    | 5.4%    | (0.1)ppt |
| Net debt / adjusted EBITDA <sup>1</sup>  | 25   | <b>2.1x</b>    | 2.5x    | 0.4x     |
| Ordinary dividend per share              | 21   | <b>12.0p</b>   | 14.5p   | (17.2)%  |
| Operating (loss)/profit                  |      | <b>(97)</b>    | 2       |          |
| Loss after tax                           |      | <b>(176)</b>   | (77)    | (128.6)% |
| Basic loss per share                     | 20a  | <b>(83.3)p</b> | (36.6)p | (127.6)% |

<sup>1</sup> Alternative performance measures are used to describe the Group's performance. Details of calculations can be found in the notes listed.

The Group delivered revenue of £4,565m, down 0.9% versus the prior year. The decline in revenue was driven by the Merchanting segment with activity across the majority of end markets remaining subdued throughout the year. Despite the softer backdrop this segment saw sequential improvement in the second half as the Group made good progress in adjusting to using Oracle and sharpened its competitive position through pricing and promotional initiatives. This swing was most marked in the General Merchant, which has begun to reverse a recent trend of market share losses as performance started to stabilise and then improve.

Toolstation delivered a robust revenue performance and continued to take market share as the estate continued to mature.

Adjusted operating profit of £133m was £19m, or 12.5%, lower than 2024, reflecting:

- £32m decline in gross profit in Merchanting primarily driven by lower trading volumes, greater promotional activity and one less trading day
- Overheads in line with the prior year with cost inflation and increased employer national insurance contributions broadly mitigated by proactive cost management
- Property profits of £10m were £1m lower than the prior year

### Leadership and structures

Gavin Slark joined the Group as CEO on 1 January 2026. Gavin is a highly experienced public company CEO with significant experience of the building materials and merchanting industry having previously been CEO of SIG plc since 2023. Prior to this, he was CEO of Grafton Group plc (2011-22) and CEO of The BSS Group plc (2006-11) before its acquisition by Travis Perkins plc.

Since joining, Gavin has changed the organisational structure so that all of the Managing Directors now report directly to him. This has shortened lines of communication and will ensure the most efficient ways of working across the Group.

### Balance sheet

The Group has made excellent progress on actions to strengthen the balance sheet during the year, with overall net debt reducing by £224m and net debt before leases reducing by £192m to deliver a net cash position (before leases) for the first time in nearly 30 years.

Accordingly, despite the further reduction in earnings, net debt / adjusted EBITDA has reduced by 0.4x to 2.1x. This progress supports the Group's journey back to its clearly stated target leverage range of 1.5 – 2.0x throughout the cycle, with further deleveraging targeted in 2026.

## Dividend

The Board is recommending a final dividend of 7.5 pence per share (2024: 9.0 pence per share) to give a full-year dividend of 12.0 pence per share (2024: 14.5 pence per share), in line with the Group's policy to pay a dividend of 30–40% of adjusted earnings. The dividend will be paid on 28 May 2026 to shareholders on the register as at close of business on 17 April 2026.

## Current trading and outlook

The trading environment since the start of the year has remained subdued and this reflects a continuation of the weak UK construction activity figures reported for the final quarter of 2025. Against this backdrop the Group will remain focused on improving its customer proposition, leveraging its strong financial position, and delivering further operational efficiencies in readiness for when market conditions recover.

## Technical guidance

The Group's technical guidance for 2026 is as follows:

- Expected ETR of around 30% on UK generated profits
- Base capital expenditure of around £80m
- Property profits of around £5m
- Interest expense £6m higher as a result of refinancing the £250m 3.75%-coupon bond. The Group's current strong cash position also results in higher interest income as a partial offset

## Adjusting items

There were £222m of adjusting items (£8m cash items) in the year (2024: £139m) as set out below:

| £m                                               | 2025       | 2024       |
|--------------------------------------------------|------------|------------|
| Merchanting impairment                           | 111        | 63         |
| Toolstation Europe impairments and restructuring | 99         | –          |
| Restructuring                                    | 12         | 43         |
| Staircraft impairment and divestment             | 3          | 33         |
| Adjustments to prior year items                  | (3)        | –          |
| <b>Total</b>                                     | <b>222</b> | <b>139</b> |

The 2025 branch-level impairment review identified 196 branches where the carrying value of the branch's assets was above the value of the discounted future cash flows generated from those assets. The total non-cash impairment recognised in relation to these branches is £67m (2024: £63m). In the majority of cases, the branches are expected to deliver a positive contribution in 2026 with the vast majority delivering a positive contribution in the future, based on cautious financial planning assumptions.

A non-cash goodwill impairment of £44m has been recognised following the annual impairment review of the CCF business, taking into account the structural challenges in its end markets and future forecasts of profitability.

The Toolstation Europe impairment charge relates to the non-cash write-down of goodwill, property and right-of-use assets in the Toolstation Benelux business under IFRS accounting rules. The Toolstation Europe restructuring charge relates to restructuring costs in Toolstation Benelux and adjustments in respect of redundancy provisions and lease liabilities related to Toolstation France recognised in previous years.

The restructuring charge of £12m relates to severance payments made as a result of headcount reductions in Q1 and Q4 2025, the majority of these roles being in central functions or regional support teams. In 2024 there were £43m of adjusting items related to central and regional restructuring, supply chain consolidation and the closure of 39 standalone Benchmark branches.

Of the total £222m adjusting items recorded in 2025, approximately £6m represents 2026 Q1 cash obligations relating to severance costs in the restructuring items. Cash payments in 2025 related to these adjusting items were £8m.

## Property

The Group generated property profits of £10m in the year, with £51m of cash proceeds, as the Group's freehold property portfolio continues to provide opportunities to release cash, as well as fulfilling its primary objectives of operational security and flexibility. The Group expects property profits of around £5m for 2026.

## OPERATING REVIEW CONTINUED

# Merchanting

The Group's Merchanting businesses saw flat like-for-like revenue, as a sharper commercial proposition and the deployment of sales-driven incentives progressively offset the ongoing impact of depressed levels of UK construction activity. Like-for-like volume growth of 0.5% was fully offset by sales price deflation of 0.6% as market over-capacity hindered the ability of distributors to pass modest manufacturer price increases to customers. A 0.7% impact from the divestment of Staircraft and a 0.6% impact from one fewer trading day saw overall revenue down by 1.7% in 2025.

During the second half management implemented a series of actions to rebuild market share, including targeted promotions in plasterboard, PIR insulation board and class B bricks, sales-driven incentives and the continuing addition of resources back into customer-facing roles to improve service levels. These actions and greater leadership stability have improved the trading performance with 45,000 net new customer accounts opened in 2025 and like-for-like sales improving throughout the year:



|                           | 2025           | 2024    | Change  |
|---------------------------|----------------|---------|---------|
| Revenue                   | <b>£3,722m</b> | £3,786m | (1.7)%  |
| Like-for-like growth      | <b>(0.1)%</b>  | (6.8)%  | 6.7ppt  |
| Adjusted operating profit | <b>£122m</b>   | £149m   | (18.1)% |
| Adjusted operating margin | <b>3.3%</b>    | 3.9%    | (60)bps |
| ROCE                      | <b>6%</b>      | 7%      | (10)ppt |
| Branch network            | <b>727</b>     | 724     | 3       |

|         | Merchanting like-for-like revenue |
|---------|-----------------------------------|
| Q1 2024 | <b>(4.2)%</b>                     |
| Q2 2024 | <b>(7.9)%</b>                     |
| Q3 2024 | <b>(8.2)%</b>                     |
| Q4 2024 | <b>(6.8)%</b>                     |
| Q1 2025 | <b>(3.2)%</b>                     |
| Q2 2025 | <b>(1.0)%</b>                     |
| Q3 2025 | <b>1.7%</b>                       |
| Q4 2025 | <b>2.1%</b>                       |

Adjusted operating profit reduced by 18.1% to £122m despite focussed cost management, reflecting the high operational gearing of these businesses. The operating profit of £3m (2024: £20m) was the result of these factors and adjusting items of £123m (2024: £133m) relating to impairments and restructuring actions.

There was limited change in the Merchanting branch network in 2025, reflecting disciplined capital spend in a challenging market, with three new General Merchant branches opened during the year in Birmingham, Watford and Salford, and a small number of relocations.

On 30 April 2025, the Group sold its specialist floor kit, i-joist and staircase manufacturer Staircraft for cash consideration of £21m as part of a continued focus on simplifying the Group's operating model.

## Revenue

**£3,722m**

2024: £3,786m

## Adjusted operating profit

**£122m**

2024: £149m



**Service drives us forward  
and safety brings us home.**

**Richard Lavin**  
Managing Director, Travis Perkins  
General Merchant

**Stay  
Safe.**

## Our newly introduced Service Standards set the scene for Travis Perkins General Merchandising.

### We care about everyone's safety and wellbeing

Service drives us forward and safety brings us home, that's been our guiding principle in 2025 and will continue to be so as we move through 2026 and beyond.

Those two concepts – service and safety – are fundamental to us as a business, connecting to the Travis Perkins Group core value of “We Care”.

We care about the experience customers have when they come into a Travis Perkins branch and we care about everyone's safety and wellbeing – customers, colleagues and the communities in which we sit.

Over the past six months, we have trained over 3,000 colleagues in our new service standards – one of the biggest mobilisations of training in recent years. It puts the customer experience at the forefront of everything we do.

We know we have great products, we know we have great geographical range and we know our prices are competitive. What we want customers to experience now, from the moment they call us or walk through the door of a branch, is faultless service. And they experience that in an environment which is safe.

### Merchandising in numbers

**720+** **12,000**  
Branches Colleagues

**3,000+ colleagues  
trained in our new  
Service Standards**



## OPERATING REVIEW CONTINUED

# Toolstation

One of the fastest growing suppliers of tools and building supplies to trade and DIY customers via a multi-channel offering, with over 690 stores.

|                                   | 2025          | 2024   | Change |
|-----------------------------------|---------------|--------|--------|
| Revenue                           | <b>£843m</b>  | £821m  | 2.7%   |
| Life-for-like growth              | <b>2.4%</b>   | 1.9%   | 0.5ppt |
| Adjusted operating profit – UK    | <b>£44m</b>   | £34m   | 29.4%  |
| Adjusted operating loss – Benelux | <b>£(11)m</b> | £(13)m | 15.4%  |
| Adjusted operating profit – Total | <b>£33m</b>   | £21m   | 57.1%  |
| Adjusted operating margin         | <b>3.9%</b>   | 2.6%   | 130bps |
| ROCE                              | <b>7%</b>     | 4%     | 3ppt   |
| Store network (UK)                | <b>590</b>    | 587    | 3      |
| Store network (Benelux)           | <b>109</b>    | 110    | (1)    |

## UK

Toolstation UK continued to make strong progress during the year with revenue increasing by 2.7%, reflecting store maturity benefits, price inflation and further enhancements to the digital and physical customer experience. App sales are increasing and growth in customer loyalty, with c. 700k Toolstation Club members now signed up, has helped increase average order value for those customers.

A net three stores were added during the year with eight new stores and five closures. Up to 20 new store openings are expected in 2026, including the launch of the new urban convenience format Toolstation GO, which is being trialled with the first store opening in Battersea, London.

Adjusted operating profit increased by £10m (29.4%) year-on-year driven by a combination of sales growth, gross margin benefits from improved purchasing, and pricing and supply chain efficiencies.

The Group looks forward to another year of strong progress in Toolstation UK in 2026.

## Revenue

**£843m**

2024: £821m

## Benelux

Toolstation Benelux generated an adjusted operating loss of £11m in 2025, a slight improvement on the prior year. While store-generated sales were up 7.0% on a like-for-like basis and overheads well controlled, the upgrade to the Benelux customer website during the first half caused significant disruption and did not deliver the expected online sales growth, with online sales down by 1.8%.

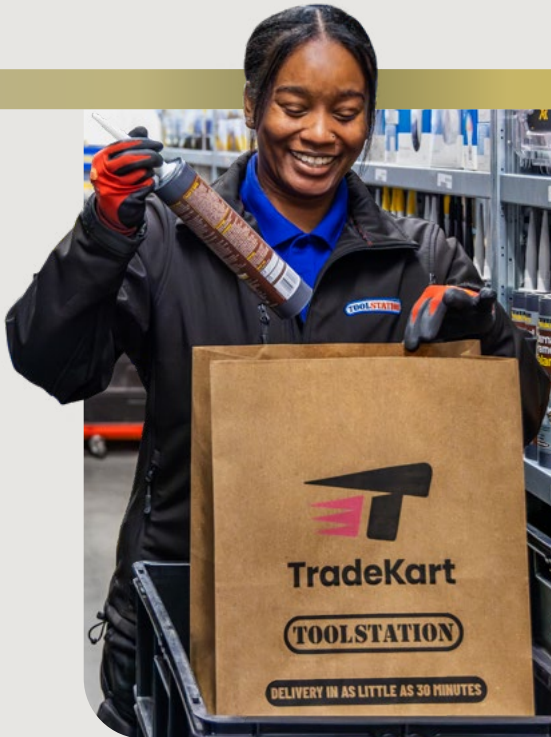
With the Dutch and Belgium markets remaining subdued, management will continue to review its strategy in Benelux. Short-term actions being taken to reduce the ongoing losses include a proposed restructure and reduction in central headcount and the implementation of further supply chain efficiencies.

The Group expects a similar level of loss in Toolstation Benelux in 2026.

## Adjusted operating profit

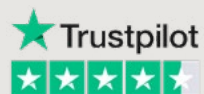
**£33m**

2024: £21m



Our 30-minute Fast Track service has been highly praised by customers.

Lakhvir Sanghera  
Managing Director, Toolstation



Our 30-minute Fast Track delivery service is proof that we're committed to getting behind our trades, whatever it takes.

Our strength at Toolstation is customer service, with a market-leading 4.6\* rating on Trustpilot.

Fast Track, powered by our partner TradeKart and integrated directly into the Toolstation mobile app, allows tradespeople and DIYers to choose from over 10,000 products and have them delivered directly to site or home in as little as 30 minutes, saving them time and helping them stay focused on the job.

The service has been highly praised by customers and we've seen some great results, including a higher Average Order Value ("AOV").

Toolstation in numbers

700+

Stores

5,300+

Colleagues

We pride ourselves on our Trustpilot rating of 4.6\*



## FINANCIAL REVIEW

### Revenue analysis

The Merchanting businesses saw modest price deflation as a result of the intense competitive environment and limited volume growth, with key markets and geographies, particularly construction activity in London and the south east, remaining weak. There was one fewer trading day than in the prior year.

Toolstation delivered good like-for-like revenue growth as its strong customer proposition, robust pricing and maturity benefits outweighed the impact of the challenging market.

### Volume, price and mix analysis

|                                     | Merchanting   | Toolstation | Group         |
|-------------------------------------|---------------|-------------|---------------|
| Price and mix                       | (0.6)%        | 1.4%        | <b>(0.2)%</b> |
| Like-for-like volume                | 0.5%          | 1.0%        | <b>0.5%</b>   |
| <b>Like-for-like revenue growth</b> | <b>(0.1)%</b> | <b>2.4%</b> | <b>0.3%</b>   |
| Network changes                     | (1.0)%        | 0.6%        | <b>(0.6)%</b> |
| Trading days                        | (0.6)%        | (0.3)%      | <b>(0.6)%</b> |
| <b>Total revenue growth</b>         | <b>(1.7)%</b> | <b>2.7%</b> | <b>(0.9)%</b> |

### Quarterly revenue analysis

|                    |           | Total revenue |               | Like-for-like revenue |               |
|--------------------|-----------|---------------|---------------|-----------------------|---------------|
|                    |           | 2025          | 2024          | 2025                  | 2024          |
| <b>Merchanting</b> | Q1        | (3.5)%        | (6.0)%        | (3.2)%                | (4.2)%        |
|                    | Q2        | (2.7)%        | (5.7)%        | (1.0)%                | (7.9)%        |
|                    | <b>H1</b> | <b>(3.1)%</b> | <b>(5.8)%</b> | <b>(2.1)%</b>         | <b>(6.1)%</b> |
|                    | Q3        | (0.3)%        | (7.1)%        | 1.7%                  | (8.2)%        |
|                    | Q4        | (0.2)%        | (5.8)%        | 2.1%                  | (6.8)%        |
|                    | <b>H2</b> | <b>(0.2)%</b> | <b>(6.5)%</b> | <b>1.9%</b>           | <b>(7.6)%</b> |
|                    | <b>FY</b> | <b>(1.7)%</b> | <b>(6.2)%</b> | <b>(0.1)%</b>         | <b>(6.8)%</b> |
| <b>Toolstation</b> | Q1        | 2.8%          | 0.9%          | 3.7%                  | (1.2)%        |
|                    | Q2        | 2.7%          | 3.6%          | 2.3%                  | 2.4%          |
|                    | <b>H1</b> | <b>2.7%</b>   | <b>2.3%</b>   | <b>2.9%</b>           | <b>0.6%</b>   |
|                    | Q3        | 3.0%          | 3.0%          | 2.3%                  | 2.2%          |
|                    | Q4        | 2.0%          | 2.2%          | 1.8%                  | 4.3%          |
|                    | <b>H2</b> | <b>2.5%</b>   | <b>2.6%</b>   | <b>2.0%</b>           | <b>3.3%</b>   |
|                    | <b>FY</b> | <b>2.7%</b>   | <b>2.5%</b>   | <b>2.4%</b>           | <b>1.9%</b>   |
| <b>Total Group</b> | Q1        | (2.4)%        | (4.9)%        | (2.1)%                | (3.5)%        |
|                    | Q2        | (1.8)%        | (4.2)%        | (0.5)%                | (6.2)%        |
|                    | <b>H1</b> | <b>(2.1)%</b> | <b>(4.5)%</b> | <b>(1.2)%</b>         | <b>(4.9)%</b> |
|                    | Q3        | 0.3%          | (5.5)%        | 1.8%                  | (6.6)%        |
|                    | Q4        | 0.2%          | (4.3)%        | 2.0%                  | (4.8)%        |
|                    | <b>H2</b> | <b>0.3%</b>   | <b>(5.0)%</b> | <b>1.9%</b>           | <b>(5.8)%</b> |
|                    | <b>FY</b> | <b>(0.9)%</b> | <b>(4.7)%</b> | <b>0.3%</b>           | <b>(5.3)%</b> |

**Operating profit**

| £m                                                          | 2025        | 2024  | Change  |
|-------------------------------------------------------------|-------------|-------|---------|
| Merchanting                                                 | 122         | 149   | (18.1)% |
| Toolstation                                                 | 33          | 21    | 57.1%   |
| Unallocated costs                                           | (32)        | (29)  | (10.3)% |
| <b>Adjusted operating profit excluding property profits</b> | <b>123</b>  | 141   | (12.8)% |
| Property profits                                            | 10          | 11    | (9.1)%  |
| <b>Adjusted operating profit</b>                            | <b>133</b>  | 152   | (12.5)% |
| Amortisation of acquired intangible assets                  | (8)         | (11)  |         |
| Adjusting items                                             | (222)       | (139) |         |
| <b>Operating profit</b>                                     | <b>(97)</b> | 2     |         |

**Finance charge**

Net finance charges of £38m are lower than the previous year (2024: £41m) as a result of interest income on the Group's cash deposits. See note 10 for details.

The Group's interest expense will be £6m higher in 2026 as a result of refinancing the £250m 3.75%-coupon bond, but the Group's current strong cash position also results in higher interest income as a partial offset.

**Taxation**

The tax charge before adjusting items was £28m (2024: £31m) giving an adjusted effective tax rate ("adjusted ETR") of 31.5% (standard rate: 25.0%, 2024 actual: 30.4%). The adjusted ETR rate is substantially higher than the standard rate due to the effect of expenses not deductible for tax purposes and unutilised overseas losses.

The statutory tax charge for 2025 was £42m (2024: £2m) giving an effective tax rate of negative 30.9% (2024: negative 5.7%). This is lower than the adjusted ETR as a result of the tax effect of the impairment of goodwill.

The Group expects an ETR of around 30% on UK generated profits in 2026.

**Earnings per share**

The Group reported a total loss after tax of £176m (2024: loss of £77m) resulting in basic loss per share of 83.3 pence (2024: loss per share of 36.6 pence). Diluted loss per share was 83.3 pence (2024: loss per share of 36.6 pence). Adjusted profit after tax was £65m (2024: £77m) resulting in adjusted earnings per share of 30.8 pence (2024: 36.6 pence).

**Cash flow and balance sheet****Free cash flow**

| £m                                                          | 2025       | 2024 | Change |
|-------------------------------------------------------------|------------|------|--------|
| <b>Adjusted operating profit excluding property profits</b> | 123        | 141  | (18)   |
| Depreciation of PPE and other non-cash movements            | 78         | 96   | (18)   |
| Change in working capital                                   | 136        | 6    | 130    |
| Net interest paid (excluding lease interest)                | (20)       | (20) | 0      |
| Interest on lease liabilities                               | (30)       | (30) | 0      |
| Tax paid                                                    | (22)       | (21) | (1)    |
| <b>Adjusted operating cash flow</b>                         | <b>265</b> | 172  | 93     |
| <b>Capital investments</b>                                  |            |      |        |
| Capex excluding freehold transactions                       | (60)       | (64) | 4      |
| Proceeds from disposals excluding freehold transactions     | 1          | 1    | 0      |
| <b>Free cash flow</b>                                       | <b>206</b> | 109  | 97     |

The Group made strong progress on cash generation with free cash flow £97m higher than the prior year despite a reduction of £18m in adjusted operating profit excluding property profits. This was primarily due to the normalisation of supplier payments arising from the cutover challenges of moving onto Oracle in the prior year and good progress on collecting overdue debt, also resulting from the Oracle implementation. Stock management remains disciplined with the £25m increase in line with inflation.

**Capital investment**

| £m                               | 2025      | 2024      |
|----------------------------------|-----------|-----------|
| Strategic                        | 15        | 21        |
| Maintenance                      | 39        | 39        |
| IT                               | 6         | 4         |
| <b>Base capital expenditure</b>  | <b>60</b> | <b>64</b> |
| Freehold property                | 26        | 12        |
| <b>Gross capital expenditure</b> | <b>86</b> | <b>76</b> |
| Disposals                        | (52)      | (63)      |
| <b>Net capital expenditure</b>   | <b>34</b> | <b>13</b> |

The disciplined approach to capital investment continued in 2025, with expenditure £4m lower than 2024. As part of the Group's prioritisation of reducing leverage, freehold development and acquisitions were £26m lower than the proceeds of freehold disposals, which were primarily sale and leaseback transactions. The Group is targeting base capital expenditure of around £80m for 2026.

**Uses of free cash flow**

| £m                                                | 2025       | 2024       | Change    |
|---------------------------------------------------|------------|------------|-----------|
| <b>Free cash flow</b>                             | <b>206</b> | <b>109</b> | <b>97</b> |
| Investments in freehold property                  | (26)       | (12)       | (14)      |
| Disposal proceeds from freehold transactions      | 52         | 63         | (11)      |
| Dividends paid                                    | (28)       | (24)       | (4)       |
| Sale of Staircraft                                | 21         | -          | 21        |
| Drawdown of borrowings                            | 250        | -          | 250       |
| Repayment of bonds                                | (249)      | -          | (249)     |
| Cash payments on adjusting and discontinued items | (30)       | (36)       | 6         |
| <b>Change in cash and cash equivalents</b>        | <b>196</b> | <b>100</b> |           |

Cash and cash equivalents increased by £196m driven by strong free cash flow, a planned reduction in freehold property investment and adherence to the Group's policy on dividend distribution.

The £250m 2026 bond was repaid and replaced with £250m of investment-grade US private placement notes.

## FINANCIAL REVIEW CONTINUED

## Net debt and funding

|                                            | 31 Dec<br>2025 | 31 Dec<br>2024 | Change      | Covenant |
|--------------------------------------------|----------------|----------------|-------------|----------|
| Net debt                                   | <b>£621m</b>   | £845m          | £224m       |          |
| Net debt/adjusted EBITDA                   | <b>2.1x</b>    | 2.5x           | 0.4x        | <4.0x    |
| Net debt before leases                     | <b>£(1)m</b>   | £191m          | £192m       |          |
| Net debt before leases/<br>adjusted EBITDA | <b>0.0x</b>    | <b>0.6x</b>    | <b>0.6x</b> |          |

Note: All covenant metrics measured post IFRS16.

Net debt before leases reduced by £192m driven by improvements in working capital, a disciplined approach to capital expenditure and the cumulative effect of the lower cash dividend.

Overall net debt reduced by £224m as a result of the strong cash performance and the reduction in lease liabilities from the sale of Staircraft and settlement of legacy Toolstation France leases.

## Funding

As at 31 December 2025, the Group's committed funding of £800m comprised:

- £75m bilateral bank loan due August 2027
- A revolving credit facility of £375m maturing in November 2028 and November 2030
- £350m of US private placement notes, maturing between 2028 and 2037

As at 31 December 2025, the Group had undrawn committed facilities of £390m (2024: £390m) and deposited cash of £413m (2024: £200m), giving overall liquidity headroom of £803m (2024: £590m).

The £250m February 2026 sterling bond was fully refinanced during the year through two US private placement issuances. The new notes were issued at investment grade yields to seven investors with maturities between 2028 and 2035. The Group has no significant refinancing requirements until 2028 and a spread debt maturity profile, providing strategic flexibility and enabling long-term decision-making.

## Financial risk management

The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets. The Group manages the principal financial and treasury risks within a framework of policies and operating parameters reviewed and approved annually by the Board of Directors. The Group does not enter into speculative transactions.

The Group has a revolving credit facility with a syndicate of eight banks with a total value of £375m (2024: £375m). The option to extend the facility from 2028 maturity to 2030 was exercised in 2025, and is expected to be concluded in the first half of 2026.

The Group has £425m of committed funding from the issuance of loans and private placement notes. Namely, a £75m bilateral bank loan due August 2027 and £350m of US private placement notes maturing in a spread of tranches from 2028 to 2037, to manage the maturity profile of the debt.

In March 2025 the Group issued £125m of senior unsecured notes, and in November 2025 the Group issued £125m of senior unsecured notes, to a syndicate of seven investors. The proceeds of these issuances were used to refinance the Group's £250m public bond maturing in February 2026 in December 2025.

The Group's policy is to enter into derivative contracts only with members of its bank facility syndicate, provided such counterparties meet the minimum rating set out in the Board-approved derivative policy. At the year-end, the Group had £75m of interest rate swaps outstanding (2024: £75m) as well as US\$65m and €36m of currency swaps outstanding (2024: nil), and its borrowings were fixed on 100% of the Group's cleared gross debt (before cash and cash equivalents).

The Group settles its currency denominated purchases using a combination of currency purchased at spot rates and currency bought in advance on forward contracts. It purchases forward contracts for approximately 90% of its committed requirements six months forward based on the firm placement of forward stock purchases. As at 31 December 2025, the nominal value of currency forward contracts was US\$28.5m and €0.5m (2024: US\$24m).

The Group is a substantial provider of credit to a large portfolio of small and medium-sized businesses throughout the UK together with some of the country's largest construction companies. It manages its exposure to credit risk through a strong credit control function that works closely with the business and its customers to ensure the Group offers credit sufficient for the needs of those customers without exposing the Group to excessive risk. The bad debt charge in 2025 was 0.4% (2024: 0.4%) of sales.

In summary, the key aspects of the Group's financial risk management strategy are to:

- Run the business to investment-grade credit parameters
- Reduce reliance on the bank market for funding by having a diverse mix of funding sources with a spread of maturities
- Seek to maintain a strong balance sheet
- Place a high priority on effective cash and working capital management
- Maintain liquidity headroom of over £200m and build and maintain good relationships with the Group's banking syndicate
- Manage counterparty risk by raising funds from a syndicate of lenders, the members of which maintain investment grade credit ratings
- Operate banking covenants attached to the Group's revolving credit facilities and term loan within comfortable margins
- Maintain the ratio of reported net debt to adjusted EBITDA in the range of 1.5–2.0x. It was 2.1x (2024: 2.5x) at the year-end
- Have a conservative hedging policy that reduces the Group's exposure to currency fluctuations

## Tax strategy and tax risk management

The Group's objectives in managing and controlling its tax affairs and related tax risks are as follows:

- Ensuring compliance with all applicable rules, legislation and regulations under which it operates.
- Maintaining an open and cooperative relationship with the UK tax authorities and with the tax authorities that the Group's overseas businesses operate under, to reduce the Group's risk profile.
- Paying the correct amount of tax as it falls due.

Tax policies and risks are assessed as part of the formal governance process and are reviewed by the Chief Financial Officer and reported to the Audit Committee on a regular basis. Significant tax risks, implications arising from these risks and potential mitigating actions are considered by the Board when strategic decisions are taken. In particular, the tax risks of proposed transactions or new areas of business are fully considered before proceeding. The Group employs professional tax specialists in the UK to manage tax risks and takes appropriate tax advice from professional firms where it is considered to be necessary for both its UK and overseas operations. The Group's tax strategy is published on its website.

## Total tax contribution

The following table provides a reconciliation of the income taxes paid by the Group in the financial year compared to the tax charge shown in the Group's financial statements. Details of the total tax contribution made by the Group in 2025 and tax collected on behalf of tax authorities is also detailed.

### Reconciliation of tax paid to tax charge:

|                                                              | £m           |
|--------------------------------------------------------------|--------------|
| Total tax charge per accounts                                | 41.6         |
| Deferred tax credit*                                         | (20.3)       |
| True up of prior periods tax liability                       | 9.9          |
| Tax deductions in reserves                                   | –            |
| <b>Current tax payable on 2025 profits</b>                   | <b>31.2</b>  |
| Tax for 2025 to be paid in 2026                              | (3.8)        |
| Tax refunds received in 2025 relating to years prior to 2025 | (5.7)        |
| <b>Total net current taxes paid in 2025</b>                  | <b>21.7</b>  |
| Other taxes paid in 2025:                                    |              |
| Business rates                                               | 46.1         |
| National Insurance contributions                             | 53.9         |
| Other taxes and duties                                       | 16.8         |
| <b>Total tax contribution for 2025</b>                       | <b>124.9</b> |
| Tax collected in 2025:                                       |              |
| PAYE                                                         | 70.1         |
| Employee's NI                                                | 22.2         |
| VAT                                                          | 139.0        |
| <b>Total tax collected and paid for 2025</b>                 | <b>369.8</b> |

\* Certain profits and costs recognised in the financial statements do not result in a cash tax effect until a future date. When this happens an accounting entry, called deferred tax, is made to recognise the expected future tax cost or benefit.

## Viability assessment

In accordance with Provision 31 of the UK Corporate Governance Code, published by the UKCGC in 2024, the Board of Directors has undertaken an assessment of the viability of the Group.

As part of its deliberations, the Board undertook a robust review of the Emerging and Principal Risks and Uncertainties facing the Group, how they are managed and the actions that could be taken to mitigate their effect or avoid them altogether. The resulting disclosures, which include those risks that could threaten the Group's business model, performance, solvency and liquidity are shown on pages 52 to 59 of the Annual Report. The Board believes the Group is well-placed to manage those risks successfully.

The Board has decided that it is appropriate to assess the performance of the Group over a three-year period from 28 February 2026, the month-end date closest to the approval of the 2025 annual results.

Three years has been chosen because this is the period that it is reasonably possible to forecast forward with a degree of accuracy. This is because the Group is subject to the vagaries of the economic cycle and property market, which cannot reasonably be forecast with certainty further than three years forward. Whilst the Board has no reason to believe the Group will not remain viable over a longer period, the inherent uncertainty involved means three years is the appropriate period over which to give users of the Annual Report a reasonable degree of confidence.

The Corporate Plan, which is prepared annually on a rolling basis, considers the Group's future profitability, cash flows, liquidity headroom, availability of funds and covenant compliance. For the purposes of the viability review, the Board has performed a robust sensitivity analysis to stress test the downside scenario principally based upon the 2008/2009 financial crisis and the mitigating actions that would be taken to protect the Group's viability. These actions include reducing costs, capital spend, revenue investment and payments to shareholders, as well as restricting credit to customers. Given the Group's trading experience in the Covid-19 pandemic and the nature of the near-term risks to the economy, the use of the 2008/2009 financial crisis as a model for a prolonged downturn in the housing market remains appropriate.

Based upon the assessment undertaken, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

## SUSTAINABILITY REPORT

## Building for Better



**As the UK's largest distributor of building materials, Travis Perkins plc is committed to driving meaningful Environmental, Social and Governance ("ESG") change in the construction industry.**

This commitment to customers, colleagues and communities covers every aspect of the business. Besides a focus on improving the performance of its own business, the Group works proactively with suppliers and customers and recognises the important role it plays as a convener and influencer in the development of more sustainable communities.

Building on the progress made since the Group launched its first Building for Better framework and targets in 2020, this latest status report provides an update on performance in the focus areas where the Group carries the most risk or opportunity, as shown in the framework.

## ESG TOPICS

## Environmental



**Carbon/Climate Change**  
Aiming for net zero carbon to combat global warming



**Nature and Biodiversity**  
Protecting and restoring ecosystems



**Waste/Circularity**  
Minimise waste through design, reuse, and recycling



**Water**  
Reduce consumption and treat wastewater effectively

## Social



**Developing the Next Generation**  
Provide future-focused skills in a changing sector



**Colleague Voice**  
Listen to improve decision making and engagement



**Safety and wellbeing**  
Everyone returns home safe and well every day



**Diversity, Equity and Inclusion**  
Create an environment where everyone belongs



**Reward**  
Improving the financial health of colleagues



**Charity and Community**  
Support others and make positive change happen



**Human Rights**  
Eliminate modern slavery in our business and supply chains

## Governance



**Legal compliance**  
Uphold the laws that apply to our business



### 2025 performance summary

The Group has two sustainability targets relating to carbon and in-year objectives for all other focus areas. The two carbon targets are SBTi-approved as in line with a 1.5°C warming pathway (see page 40). Mandatory review of these targets will begin during 2026.

The Group made progress towards its carbon reduction targets in 2025 with specific actions set out in this sustainability report. Absolute carbon reductions are influenced in part by sales volume changes. However, the carbon per tonne of product sold measure, a

relative performance measure adopted by the Group in 2024 to better capture underlying performance, demonstrates the progress the Group has made in decarbonising relative to sales volumes. Notwithstanding this progress, the Group's absolute Scope 3 carbon performance remains subject to the impact of sales volume changes. Absolute performance from 2024 to 2025 is -4% for Scope 1 and 2 and -3% for Scope 3. Performance relative to tonnes of product sold from 2024 to 2025 is -10% for Scope 1 and 2 and -8% for Scope 3. Further carbon performance data can be seen on pages 50-51. Progress in other focus areas is set out in this report.

## SUSTAINABILITY REPORT CONTINUED

**Double materiality and stakeholder engagement**

A Double Materiality Assessment (“DMA”) was completed in 2025, three years on from the previous assessment. The approach taken was informed by the requirements of the Corporate Sustainability Reporting Directive. Although these requirements are not applicable to the Group, the approach enables readiness for the UK’s Sustainability Reporting Standards, which is expected to apply to the Group in the near future. The assessment considered both “Impact In” (risks and opportunities that financially affect the business) and “Impact Out” (the impact the business has on colleagues, society and the wider environment).

The sustainability team, supported by external experts, conducted 171 stakeholder interviews over the course of four weeks; 39% with external stakeholders (customers, suppliers and industry representatives) and 61% with internal colleagues and leaders. Interviewees were asked to assess the importance of various sustainability topics based on a score of 1 (not important) to 5 (fundamental or potentially catastrophic). These results informed a list of potential risks, opportunities and impacts, which were then formally assessed and financially quantified to determine materiality.

The DMA confirmed that the Group has fewer material focus areas than previously identified, with some focus areas now classified as key, not material, to the business. The results of the DMA are set out in the materiality map shown. The Group has taken the decision to retain key focus areas in the framework as they are interconnected with material focus areas or are important to the colleague value proposition. However, reporting for key focus areas (apart from mandatory disclosures) is now available on the website only. Further information on **stakeholder engagement** is set out in Section 172 statement on pages 68-70.



Note: The position of the topic within each quadrant does not hold any meaning.

| Material topic                                                                                                                                         | Impact in                                                                                  |                                                                              | Impact out                                                                              |                                                                             | How this topic links to the Building for Better framework |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------|
|                                                                                                                                                        | Risk                                                                                       | Opportunity                                                                  | Negative impact                                                                         | Positive impact                                                             |                                                           |
| <b>E1</b> Climate change mitigation through transition to lower emission technologies and solutions to address greenhouse gas ("GHG") carbon emissions | Material due to size of vehicle fleet and estate, and the costs to reduce carbon emissions |                                                                              | Material due to the carbon impact of the fleet and estate on the environment            |                                                                             | Sustainable operations                                    |
| <b>E2</b> Climate change adaptation to meet market demand for new technologies and products or services                                                |                                                                                            | Material due to the opportunity to access and increase market share          |                                                                                         |                                                                             | Sustainable solutions                                     |
| <b>S1</b> Health, safety and wellbeing of colleagues                                                                                                   | Material due to financial and reputational risk caused by safety incidents                 |                                                                              | Material due to the negative impact of safety incidents and physical harm to colleagues |                                                                             | Safety and wellbeing                                      |
| <b>S2</b> Safeguarding the rights of workers in the value chain                                                                                        | Material primarily due to financial risk associated with enabling unethical practices      |                                                                              |                                                                                         | Material due to effective due diligence protecting worker safety and rights | Sustainable sourcing                                      |
| <b>S3</b> Equitable pay and reward structures for colleagues                                                                                           | Material risk if the business does not remunerate employees adequately                     |                                                                              |                                                                                         |                                                                             | People and culture: Reward                                |
| <b>S4</b> Educating and upskilling colleagues in a changing industry                                                                                   | Material due to financial risk if colleagues are not adequately upskilled to adapt and win | Material due to importance of colleague skills to win in a changing industry |                                                                                         | Material due to positive impact on colleagues from training and development | People and culture: Developing the next generation        |
| <b>S5</b> Protecting customers and colleagues through compliance with product safety and quality                                                       | Material due to costs of non-compliance with regulations and standards                     |                                                                              | Material due to negative impact of selling unsafe products to customers                 |                                                                             | Sustainable sourcing                                      |
| <b>G1</b> Business conduct through regulatory compliance                                                                                               | Material due to risk of non-compliance with key relevant regulations                       |                                                                              | Material due to negative societal impact of unethical practices and non-compliance      |                                                                             | People and culture: Legal compliance                      |
| <b>G2</b> Business conduct through not dealing effectively with non-compliance                                                                         | Material due to risks of weak governance around regulatory compliance                      |                                                                              |                                                                                         |                                                                             | People and culture: Legal compliance                      |

Other topics assessed as being either key (dark grey) or immaterial (light grey) at this stage (these are managed in a proportionate way by the business):

| Topic                                                                                                                      | How this topic links to the Building for Better framework |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <b>E3</b> Adapting to physical demands brought about by climate change                                                     | Sustainable operations                                    |
| <b>E4</b> Addressing the impact of products on nature, biodiversity and other resources                                    | Sustainable solutions                                     |
| <b>E5</b> Risks associated with rolling back on climate-related commitments or not meeting market demands                  | Sustainable operations<br>Sustainable solutions           |
| <b>E6</b> Adapting to other transitional demands brought by climate change                                                 | Sustainable operations<br>Sustainable solutions           |
| <b>E7</b> Addressing the impact of operations on nature, biodiversity and other resources                                  | Sustainable operations                                    |
| <b>E8</b> Positive impact of sustainable waste management and recycling practices on the environment and wider communities | Sustainable operations                                    |
| <b>S6</b> Ensuring fair and ethical work practices for all colleagues                                                      | People and culture: Diversity, equity and inclusion       |
| <b>S7</b> Equal treatment of employees                                                                                     | People and culture: Diversity, equity and inclusion       |
| <b>S8</b> Open and meaningful engagement with colleagues                                                                   | People and culture: Colleague voice                       |
| <b>S9</b> Data protection and cybersecurity risks and the associated costs                                                 | People and culture: Legal compliance                      |
| <b>S10</b> Impact of our investment in Social Value                                                                        | People and culture: Charity and community                 |
| <b>S11</b> Effectively tracking and managing customer satisfaction                                                         | Managed outside of Building for Better framework          |
| <b>S12</b> Educating and upskilling the wider industry                                                                     | People and culture: Developing the next generation        |
| <b>G3</b> Business conduct through effectively adapting to, and managing, organisational changes                           | Managed outside of Building for Better framework          |
| <b>G4</b> Business conduct through responsible management of suppliers and payment practices                               | Managed outside of Building for Better framework          |
| <b>G5</b> Business conduct through ensuring reporting transparency                                                         | Managed outside of Building for Better framework          |
| <b>G6</b> Sustainable growth in an uncertain economic environment                                                          | Managed outside of Building for Better framework          |
| <b>G7</b> Protection of whistleblowers in the organisation                                                                 | People and culture: Legal compliance                      |

# Delivering social value

The Group delivers value to its communities in many ways. Below are some of the highlights from 2025.

## SKILLS DEVELOPMENT

### Graduated apprentices

480

367 for Group colleagues, 113 for the industry

### Enrolled apprentices

934

795 for Group colleagues,  
139 for the industry

### Female apprentices

32%

### Apprentices under 25 years old

36%

### Hours of ESG training completed in-house or through the Supply Chain Sustainability School

45,851

## OPERATIONAL IMPACT

### Transport carbon reduction

-2.7%

### Revenue from products with Environmental Product Declarations or Life Cycle Analyses

18%

### Spend on goods-for-resale with SMEs

6%

### Employed colleagues

c.17,300

### Number of social value projects supported

363

### Total social value project value

£2.2m

### Investment in colleague total reward packages

£604m

### Total tax contribution

£370m

£139m taxes borne,  
£231m taxes collected

## SUSTAINABILITY REPORT CONTINUED

### Governance of sustainability

The Board is accountable, and has overall responsibility, for sustainability. The Group's strategy, framework and regulatory compliance are supported by a dedicated specialist team, operating within a matrix structure that works together with the Group Head of Responsible Sourcing and the Toolstation Senior ESG Lead, and reports to the Company Secretary and the Group Head of External Reporting. This structure ensures robust oversight of all regulatory obligations, data integrity, and environmental management systems. While overall accountability for sustainability sits with the Board, accountability at an operational level resides with the Group Leadership Team ("GLT") in relation to their business units and functions. Specific responsibilities are delegated by the GLT to nominated leads and leadership sponsors in each business unit. Progress is reported to the GLT and the Board to monitor and improve performance. The Board also conducts specific oversight of performance in health and safety. Group ESG policies can be found on the Group's website.

### Climate-related financial risks and opportunities

Since 2010, the Group has submitted an annual climate disclosure to the Carbon Disclosure Project. This includes a financial assessment of climate-related risks and opportunities. The Group has prepared its fifth full disclosure against the Task Force for Climate-related Financial Disclosure recommendations on pages 39-51. During 2025, the Group further enhanced its climate risk and opportunity assessment through climate adaptation surveys and the development of a climate adaptation playbook for the Group's estate.

### Alignment to UN Sustainable Development Goals

Through the Building for Better ESG agenda, the Group directly supports delivery of a number of the 17 UN Sustainable Development Goals. The most relevant goals are detailed in the table on page 31.

## Sustainability priority: Decarbonising the industry

| Focus areas                                                                                                                                                                                                               | Commitment                                    | Material or Key                        | 2025 planned actions                                                                                                                                                                                                                          | Progress | 2026 planned actions                                                                                                                                                                                                                         | Supporting the Group's strategy                                                                                                              | SDGs                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sustainable solutions</b><br>Supporting customers with the sustainable products, data and services that they need to decarbonise, improve climate resilience and reduce biodiversity, nature, water and waste impacts. | 63% reduction in Scope 3 carbon by 2035       | Material                               | Launch data set to help customers to identify products with sustainable attributes. Continue to increase the coverage and quality of product-level carbon data across the Group and support customers with carbon-reporting tools.            | Good     | Continue to increase the coverage and quality of product-level carbon data across the Group and support customers with carbon-reporting tools.                                                                                               | By providing sustainable products and value-add services to customers, the Group can earn a greater share of spend and become a key partner. |    |
| <b>Sustainable sourcing</b><br>Sourcing safe, quality and compliant products from ethical, transparent, resilient and sustainable supply chains. Includes Modern Slavery due diligence with suppliers.                    |                                               | Material                               | Expand the share of Group spend which is covered by supplier assessments across suppliers of both goods for resale and goods/services purchased for Group use.                                                                                | Good     | Continue to engage with regulatory consultations to support the development of effective and workable industry standards.                                                                                                                    | Customer relationships are underpinned by trust in the Group to source responsibly and meet changing data transparency requirements.         |                                                                                       |
| <b>Sustainable operations</b><br>Taking action to decarbonise the Group's own estate and fleet, and support circularity to reduce operational waste.                                                                      | 80% reduction in Scope 1 and 2 carbon by 2035 | Material                               | Take stock of the Group's estate and assets, considering the availability of current and emerging low-carbon technologies, to inform the continued development of the Group's Fleet and Estate decarbonisation roadmaps for the years ahead.  | Some     | Take stock of the Group's estate and assets, considering the availability of current and emerging low-carbon technologies, to inform the continued development of the Group's Fleet and Estate decarbonisation roadmaps for the years ahead. | The Group's stakeholders expect credible action on operational carbon and waste. Performance can influence the outcome of customer tenders.  |                                                                                       |
| <b>People and Culture</b>                                                                                                                                                                                                 |                                               |                                        |                                                                                                                                                                                                                                               |          |                                                                                                                                                                                                                                              |                                                                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Developing the next generation</b><br>Upskilling colleagues in green and future skills to adapt to a changing sector.                                                                                                  |                                               | Material                               | Develop the Group's Learning and Development ("L&D") offering in line with the new Government's "Growth and Skills" levy funds to support a wider range of training and development programmes, extending beyond traditional apprenticeships. | Good     | Continue to develop the Group's L&D offering in-line with organisational needs, adopting the promised flexibilities of the Government's "Growth and Skills" levy.                                                                            | To best support customers in a changing market, green and future skills are critical. Customers value the Group's expertise and advice.      |                                                                                       |
| <b>Safety and wellbeing</b><br>Getting everyone home safe and well, every single day.                                                                                                                                     |                                               | Material                               | Introduce a new second line of defence safety assurance programme, and continue focus on out-of-branch safety, including safe deliveries.                                                                                                     | Some     | Introduce a new second line of defence safety assurance programme for Distribution Centres that assesses achievement of minimum standards, cultural position and best practice.                                                              | By supporting colleagues to be safe and to be the best for themselves and others, the Group can be an employer of choice.                    |                                                                                                                                                                                                                                                             |
| <b>Diversity, equity and inclusion</b><br>Creating an environment where everybody can be themselves.                                                                                                                      |                                               | Key                                    | The Group is targeting an engagement survey score for the statement "I feel a sense of belonging at this company" in excess of the provider's global average by the end of 2025.                                                              | Some     | For further information on this key issue, see the corporate website.                                                                                                                                                                        |                                                                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Colleague voice</b><br>Listening to colleagues to make better decisions and increase engagement.                                                                                                                       |                                               | Key                                    | Conduct analysis of the engagement survey, ensuring clear actions are identified, set and taken at a Group, Business and local level; leveraging engagement as a performance lever.                                                           | Some     | For further information on this key issue, see the corporate website.                                                                                                                                                                        |                                                                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Reward</b><br>Improving the financial health of colleagues.                                                                                                                                                            |                                               | Material                               | Focus on incentive structures to drive engagement and performance. Provide further support to those approaching retirement to reflect the challenges of an ageing population.                                                                 | Some     | Continued review of benefits coverage and reward competitiveness to ensure the colleague offer remains balanced, fair and supportive for all.                                                                                                |                                                                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Charity and community</b><br>Taking pride in helping others and making positive change happen.                                                                                                                         |                                               | Key                                    | Continue to use charity and community partnership and activity to create meaningful social change both nationally and locally; working with established and new partners.                                                                     | Some     | For further information on this key issue, see the corporate website.                                                                                                                                                                        |                                                                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Modern slavery and human rights</b><br>Eliminating modern slavery from the Group and its supply chains.                                                                                                                |                                               | Material (upstream)*<br>Key (in-house) | Development and delivery of additional controls for labour agency workers employed at Group sites, including controls to address the risk of modern slavery.                                                                                  | Some     | For further information on this key issue*, see the corporate website.                                                                                                                                                                       | Good governance builds trust with stakeholders.                                                                                              |                                                                                                                                                                                                                                                             |
| <b>Legal compliance</b><br>Complying with all relevant laws.                                                                                                                                                              |                                               | Material                               | Development and delivery of further bespoke training to cover a number of key compliance areas, to complement existing training modules.                                                                                                      | Some     | Further review of legal compliance training and guidance in line with organisational needs.                                                                                                                                                  |                                                                                                                                              |                                                                                                                                                                                                                                                             |

\* The material element of Modern Slavery and Human Rights is captured as part of the Sustainable Sourcing programme of work.

## SUSTAINABILITY REPORT CONTINUED

# Sustainable solutions

Providing products, data and services to customers to support their sustainability requirements including energy and water efficiency, decarbonisation, climate resilience, biodiversity and circularity.

## Why it is important

The built environment accounts for 25% of UK emissions and faces many sustainability challenges. Customer needs are changing, requiring the Group to adapt and provide new products, data, and services. With 99% of the Group's carbon footprint in the supply chain, due to product manufacturing and in-use emissions, innovation is essential to enable customer needs regarding sustainable construction, renovation, retrofit and DIY.

## Progress in 2025

Customer segments across the Group have changing needs:

- **Social housing landlords** need products for estate retrofit and to tackle carbon, damp, mould, and flood risk. They need sustainability data for mandatory reporting. They also seek services like van stock replenishment to reduce operational carbon.
- **Major house builders and tier one contractors** require products with sustainable certification, carbon reporting, and evidence of ethical sourcing. Infrastructure contractors specifically require PAS 2080 certification. Sub-contractors turn to the Group for help meeting sustainability standards of tier one contractors.
- **Regional house builders** seek sustainable products to differentiate their builds.
- **DIY customers** with benefits like lower energy or higher durability.
- **General builders** value guidance to adapt to new building regulations.

The Group is strategically positioned to meet these evolving expectations and secure work.

## Enhancing carbon data to secure customer contracts

The Group enhanced its carbon data product for customer use by collecting more Environmental Product Declarations ("EPDs") from suppliers, converting them to carbon-per-kg-of-product, and improving data usability in the reporting tool. Construction Carbon, a third party, verified the data and the "Connect" reporting tool, including the WholeHouse™ carbon calculator, ensuring customer confidence. Another third party, Circular Ecology, worked with the Group in developing improved estimated carbon factors for mechanical, electrical and plumbing products, an area with low EPD availability. This enhanced data is already supporting the Group's businesses to win contracts. Regional house builders can make use of the WholeHouse design solution to help them meet their needs.

## PAS 2080 certification

Keyline is the first UK civils merchant to achieve the PAS 2080:2023 certification (Carbon Management in Infrastructure and Built Environment) from the British Standards Institution. This global standard applies to all new infrastructure and retrofit projects, demonstrating the Group's robust approach to carbon management. Keyline's initiatives include supporting customers to value-engineer their designs for more sustainable options. As this is an increasing requirement for contractors, this achievement will secure future business.

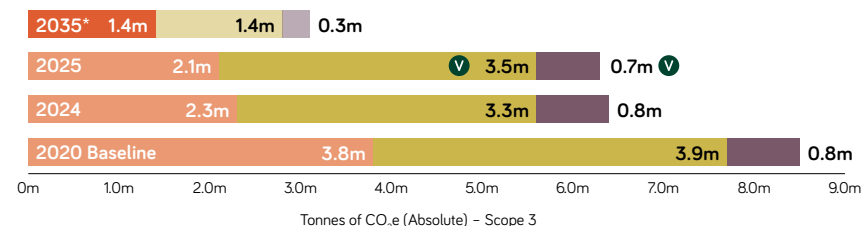


## What's next

Continue to increase the coverage and quality of product-level carbon data across the Group and support customers with carbon-reporting tools.



## Tonnes of CO<sub>2</sub>e (Absolute) – Scope 3



\* Target year.

Category 1

Category 11

All other categories

Indicates that the data point has been assured. Please see page 34 for more information.

Carbon reduction  
(Absolute Scope 3, 2020 to 2025)

26%

Carbon reduction  
(Absolute Scope 3, 2024 to 2025)

3%

# Sustainable sourcing

Ensuring safe and quality products from ethical, traceable and sustainable supply chains.

## Why it is important

The Group sources hundreds of thousands of product lines from thousands of suppliers and must manage these supply chains effectively. Sourcing has a material impact on environmental and social sustainability. Requiring and supporting suppliers to improve and report on product quality, data, and operations protects the Group and its customers, who increasingly request evidence of sustainability. Improved data and traceability drive accountability and effective decision-making across the construction sector.

## Progress in 2025

In 2025, the Group expanded the coverage of its supplier assessment programme, including a proportionate assessment for local and regional suppliers at onboarding. This increased the proportion of Group spend on goods-for-resale covered by the programme to 92% at the end of 2025, building on the 90% achieved in 2024.

## Strengthening supply chain governance and transparency

Governance of products and supply chains was improved in 2025 through:

- Review, update and relaunch of the Group's Supplier Manual and Supplier Commitments, providing simpler and enhanced guidance on health and safety and product quality.
- Completion of a supply chain mapping pilot with a third-party, exploring opportunities for improved visibility and transparency.
- A quality audit of the Group's sourcing office to assure internal compliance and maintain high governance standards.

The Group also engaged with the government's Green Paper consultation on Construction Product Reform, recognising the potential significant impact of this new regulation on the business and wider industry.

## Due diligence on product suppliers

A risk-based approach to implementation of the Group's Online Risk Assessment ("ORA") programme continues. In 2025, ORAs were submitted by 337 suppliers of goods-for-resale, with 1,259 suppliers now engaged in the ORA programme. A further 297 local suppliers were assessed. Own-brand manufacturing sites are subject to in-person ethical and technical audits by third-party auditors, with 228 gradings completed in 2025. Collaborative engagement on time-bound corrective action plans resolved 4,282 non-conformances, mitigating supply chain risks.

## Certified timber purchased in 2025

96.5%



## CASE STUDY

### Partnering for a sustainable timber supply chain

96.5% of timber purchased in 2025 was certified. In 2025, Travis Perkins General Merchant became an audited and approved member of TDUK, the UK's leading timber trade organisation. This membership reinforces the Group's long-standing commitment to sourcing timber responsibly and maintaining a transparent supply chain. By adhering to TDUK's Responsible Purchasing Policy, the Group strengthens its due diligence processes, ensuring that it provides customers with certified, safe and sustainable timber products.



## What's next

*Continue to engage with regulatory consultations to support the development of effective and workable industry standards.*

## SUSTAINABILITY REPORT CONTINUED

# Sustainable operations

Securing long-term success and efficiencies for the business by adapting operations to deliver net zero<sup>1</sup> carbon, reduce operational waste and prevent pollution.

## Why it is important

The Group is responsible for direct environmental impacts from its estate and fleet. It has committed to an 80% reduction in Scope 1 and 2 carbon relating to its fleet and estate by 2035, with remaining emissions offset. Addressing direct emissions shows integrity when asking suppliers and customers to decarbonise, especially since 99% of the footprint is in the supply chain. The Group also manages operational waste (primarily packaging and obsolete products) to minimise environmental impacts.

## Progress in 2025

In 2025, the Group committed to revisiting its decarbonisation roadmaps for estate and assets, due to government policy delays and lack of affordable low-carbon fleet options. Initial findings, showing delays and risks, were presented to leaders responsible for spending decisions. The viability of the Group's targets will be reviewed further in 2026.

## Decarbonising the estate

The renewable energy tariff was renewed in 2025, sustaining previous carbon savings of c.10,500 tCO<sub>2</sub>e emissions per year. The LED lighting project continued, upgrading lighting in 109 locations, which lowers energy demand and costs. four new branch openings were decarbonised with air source heat pumps, solar panels and EV charging stations. A climate-adaptation survey was conducted to inform a Climate Adaptation Playbook for estate planning.

## Decarbonising the fleet

The Group continued using HVO instead of diesel in 156 HGVs, reducing carbon emissions by c.3,000 tCO<sub>2</sub>e. and 104 aged HGVs were replaced by new, higher-efficiency models. Drivers are financially incentivised to drive efficiently for reduced fuel consumption and improved safety, and 352 branches achieved Fleet Operator Recognition Scheme certification, recognising responsible fleet management.

## Environmental Management

The Group's Environmental Management System to manage environmental impacts was recertified to ISO 14001:2015 in 2025. The Group recorded 21 environmental incidents, with eight reportable by internal procedures. Most reportable incidents (five) were from third parties and involved small-scale spillages like hydraulic oils.



## What's next

**Take stock of the Group's estate and assets, considering the availability of current and emerging low-carbon technologies, to inform the continued development of the Group's Fleet and Estate decarbonisation roadmaps for the years ahead.**

Percentage of waste diverted from landfill in 2025

98.3%

### Tonnes of CO<sub>2</sub>e (Absolute) – Scope 1 and 2

#### 2035 Target

10,796 5,022

2025

38,654 5,584

2024

39,739 6,349

2020

53,981 25,111

0 20,000 40,000 60,000 80,000

Tonnes of CO<sub>2</sub>e (Absolute) – Scope 1 and 2

Transport Buildings

### Progress against carbon targets

During 2025, Scope 1 and 2 carbon reduced by -4%, taking performance from the 2020 baseline year to 2024 to -44%. Carbon performance per tonne of product sold is on page 51. See the "2025 performance summary" on page 27 for progress updates.

### Waste

2025

403 22,653

2024

508 26,259

2023

1,075 27,376

0 10,000 20,000 30,000

Tonnes of Waste

Landfilled Waste Recycled/Recovered Waste

### Reducing Operational Waste and Environmental Management

The Group pursues a circular economy model to reduce operational waste. In 2025, the reverse logistics programme backhauled timber pallets (4,386 tonnes) and plastic packaging (277 tonnes) and paper and cardboard (2,531 tonnes) for recycling. In 2025, the Group adapted its waste management to comply with the Simpler Recycling Reform, reported food waste for the first time and worked to meet Extended Producer Responsibility requirements.

### Assurance

Specific data points in the Sustainability section, marked with the logo , have been assured by LRQA based on ISAE 3000 and ISAE 3410. The assurance statement is available on the corporate website.

<sup>1</sup> The Group's net zero target follows the UK Government's definition of total Scope 1 and 2 carbon emissions that are equal to, or less than, the emissions the Group removes from the environment.

# Developing the next generation

Upskilling colleagues and the wider industry in green and future skills to help facilitate sector improvements.

## Why it is important

The sector is changing with new products and construction methods, increased digitalisation and new sustainability requirements. It needs to attract more people to be successful. The Group is committed to the development and deployment of talent and the next generation workforce.

## Progress in 2025

During 2025, focus remained on the development of the next generation workforce, driving apprenticeships to attract new and diverse talent and upskilling existing colleagues. The Group enrolled 801 colleagues onto a wide range of apprenticeship programmes. These range from new colleagues joining the sector and completing business-specific Level 2 programmes to business experts and leaders completing specialist programmes that go all the way to Level 7. The apprenticeship offering is continually reviewed to ensure that it meets business needs. For example, in 2025 a new Urban Driver programme launched to train new class 2 HGV drivers and 91 colleagues have already enrolled. The Group was ranked 32nd in the Apprenticeships Top 100 Employers 2025.

## Attracting new talent into the sector

The Group and its apprenticeship team work closely with the Builders Merchants Federation delivering Learn and Earn Apprenticeship Programmes ("LEAP") apprenticeships specialising in the construction supply sector to its members. LEAP now partners with 42 member organisations who have enrolled 139 apprentices.

## Diversity, equity and inclusion

The Group continues to create an environment where everyone can be themselves. As a key focus area for the Group, further information can be found on the corporate website. For further diversity statistics please see page 167: ESG/SASB table at the back of the report.

## Diversity statistics

| Gender diversity 2025 – by role type | Female       | %          | Male          | %          | Total         |
|--------------------------------------|--------------|------------|---------------|------------|---------------|
| Director                             | 2            | 29%        | 5             | 71%        | 7             |
| Senior Manager                       | 60           | 28%        | 156           | 72%        | 216           |
| Colleague                            | 4,254        | 25%        | 12,825        | 75%        | 17,079        |
| <b>Total</b>                         | <b>4,316</b> | <b>25%</b> | <b>12,986</b> | <b>75%</b> | <b>17,302</b> |

| Gender diversity 2025 – by business segment | Female       | %          | Male          | %          | Total         |
|---------------------------------------------|--------------|------------|---------------|------------|---------------|
| Group and shared service                    | 478          | 54%        | 413           | 46%        | 891           |
| Toolstation                                 | 2,166        | 36%        | 3,907         | 64%        | 6,073         |
| Merchanting                                 | 1,672        | 16%        | 8,666         | 84%        | 10,338        |
| <b>Total</b>                                | <b>4,316</b> | <b>25%</b> | <b>12,986</b> | <b>75%</b> | <b>17,302</b> |

The Group ranking in the Apprenticeships Top 100 Employers 2025

32



## What's next

Continue to develop the Group's Learning and Development offering in-line with organisational needs, adopting the promised flexibilities of the Government's "Growth and Skills" levy.



## CASE STUDY

### LEAP spotlight stories

When I first joined Travis Perkins Totnes back in 2015, I was a fresh-faced apprentice who didn't know a 4x2 from an 8x2. One of the very first jobs I completed was clearing behind the timber racks alongside my manager – a small task that stuck with me.

Fast forward ten years, and I've completed my Level 3 Apprenticeship, worked my way up to Tool Hire Manager, then Assistant Manager in Torquay, and now I'm proud to be the Branch Manager here in Totnes. Along the way, I also completed a Level 5 in Business Management with distinction.

Today, I found myself once again clearing behind those same timber racks I started with all those years ago. Except now, I'm leading the team, setting the standard, and showing that no job is too small – no matter your title.

I'm proud of the journey so far, and excited for what's still to come.

**James Wilson**  
Branch Manager

## SUSTAINABILITY REPORT CONTINUED

# Safety and wellbeing

Getting everyone home safe and well, every single day.

## Why it is important

Keeping people safe and well is the Group's top priority.

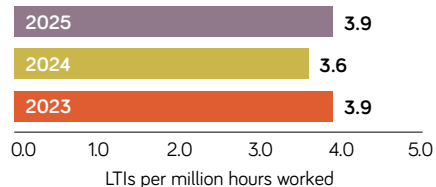
## Progress in 2025

The Group's key objective for 2025 was to continue to create a culture of Calling it Out, taking time to "Stop, Step Back, Think. Then Act" by ensuring daily team briefings take place at all locations. This has been embedded into the Group's assurance review allowing progress to be measured.

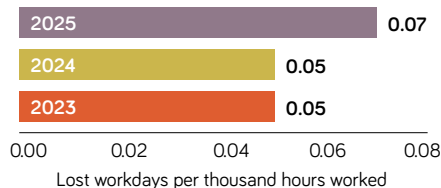
## Supporting the business to operate safely through business change

The Group's organisational structure changed in a number of ways during the year, which required sharpened focus, new ways of working and increased communication and activity to keep up safety standards. The Group's Lost Time Incident ("LTI") Frequency Rate and Severity Rate have increased. This trend reflects seven additional LTIs and the impact of the Staircraft disposal, which reduced the total hours in our calculation. We have launched targeted Improvement Programmes and Driver Safety Working Groups specifically designed to reduce MHE-pedestrian interactions and improve product handling safety.

### Lost time incident frequency rate



### Severity rate



Note: The figures reported do not include Toolstation Europe and agency colleagues.

## Enhanced site reviews to drive safety culture

The site review programme was revised in 2025 to better articulate the Group's safety expectations, implement key safety culture change programmes and identify best practice. The revised programme makes it easier for teams to see where improvement opportunities lie and to provide more robust assurance.

## A Group-wide charity partner to support wellbeing

Wellbeing support for colleagues continues to strengthen across the Group. There are 94 Mental Health First Aiders across the businesses providing peer support to any colleagues who need it. Through the Group's Lighthouse Charity partnership, launched in October 2024, around 400 managers have been upskilled in mental health awareness. Further information on charity and community work can be found on the corporate website.

## Colleague Voice

The Group's annual engagement survey was conducted in Q3 2025, achieving an 83% participation rate, a 3% increase on the previous year. Overall engagement rose by four points, from 69% to 73%. The two core engagement measures also improved: "I am proud to work for Travis Perkins" increased by 5% to 75% and "I would recommend Travis Perkins as a great place to work" rose by 3% to 71%. The results of the engagement survey have been reviewed and the results have informed a plan to ensure accountability, transparency, and continued momentum in improving colleague engagement across the Group. Further information on Colleague Voice can be found on the corporate website.



## What's next

**Introduce a new second line of defence safety assurance programme for distribution centres that assesses achievement of minimum standards, cultural position and best practice.**

# Legal compliance

Maintaining ethical standards and complying with all relevant laws.



## Why it is important

Maintaining the Group's Code of Conduct and legal compliance framework helps to ensure stakeholders can rely on the Group to continue to "Do the Right Thing" and protects the Group from fines and business interruption. The Group takes a responsible approach to business, managing key compliance areas including anti-bribery and corruption, anti-money laundering, data protection and competition law.

## Progress in 2025

The Group prioritised development of the Gifts and Hospitality System, used by all colleagues to log gifts and hospitality offered to them, or by them, in accordance with the Group's legal compliance policies, to ensure that any such activities are carried out with a high level of transparency. The developments included improved data integrity, administrative efficiency and a simplified user experience.

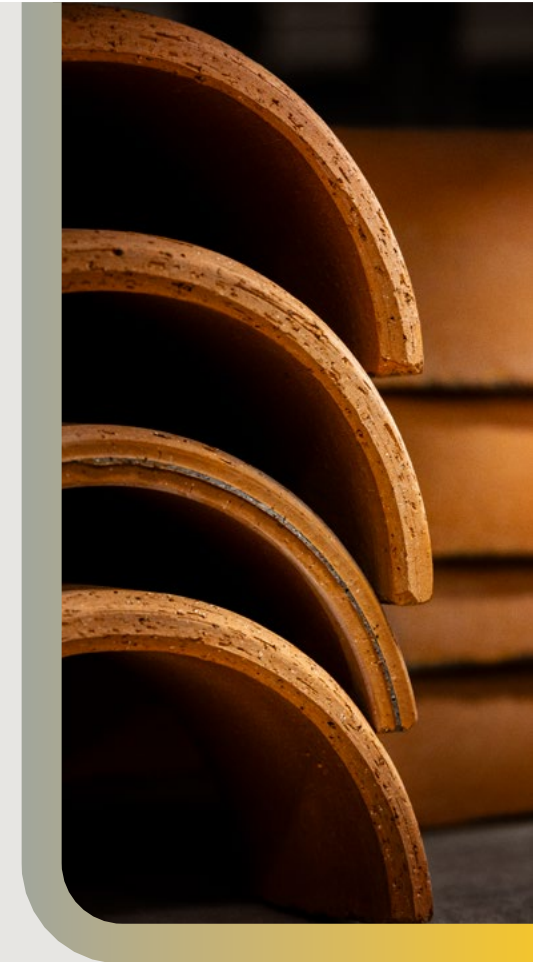
The Group continued to review and refine existing training in legal compliance areas, to ensure that the appropriate audiences are allocated the required learning modules. For example, Competition Law policy and accompanying guidance was updated to better align to business operations, colleagues and the industry, with practical guidance for specific roles.

**Human rights and modern slavery** controls are also in place and more information is available on these key topics on the corporate website.



## What's next

**Further review of legal compliance training and guidance in line with organisational needs.**



## SUSTAINABILITY REPORT CONTINUED

# Reward

Improving the financial health of colleagues.

## Why it is important

Improving the financial, physical and emotional health and wellbeing of colleagues contributes towards stable communities and enriches the lives of colleagues and those around them.

## Progress in 2025

The objective for 2025 was to focus on incentive structures to drive engagement and performance. The Group also committed to provide further support to those approaching retirement to reflect the challenges of an ageing population.

## Incentive structures to drive engagement and performance

The Group redesigned many of its annual incentive plans to increase focus on local delivery and improve the “line of sight” between performance and reward outcomes for many operational colleagues. Incentive plans in 2025 incorporated a wider performance range and removed conditional metrics to help drive continued engagement and the ability to share in success when performance targets are met.

## Improving financial resilience

The Group enabled access to financial planning webinars via its pension provider, Scottish Widows, to help support and better prepare colleagues aged 50 and above. 2025 also saw the launch of a new platform to host the Group's portfolio of benefits. This has helped to streamline the offer to colleagues and reinforce the value of their total reward packages.

Feedback received has been positive and this is evidenced by continued growth in engagement across the whole benefits and wellbeing range. The Group's financial wellbeing partners, Stream and Commsave, now have in excess of 3,000 Group colleagues actively saving through payroll and using their guidance and support tools to build financial resilience.



## What's next

*Continued review of benefits coverage and reward competitiveness to ensure the colleague offer remains balanced, fair and supportive for all.*



Incentive structures to drive performance



# TCFD Disclosure

## Compliance statement

The following disclosure is fully compliant with the recommendations of the Task Force for Climate-related Financial Disclosures ("TCFD") as stated in the listing rules 6.6.6R(8) and 6.6.17R. Similar content can be found in the Travis Perkins Group Carbon Disclosure Project ("CDP") climate disclosure, which is available for public review. The disclosure covers the whole business and its supply chain and all climate-related risk and opportunity types, over three time periods, all of which is detailed in the pages that follow. This is the fifth year of disclosure under TCFD for the Group.

| TCFD disclosure requirement                                                                                                                                                                |                                                                                                                                                         | Location in Annual Report                                    | Page(s) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------|
| <b>Governance</b>                                                                                                                                                                          |                                                                                                                                                         |                                                              |         |
| Disclose the organisation's governance around climate risks and opportunities                                                                                                              | Describe the Board's oversight of climate-related risks and opportunities                                                                               | TCFD report – Board oversight and engagement                 | 40      |
|                                                                                                                                                                                            |                                                                                                                                                         | Principal risks report – Climate change and carbon reduction | 57      |
|                                                                                                                                                                                            | Describe management's role in assessing and managing climate-related risks and opportunities                                                            | TCFD report – Board oversight and engagement                 | 40      |
| <b>Strategy</b>                                                                                                                                                                            |                                                                                                                                                         |                                                              |         |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material | Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term                               | TCFD report – Principal risks and opportunities              | 41      |
|                                                                                                                                                                                            |                                                                                                                                                         | Principal risks report – Climate change and carbon reduction | 57      |
|                                                                                                                                                                                            | Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning                        | TCFD report – Principal risks and opportunities              | 41      |
|                                                                                                                                                                                            | Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario | TCFD report – Scenario results                               | 45      |
| <b>Risk management</b>                                                                                                                                                                     |                                                                                                                                                         |                                                              |         |
| Disclose how the organisation identifies, assesses and manages climate-related risks                                                                                                       | Describe the organisation's processes for identifying and assessing climate-related risks                                                               | TCFD report – Risk and opportunity management                | 43-49   |
|                                                                                                                                                                                            | Describe the organisation's processes for managing climate-related risks                                                                                | TCFD report – Risk and opportunity management                | 43-49   |
|                                                                                                                                                                                            | Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management     | TCFD report – Risk and opportunity management                | 43-49   |
|                                                                                                                                                                                            |                                                                                                                                                         | Principal risks report – Climate change and carbon reduction | 57      |
| <b>Metrics and targets</b>                                                                                                                                                                 |                                                                                                                                                         |                                                              |         |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material                                             | Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process   | TCFD report – Metrics and targets                            | 50-51   |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable operations               | 34      |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable solutions                | 32      |
|                                                                                                                                                                                            |                                                                                                                                                         | Remuneration report                                          | 78-98   |
|                                                                                                                                                                                            | Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks                                          | TCFD report – Metrics and targets                            | 50-51   |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable operations               | 34      |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable solutions                | 32      |
|                                                                                                                                                                                            |                                                                                                                                                         |                                                              |         |
|                                                                                                                                                                                            | Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets                        | TCFD report – Metrics and targets                            | 50-51   |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable operations               | 34      |
|                                                                                                                                                                                            |                                                                                                                                                         | Sustainability report – Sustainable solutions                | 32      |
|                                                                                                                                                                                            |                                                                                                                                                         |                                                              |         |

## SUSTAINABILITY REPORT CONTINUED

# Governance

## Accountabilities

Climate change is a Board-level issue with the Group Leadership Team (“GLT”) serving as the principal executive management body responsible for setting the agenda. Carbon strategy for the Group’s operations (Scope 1 and 2) and supply chain (Scope 3) is sponsored by the CFO. Operational delivery and risk assessment are steered by a cross-functional management group, including the dedicated sustainability matrix team, Fleet, Property, and Commercial leads, and nominated operational management leads across the Group’s businesses.

## Board oversight and engagement

The management reporting cycle on the Group’s climate goals and targets is at least six monthly, with three reports to the GLT or Board during 2025. The Group has developed carbon roadmaps (Scope 1 and 2: Buildings and Fleet, and Scope 3: Product Decarbonisation) against which progress is monitored by the GLT and the Board. Moreover, the GLT and Board consider the principal climate risks and opportunities identified via the Company’s risk identification activities. The Company’s risk identification activities consider risks emerging from three future scenarios and over the short, medium and long term.

The Board has recognised the strategic importance of managing climate-related risks and opportunities due to the Group’s ongoing materiality analysis. For more information on how the Board is apprised of climate-related risks and opportunities, see the climate change principal risk on page 57.

The GLT and Board consider climate-related issues when reviewing and guiding strategy, major plans of action, annual budgets and business plans as well as setting the organisation’s performance objectives, monitoring implementation and performance, and overseeing major capital expenditures. For example in 2025, the GLT approved the costs to install further LEDs across the estate and continued investment in HVO for 156 HGVs. 2025 bonus targets and the performance share plan conditions did not include carbon-related goals.

# Strategy

## Scope and sphere of influence

The Group’s addressable market for construction materials is £66bn with three-quarters coming through distribution channels. The Group has a 7% share of this addressable market, serving generalist and specialist customers that range from the smallest jobbing tradesperson to the largest national contractor or housebuilder. The Group operates over 1,400 distribution sites and has a turnover of £4.5bn and a fleet of 2,508 HGVs and LGVs.

## Committed to decarbonisation

Decarbonisation of the Group’s businesses and supply chain remains a material issue and focus area. The Group has committed to emission reductions aligned with a 1.5°C pathway. The Group targets an 80% reduction in Scope 1 and 2 greenhouse gas (“GHG”) emissions and a 63% reduction in Scope 3 emissions by 2035, in each case from a 2020 baseline. The Group’s specific transition plans for achieving these are detailed on pages 32 and 34, with progress metrics on pages 50–51. The Science Based Targets initiative (“SBTi”) has validated that if these targets are met the Group will have achieved the required level of decarbonisation to support the 1.5°C pathway.

## Collaborating to support change

The Group is engaging with the sector to support the decarbonisation agenda. Sitting in the middle of the supply chain, the Group recognises the importance of collaboration, joining together with customers and suppliers to share best practices, collaborate and co-create solutions. During 2025, the Group continued its representation on sustainability working groups at the Builders Merchant Federation and the Supply Chain Sustainability School, to ensure that the voice of the merchant is well represented and solutions are created together. For more information on stakeholder engagement see pages 68–70.

The scenario analysis conducted by the Group in the previous four years has identified that an early adoption pathway carries the lowest risk for the Group. Consequently, the Group will continue to advocate for action on climate change in line with these scenarios, but recognises that a slow pace of change to government policy and funding, and other constraints in the macro environment pose a risk to the UK remaining on an early-action pathway. A recalibration of targets is likely during 2026.

| RISKS*                                                                                                                      | Physical or transitional climate impact | Driver                                                                     | Risk or opportunity level** | Scenario in which this impacts | Time period in which this impacts | Parts of the value chain most impacted              |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------------|-----------------------------------------------------|
| Cost to decarbonise the fleet in line with policy-driven targets                                                            | Transition                              | Policy – Changes to national legislation                                   | H                           | P, R                           | Short-term                        | In-house                                            |
| Cost to decarbonise the estate in line with policy-driven targets and EPCs                                                  | Physical                                | Policy – Changes to national legislation                                   | H                           | P, R                           | Short-term                        | In-house                                            |
| Product carbon pricing (assumes a small portion of carbon-related cost price increases are not passed through)              | Transition                              | Policy – Carbon pricing mechanisms                                         | M                           | P, R                           | Short-term                        | Downstream (customers) and upstream (manufacturers) |
| Increased ethical risks in supply chains for some climate solutions                                                         | Transition                              | Reputation – Increased stakeholder concern                                 | M                           | P, R                           | Short-term                        | In-house and upstream (manufacturers)               |
| Increased product costs due to reduced availability of construction grade timber                                            | Physical                                | Chronic Physical – Temperature variability                                 | M                           | P, R, I                        | Medium-term                       | In-house and downstream (customers)                 |
| Impacts on estate from physical climate events                                                                              | Physical                                | Chronic Physical – Changing temperature and precipitation, and heat stress | L                           | R, I                           | Long-term                         | In-house                                            |
| OPPORTUNITIES*                                                                                                              |                                         |                                                                            |                             |                                |                                   |                                                     |
| Rising demand for new product mix and new technologies (to meet changing building regulations and low-emission targets)     | Transition                              | Markets – Increased demand for sustainable materials                       | H                           | P, R                           | Short-term                        | In-house and downstream (customers)                 |
| Rising demand for climate adaptation products (i.e. flood resilience and recovery, air conditioning, etc)                   | Physical                                | Product and Services – Increased sales of existing products and services   | M                           | P, R, I                        | Short-term                        | In-house                                            |
| Increased revenue opportunity (assumes large customers move business towards merchants with decarbonised transport options) | Transition                              | Markets – Increased brand value                                            | L                           | P, R                           | Short-term                        | In-house                                            |

\* Note: All medium and high-rated climate-related risks and opportunities are included in the table. One example of a low-rated risk and opportunity is included. Other low-rated risks and opportunities are tracked and monitored.

\*\* Risk ratings are in line with those in the Principal risks report.

### Principal risks and opportunities

Risks and opportunities are identified via an assessment approach, which aligns not only with the Group principal risk process and rating tables but also uses the risk drivers and types published by CDP. Internal stakeholders are invited to advise on the relevant risk and opportunity types, level of impact and speed of risk materialisation. External stakeholders have shared their insights on what is material to them through the Group's materiality assessment (last completed in 2025) and ongoing stakeholder engagement. The impacts from risks and opportunities have been considered in relation to products and services, supply chain, value chain, investment in research and development, operations (including type of operations and location of facilities) and access to capital. The risk and opportunity identification process is iterative and informed by scenario analysis. For more details on the principal risk process see pages 52-54.

Across all three assessed time periods, geographies, scenarios and risk types the Group does not consider its direct operations to be highly exposed to **physical climate impacts**. The Group is predominantly a UK-based distributor of products, with limited non-UK operations. Accordingly, the most material climate-related financial risks and opportunities instead relate to **transitional climate impacts** such as policy and market changes requiring the Group to decarbonise its fleet and estate, and evolve its product portfolio to meet the needs of a changing market. The table shown summarises the Group's principal risks and opportunities.

## SUSTAINABILITY REPORT CONTINUED

## Strategy continued

## Strategic response to risks and opportunities

The material considerations in achieving the Group's strategic commitment to the transition to a low-carbon economy include:

- Accelerated trends in product replacement and the associated changes to the Group's business model, including the move away from fossil-fuel boilers.
- The need to adapt the Group's branches and fleet to be low carbon or no carbon.
- Strong customer and supplier partnerships remain key in achieving a successful transition.

## The Group's low-carbon transition plan

The Group has shared the roadmaps to 2035 for Scopes 1, 2 and 3 on its corporate website and these include interim targets. Key activities include:

**Reducing the embodied and in-use carbon of products sold**

*Scope 3 represents 99% of the Group's footprint with Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products, e.g. gas boilers) representing 89% of this.*

- Working with the value chain to gradually phase out fossil-fuel boilers from sales. This primarily relates to commercial gas boilers sold by BSS.
- Reducing embodied carbon in the goods the Group sells. This will be achieved through influencing supplier action and supporting their uptake of new technologies such as carbon capture and storage, and introducing alternative materials or products where carbon reduction is not viable.

**Decarbonisation of the fleet and estate**

*Scope 1 and 2 represent 1% of the Group's footprint.*

- Phasing in the use of hydrotreated vegetable oil ("HVO") fuel for diesel engines as a transition fuel. In 2025, 156 HGVs used HVO instead of diesel.
- Introducing electric or alternate technology HGVs from 2027 onwards. The first electric HGV was deployed in 2021 as a pilot to inform the Group's roadmap and the Managed Services fleet now has three electric vans.
- Taking action to improve the energy efficiency of both freehold and leasehold buildings.
- 100% renewable energy tariff for all UK sites\*. This tariff was introduced in October 2021 and renewed in 2025.
- Continuing to move from gas boilers to air-source heat pumps and other low-carbon technologies to heat the Group's branches and offices.

**The Group's climate adaptation plan**

The Group has reviewed the physical impact risk across different warming scenarios for both its own estate, UK infrastructure and its supply chains. This information is used to inform:

- Commercial strategy for the medium to long term to ensure both continuity of supply and a just transition.
- Group property decisions and planning for new site locations and existing site adaptation.
- Group insurance planning to best manage future risks and business continuity. Physical climate risk impacts are rated as low to medium.
- Climate risk is now also influencing sales opportunities for the Group with opportunities to supply the climate adaptation products needed by customers.

\* Excludes sites where the landlord controls the electricity supplier.



The Government launched its "Flood Ready Action Plan" in 2025, which sets out the importance for all parties in the supply chain to ready themselves to support when it comes to flood resilience and recoverability. The Group stocks and sells many of the products required by the trades to tackle this issue and is considering its stocking and marketing approach to support uptake.

**Huw Jenkins**

Managing Director, Keyline

# Risk and opportunity management

As climate governance is integrated into business decision-making, the Group's climate-related principal risk is recorded and reported with other business risks and uncertainties on page 57. The identification of risks and opportunities around climate change uses the same complementary likelihood and impact criteria as other Group risks and the assessment covers direct and indirect physical and transitional impacts. In addition, risks and opportunities over the Group's three chosen scenarios (Proactive, Reactive and Inactive), as well as over three timelines (five years, 15 years and 30 years) are added by referencing the results of the scenario analysis. A detailed risk assessment process is conducted annually to identify any emerging risks and ensure the assessment of impact from all risks and the selection of management approach is appropriate. A risk report is presented to the Group Leadership Team and Board. The Group's principal risk list, which includes climate change risk, is also scrutinised by the Board and the Group's financial auditors.

Details of the most material climate risks and opportunities have been published annually for the last 16 years in the Carbon Disclosure Project ("CDP") climate disclosure.

Sizing and scaling of risks and opportunities is performed in conjunction with internal and external stakeholders, and uses the outputs from the Group's scenario analyses, materiality assessments and the professional judgement of the internal sustainability team together with external advisers. The results are set out on page 28. Decisions to mitigate, transfer, accept, or control the risks and opportunities are made by the risk owners (nominated Group Leadership Team members). There is increasing uncertainty around the viability of science-based targets due to the slow pace of policy and market change originally anticipated. The Group's carbon targets and roadmaps will be revisited in 2026 with associated changes to the risk and opportunity registers.

| Time horizon                                                                               | Description             | Why chosen                                                                                                   |
|--------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------|
|  Short  | 1–5 years (2022–2027)   | This time horizon was chosen to ensure impacts being felt now and their potential escalation are understood  |
|  Medium | 5–15 years (2028–2037)  | This time horizon was chosen to reflect that scenarios show limited divergence prior to this point           |
|  Long   | 15–30 years (2038–2052) | The physical impacts from climate change will magnify over a longer time period than usual business planning |



## SUSTAINABILITY REPORT CONTINUED

## Risk and opportunity management continued

## Scenarios and modelling process\*

The scenarios modelled in 2023 outline possible physical and transitional impacts out to 2050 and beyond. The transitional scenarios used are from the Network for Greening the Financial System and are the same scenarios used by the Bank of England in its Climate Biennial Exploratory Scenario publication, which explores the financial risks from climate change. The Group selected the scenarios below to illustrate the best and worst outcomes and the sensitivities involved when identifying future impacts from changes to the climate and society's response to that change. Note that no additional scenario analysis was conducted in 2024 or 2025. In 2025, the Group conducted a climate adaptation survey and developed a climate adaptation playbook for consideration in the property roadmap. All other results published in this disclosure are from the 2023 scenario analysis. Scenario analysis will be newly completed in 2026 in line with the expected three-yearly cycle.

|                                                                | Proactive                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Reactive                                                                                                                                                                                                                                                                                              | Inactive                                                                                                                                                      |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                | Early action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Late action                                                                                                                                                                                                                                                                                           | No additional action                                                                                                                                          |
| <b>Transitional</b>                                            | Action taken early and effectively. Global net zero CO <sub>2</sub> emissions are achieved by 2050. Transition risks are low.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Action is delayed until 2031 and is more sudden and disorderly. Higher transition risk and short-term macroeconomic disruption.                                                                                                                                                                       | No further action is taken on climate change and even current obligations are not met. Hence GHG emissions grow unchecked. Transition risks are low.          |
|                                                                | <2 degrees mean global warming                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Between 2–3 degrees mean global warming                                                                                                                                                                                                                                                               | >3 degrees mean global warming                                                                                                                                |
| <b>Physical</b>                                                | Using RCP 2.6.<br><br>Global CO <sub>2</sub> emissions peak by 2020 and decline to around zero by 2080. Concentrations in the atmosphere peak at around 440 ppm in mid-century and then start slowly declining.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Using RCP 4.5.<br><br>Emissions peak around mid century at around 50% higher than 2000 levels and then decline rapidly over 30 years, and then stabilise at half of 2000 levels. CO <sub>2</sub> concentration continues on trend to about 520 ppm in 2070 and continues to increase but more slowly. | Using RCP 8.5.<br><br>Concentrations of CO <sub>2</sub> in the atmosphere accelerate and reach 950 ppm by 2100 and continue increasing for another 100 years. |
| <b>Scenario assumptions which apply to all three scenarios</b> | <ul style="list-style-type: none"> <li>The retention of current market share in all categories where the Group is active</li> <li>The use of a blended construction and manufacturing GVA to project revenue. This assumes the sector moves from unsustainable manufacturing processes to new, as yet unknown, processes and materials</li> <li>A 0.5m rise in sea levels is effectively mitigated by sea defence adaptations</li> <li>Cost price inflation caused by supply chain mitigation of physical and transitional risks can be substantially passed on to customers</li> <li>The 166 UK sites, in 166 different towns and cities, assessed for physical climate risk are representative of the Group's UK sites and infrastructure and inferences about the portfolio risk can be made from the sample</li> <li>The expected number of days of business interruption from physical climate change impact are modelled with the Gumbel distribution to best represent extreme events</li> </ul> |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                               |
| <b>Scenario assumptions which apply to specific scenarios</b>  | <ul style="list-style-type: none"> <li>Full international implementation of country-level commitments on climate change action</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>Price parity for non-fossil fuel delivery will not be achieved before 2040</li> </ul>                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Current commitments by countries and businesses to GHG reductions are not met</li> </ul>                               |

\* Climate scenarios make projections on hypothetical futures and as such come with a degree of uncertainty. While some of the information obtained from existing climate models have a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis should only be used as a guide for climate-related risks and opportunities.

## Scenario risk lenses

The climate change impact under each of the three scenarios was considered across a number of risks and opportunities for the Group, including the following examples.

| Transition risks                                                                                                                                                                                                           |                                                                                                                        |                                                                                                                        |                                                                                                                                                                                                                                | Physical risks                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy and legal risks                                                                                                                                                                                                     | Market risks                                                                                                           | Reputation risks                                                                                                       | Technology                                                                                                                                                                                                                     | Physical climate risks                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>Carbon pricing</li> <li>Enhanced emissions-reporting obligations</li> <li>Mandates on, and regulation of, existing products and services</li> <li>Exposure to litigation</li> </ul> | <ul style="list-style-type: none"> <li>Increased cost of raw materials</li> <li>Changing customer behaviour</li> </ul> | <ul style="list-style-type: none"> <li>Increased cost of raw materials</li> <li>Changing customer behaviour</li> </ul> | <ul style="list-style-type: none"> <li>Costs of lower-emissions technology</li> <li>Unsuccessful investment in new technologies</li> <li>Substitution of existing products and services with lower-emission options</li> </ul> | <ul style="list-style-type: none"> <li>Rising mean temperatures</li> <li>Changing precipitation patterns</li> <li>Sea level rise</li> <li>Extreme weather</li> <li>Wildfire</li> </ul> |

Physical climate risks were taken into account for the Group's UK estate as well as UK-wide infrastructure (roads, ports, railways, utility supply, IT infrastructure), selected supply chain locations and comprehensive timber supply chain locations. Impacts on the UK workforce due to physical climate risk were also reviewed. In future reporting periods the Group will conduct deeper dive assessments on other material types in its supply chains.

## Scenario results

### Resilience over the three scenarios

| Scenario                         | Proactive                                                                                                                                                                                                                                                                                                                                                                  | Reactive                                                                                                                                                                                                                                                                                                                                  | Inactive                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>FUTURE COSTS (resilience)</b> | <b>LOWEST</b><br>The proactive scenario aligns with the Group's own SBTi approved targets and roadmaps. Transitional costs (fleet and estate) have been considered in line with this roadmap. Product-related carbon costs are assumed to be substantially passed through to the market. Costs from physical impacts of climate change are expected to be low to moderate. | <b>HIGHER</b><br>The reactive scenario introduces more risk as policy around climate change is either too late or too weak, exposing the Group to higher transitional costs and a supply chain with less mandate to change. Costs from physical impacts remain low to moderate for the UK but may be higher in the Group's supply chains. | <b>HIGHEST</b><br>The inactive scenario introduces reputational risk around target achievement as there would be no further changes from the government, leaving the Group unsupported by policy to meet its SBTi targets. The Group's UK infrastructure will be impacted by rising sea levels and flooding by 2050. There will be supply chain disruption. |

The Group's exposure to a condensed period of financial stress from physical climate change or transitional climate change impacts can be successfully mitigated by following a proactive decarbonisation strategy. Transitional impacts are expected to be far greater than physical impacts and the ability to pivot away from some construction materials and technologies and towards the supply of other materials will be key to the future success of the Group. The proactive scenario delivers a decarbonised business model in the most efficient way with the best financial outcomes. The Group's current targets and roadmaps are aligned to this early action pathway. However, the viability of the pathway will heavily depend on policy and market changes, which are increasingly delayed or uncertain.

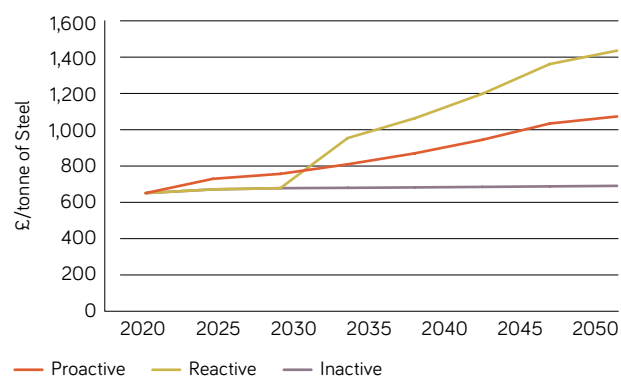
### Summary of transitional risks or opportunities

There are **three high-rated transitional risk or opportunity implications** of climate change for the Group; cost risks relating to the upgrade and decarbonisation of the Group's **fleet** and **estate**, and a revenue opportunity from selling sustainable **products and services**; the Group's businesses have the opportunity to secure new business by evolving their product mix and developing services to meet the product, data and service requirements of a low-carbon construction sector. New building regulations, the ongoing development of a National Retrofit strategy, climate adaptation activity and customer requirements in line with their own carbon targets are all influencing demand. Carbon pricing is gradually being introduced to the sector for high-emission materials such as steel and cement (see forecast trends on the following page). The EU Carbon Border Adjustment Mechanism full implementation is due in 2026, placing a cost on the embedded emissions in certain materials, and UK CBAM is forecast to launch in 2027. While the Group has a policy to pass price increases through to customers, thereby not directly taking on these costs, the market will consider alternative materials, and the Group will need to adapt to remain relevant.

## SUSTAINABILITY REPORT CONTINUED

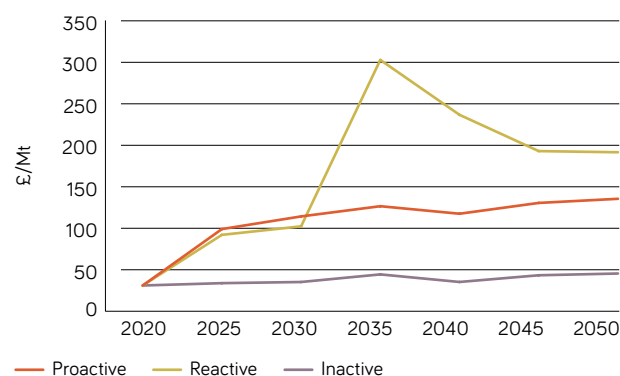
## Risk and opportunity management continued

Steel price



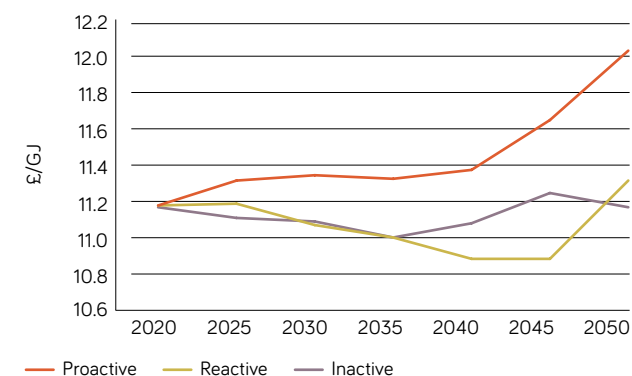
The price of steel after the introduction of a carbon border mechanism across each climate scenario and timeframe.

Cement price



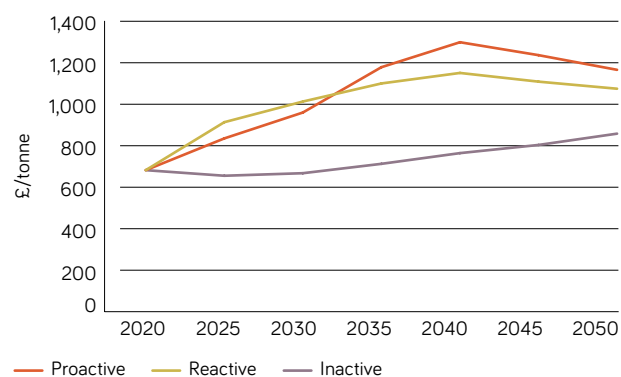
The price of cement across each scenario.

Oil price



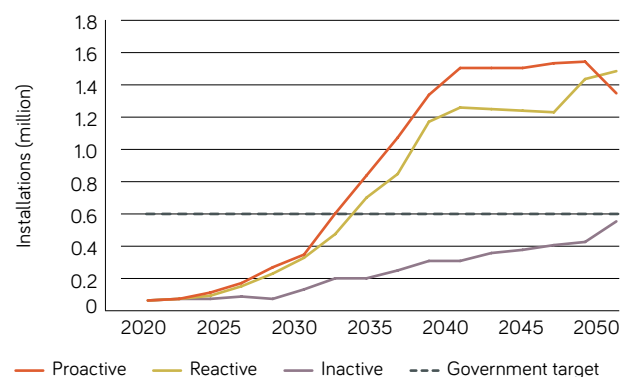
Pricing for oil under each of the three scenarios.

PVC price



The price of PVC across each scenario and timeframe.

Heat pump installation projections



Heat pump installation projections.

In addition to the cost increase of high-embodied carbon products, there will also be a **move to heating technologies with a lower-carbon impact in-use**, such as heat pumps instead of gas boilers.

The data in these charts was modelled by Inspired ESG as part of the Group's scenario analysis work in 2023. They were not updated in 2025.

The Group's climate change strategy means it engages with its value chain partners to support and encourage decarbonisation. For example, products required under new building regulations and to support the retrofit of estates are listed, ready for changing customer needs. Environmental Product Declarations are collected where available to help customers to assess the carbon impact of their product basket and consider how to choice-edit towards lower-carbon alternatives. Services are offered to customers to help them to build and operate more sustainably, including lower-carbon hire equipment and a product and delivery carbon reporting tool.

With regard to the Group's estate and heavy fleet, the investment required to decarbonise is most effectively deployed in a phased manner. In the last three years, capital spend requirements to deliver efficiency programmes have been approved and have proven to decrease carbon impacts. In 2025, £18.2m was invested into fleet and estate efficiencies, of which £16.5m was invested in replacement or new delivery vehicles. Transport-related carbon reduced by 2.7% in 2025 as compared to 2024. Estate-related carbon reduced by 12.1% in the same period.

As a non-capital-intensive business with 99% of emissions in the value chain, the Group has yet to adopt an internal carbon price as a tool. However, such a tool may be considered in future years to support the business case for change, especially in light of expected oil cost projections.

### Summary of physical risks or opportunities

The physical risk from climate change to the Group's estate in the UK and the UK transport, utility and IT infrastructure is low to medium as Group assets are large in number and geographically spread, providing resilience to the physical impact from a changing climate.

The physical risk from climate change to the Group's supply chain (causing business interruption) is also forecast as low to medium due to the Group's ability to adapt to new supply routes and suppliers, and the assumption that transactions with customers are not lost but delayed. The physical risk from climate change to the Group's customers (causing delays in developments and, therefore, lost or delayed sales) has been assessed by them in their own disclosures as material.

The analysis confirms that the overall impacts due to physical climate-related changes are low to medium, and the Group is well placed to balance the risk with the opportunity to sell products that prevent or remediate climate impacts. The Group will use the insight provided by the scenario analysis to inform its approach to property locations, energy resilience, logistics planning, commercial strategy and business continuity.

### Physical risk to the Group's UK estate

The scenario analysis for physical risks (temperature, precipitation, fire and extreme weather) to the Group's estate in the UK suggests broadly similar impacts (low to moderate) for each of the three warming scenarios. The likelihood of moderate risks increases in the reactive or inactive scenarios over time. The analysis suggests that not all regions will be impacted equally by changing precipitation, temperatures, wildfire risk or extreme weather events.

In 2025, the Group partnered with its insurance broker, Marsh, to conduct a climate adaptation survey at three representative sites to inform the development of a Climate Adaptation Playbook for the property team to incorporate into their property upgrade plans.



## SUSTAINABILITY REPORT CONTINUED

## Risk and opportunity management continued

Direct flood impacts (damages to the Group's property, stock and machinery) will likely increase in the inactive scenario. There are 45 branches at direct risk from river flooding and 73 branches will be exposed to indirect risks of flooding i.e. affected transport networks. Annually, Wales, Scotland and the north west receive the most rainfall.

Heatwaves are predicted to become more likely as the UK temperature is predicted to rise between 0.67°C and 1.45°C by mid-century (from a 1980–2010 baseline). Extreme temperatures can disrupt transport networks, reduce employee productivity, increase the risk of wildfire and decrease the efficiency of electrical products. Greater London, the south east and south west will experience the most significant temperature increases under all three scenarios.

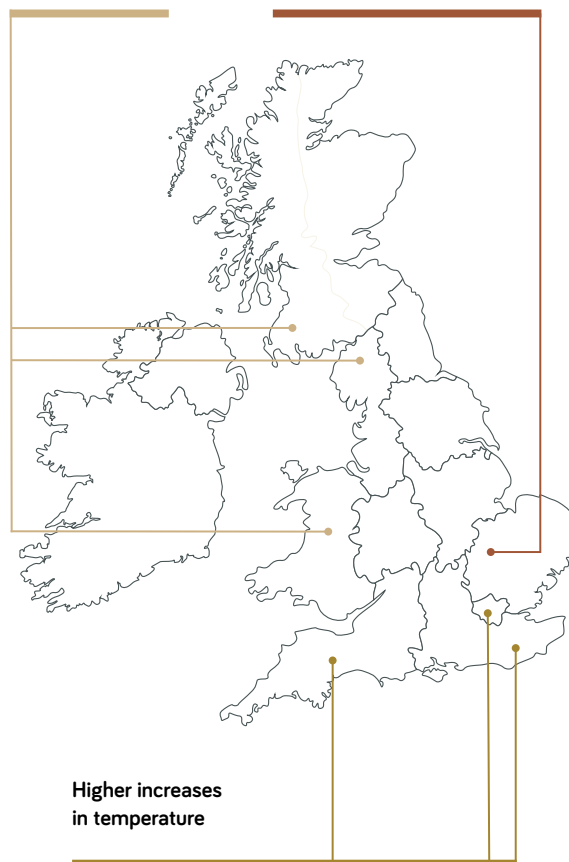
A forecast 0.5m rise in sea levels would not impact on all of the Group's coastal sites and shipping ports used in the supply chain equally. Sites and ports in the east of the UK are forecast to be the most vulnerable to sea level rise. Twenty-one Group sites could be impacted by 2050 under the Inactive scenario.

|                                                    | Proactive          | Reactive           | Inactive           |
|----------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Timeframe for 0.5m sea level rise to impact</b> | 2110<br>(86 years) | 2080<br>(56 years) | 2070<br>(46 years) |

Of the Group's current estate, 15% was at risk of impact from wildfires within 10km of the branch between 2018–2022, although none directly impacted the estate or operations. The Group will keep monitoring wildfires as, while less common than flooding events, they could have a higher impact per event.

Higher increases  
in precipitation

Higher sea level rise  
impacts



## Regions likely to experience the highest temperature increases under the three scenarios.

| Region         | Reference period<br>(1980–2011) | Average daily temperature projection by 2052 (°C) |            |             |
|----------------|---------------------------------|---------------------------------------------------|------------|-------------|
|                |                                 | Proactive                                         | Reactive   | Inactive    |
| Greater London | 10.77                           | 11.44 (6%)                                        | 11.76 (9%) | 12.22 (13%) |
| South east     | 10.69                           | 11.36 (6%)                                        | 11.68 (9%) | 12.14 (14%) |
| South east     | 10.48                           | 11.15 (6%)                                        | 11.47 (9%) | 11.93 (14%) |

## Regions likely to experience the highest precipitation increases under the three different scenarios.

| Region     | Reference Period<br>(1980–2011) | Annual precipitation projection by 2052 (mm/yr) |              |            |
|------------|---------------------------------|-------------------------------------------------|--------------|------------|
|            |                                 | Proactive                                       | Reactive     | Inactive   |
| Wales      | 1,032                           | 1,056 (2%)                                      | 1,082 (5%)   | 1,066 (3%) |
| Scotland   | 1,028                           | 1,029 (0.1%)                                    | 1,029 (0.1%) | 1,053 (2%) |
| North west | 937                             | 962 (3%)                                        | 972 (4%)     | 970 (4%)   |

The analysis, completed in 2023, confirms that overall physical risk across the Group's UK-based estate increases over time but never gets beyond medium in any region. Once impacts are monetised and seen in the context of the entire estate, the overall impact is considered to be low to moderate.

The Group will use the insight provided by the scenario analysis to refine its property and insurance strategies.

### Physical risk to UK infrastructure

Scenario analysis included a review of the physical climate risks affecting the UK infrastructure. The headlines of this analysis are as follows.

**Roads** will be affected by increased precipitation and surface water runoff, resulting in landslide risks and closures.

**Ports** will be affected by sea level rises, storm surges and damage to port infrastructure. Shipping fees may increase as ports raise handling fees for repairs after storm damage and port closures will cause bottlenecks at other ports across the UK.

**Railways** will be affected as heat waves can buckle tracks and flooding prevents trains from accessing tracks. Secondary risks include landslides and rock falls, which can damage tracks and other rail infrastructure.

**Electricity supply** will be affected as increased temperatures cause lower efficiency in electrical products, including solar panels. Storms can damage transmission lines and cause wind turbines to cut out. Storm damage to transmission lines left over one million people and businesses without power for a week in 2022. Extended droughts can impact water availability for hydroelectric power.

**IT infrastructure** will be affected as increased flooding can corrode buried electrical cables and high-flowing flood water can damage telephone masts and other IT infrastructure. High temperatures impact wi-fi speeds as routers struggle to send and receive data.

### Physical risk to timber supply chains

Scenario analysis included a deep-dive review of the physical climate risks to timber supply chains. Globally, climate change is expected to increase the frequency of extreme weather events, exposing the timber industry to varying degrees of risk. Key takeaways from the analysis were as follows:

- Increased carbon in the atmosphere will benefit tree growth, providing other factors also increase (water availability, soil nutrients, etc.).
- There is a risk to timber quality as increased carbon can promote faster tree growth, potentially making the timber unsuitable for construction grade requirements.
- Increased heat waves can directly damage foliage on trees and bake soils, affecting growth rates.
- Drought events limit water availability for tree growth and can cause reduced yields or tree mortality.
- Wildfire events will be more frequent, damaging forests.
- Flooding, due to increased precipitation, can prevent access to forests.
- Warmer climates favour invasive pest and disease species, threatening trees and ecosystems.
- Storm damage will increase, damaging forests and also potentially requiring timber to be treated before it can be used in construction.

The Group is protected in general by its spread of supply chain partners, enabling continuity of supply when parts of the supply chain are affected. The risks of supply chain disruption are rated as low-medium over the three scenarios.

### Monitoring climate risks and opportunities of sample supply chain partners

A desktop review was completed in 2024 of published climate risk reports from large manufacturers, in three product categories, and large customers, from two customer types. The results first presented in the 2024 Annual Report and Accounts are set out again below:

Suppliers and customers carry varying levels of risk and opportunity related to climate change, both transitional and physical.

Businesses within each category have common risks (i.e. certain transition risks relating to policy and markets) but also company-specific risks (i.e. physical risks based on their geographical locations, for example).

Common risks to all company types were physical impacts, carbon price and supply chain disruption.

Manufacturers are dealing with the barriers to creating lower-carbon products, while customers are dealing with the risks of low availability of low-carbon solutions. There is progress underway but a hesitancy caused by technology, market and policy risks.

### Implications for the Group

The findings do not alter the Group's climate risk and opportunity profile. However, the results do allow for better understanding and work with the supply chain to navigate the changes ahead.

The Group can work with businesses that have identified their risks and opportunities and adjusted their strategy accordingly, to supply relevant products and services.

The Group can share guidance and insights with businesses that have not yet identified their risks and opportunities, to help them to understand the changes ahead.

The Group's commercial team can use this information to consider the supplier portfolio and where other supplier partners may be needed over time to prevent supply chain disruption.

The Group's sales teams can use this information to consider which customer types need support to identify lower-carbon products or climate adaptation solutions.

## SUSTAINABILITY REPORT CONTINUED

# Metrics and targets

The Group sets out performance against a number of environmental metrics, including absolute carbon reduction and performance against targets and additional detail on energy consumption. The Group has also included interim targets within the three carbon reduction roadmaps (buildings, fleet and Scope 3). Targets and metrics, which align to the Group's material climate-related risks and opportunities are set out in the following table on page 51.

The carbon figures are measured using the GHG protocol, are independently verified by LRQA and accepted by the SBTi. More detail about the methodology can be found on the Group's website ([www.travisperkinsplc.co.uk/sustainability](http://www.travisperkinsplc.co.uk/sustainability)). The Group's net zero target follows the UK Government's definition of total Scope 1 and 2 carbon emissions that are equal to, or less than, the emissions the Group removes from the environment. Data points from prior years may have been restated where better data is now available.

## Carbon data table

The Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013. The numbers reported include data for companies where Travis Perkins plc has

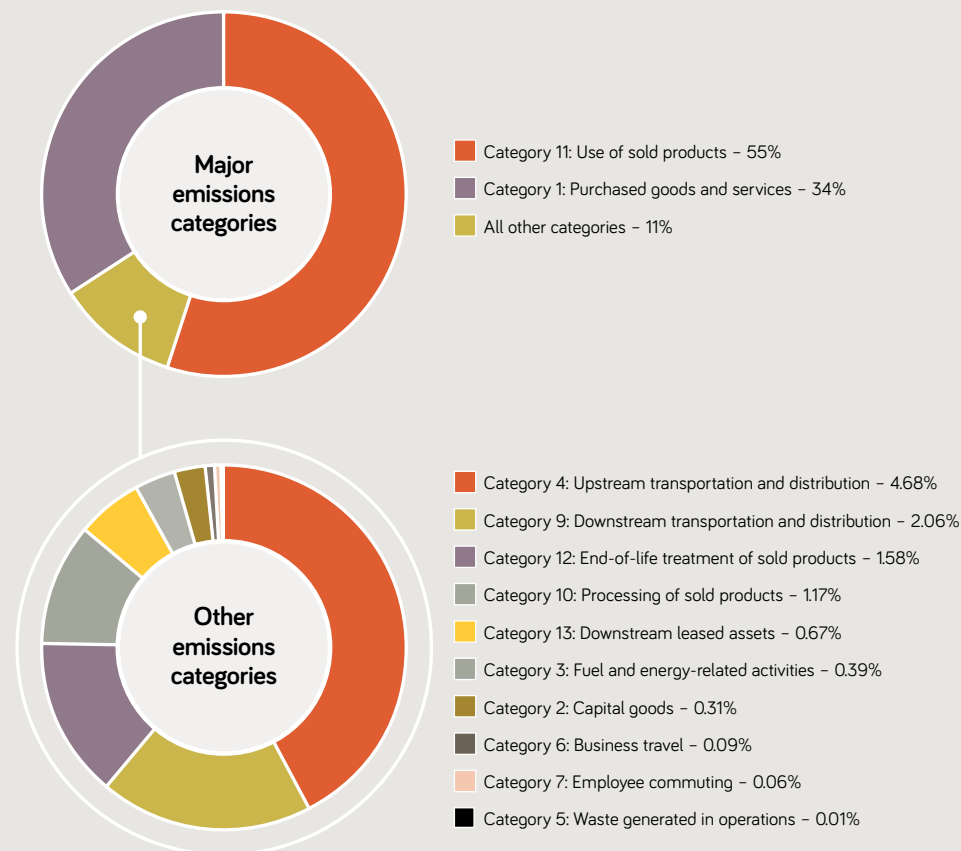
operational control. Scope 1 and 2 emissions are calculated using the DEFRA Conversion Factors for Company Reporting 2025 on an operational control basis. Scope 3 emissions are calculated using EcolInvent or DEFRA factors, Environmental Product Declarations or other Life Cycle Assessment data. Specific data points in the carbon chart and the carbon data table, marked with the logo , based on current best practice and is in accordance with ISAE 3000 and ISAE 3410. For a link to the assurance report please refer to [www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk).

|                                                             |           |
|-------------------------------------------------------------|-----------|
| Total emissions Scope 1, 2 and 3 (tonnes CO <sub>2</sub> e) | 6,344,564 |
| Scope 3 % of total emissions                                | 99%       |

Streamlined Energy and Carbon Reporting ("SECR") Mandatory disclosures for SECR reporting are located as follows:

- Energy consumption – ESG data table page 166, including previous year's data
- Greenhouse gas emissions – Carbon data table page 51, including previous year's data and intensity ratios
- Energy efficiency actions – Sustainable Operations page 34

## Breakdown of the Group's 2025 Scope 3 carbon by category



## Carbon data table:

|                                                                                                                                                               | 2025      |         |                          | 2024      |         |           | 2020      |        |           | Performance in 2025 vs 2024 | Targets (with 2020 baseline)                  | Performance in 2025 against 2020 target baseline year |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|--------------------------|-----------|---------|-----------|-----------|--------|-----------|-----------------------------|-----------------------------------------------|-------------------------------------------------------|
|                                                                                                                                                               | UK        | Non-UK  | Total                    | UK        | Non-UK  | Total     | UK        | Non-UK | Total     | %                           |                                               | %                                                     |
| Energy GWh                                                                                                                                                    |           |         |                          |           |         |           |           |        |           |                             |                                               |                                                       |
| <b>GWh energy</b><br>Annual energy use relating to gas, purchased electricity and transport fuel (for SECR compliant kWh data see the data table on page 166) | 255       | 5       | 260                      | 268       | 9       | 277       | 334       | 5      | 340       | (6)%                        |                                               |                                                       |
| Carbon Dioxide Equivalent (CO <sub>2</sub> e) Tonnes                                                                                                          |           |         |                          |           |         |           |           |        |           |                             |                                               |                                                       |
| <b>Operational carbon</b>                                                                                                                                     |           |         |                          |           |         |           |           |        |           |                             |                                               |                                                       |
| <b>Scope 1</b><br>Direct emissions from burning gas and solid fuel for heating and from road fuel use for distribution <sup>1</sup>                           | 43,212    | 288     | 43,500 <span>V</span>    | 44,440    | 1,097   | 45,537    | 60,656    | 641    | 61,297    | (4)%                        |                                               |                                                       |
| <b>Scope 2 – Market-based</b><br>Indirect emissions from use of electricity                                                                                   | 143       | 596     | 739 <span>V</span>       | 150       | 402     | 552       | 17,333    | 461    | 17,794    | 34%                         |                                               |                                                       |
| <b>Scope 2 – Location-based</b><br>Indirect emissions from use of electricity                                                                                 | 10,648    | 596     | 11,244 <span>V</span>    | 13,656    | 402     | 14,058    | 17,333    | 461    | 17,794    | (20)%                       |                                               |                                                       |
| <b>Scope 1 and 2 Absolute<sup>2</sup></b>                                                                                                                     | 43,355    | 884     | 44,239 <span>V</span>    | 44,589    | 1,499   | 46,088    | 77,989    | 1,102  | 79,091    | (4)%                        | Net zero by 2035 with a minimum 80% reduction | (44)%                                                 |
| <b>Scope 1 and 2 Intensity</b><br>Emissions from Scope 1 and 2 sources per £m of revenue                                                                      | 9.7       | 9.0     | 9.7 <span>V</span>       | 9.8       | 13.1    | 9.9       | 21.3      | 15.7   | 21.2      | (2)%                        |                                               | (54)%                                                 |
| <b>Scope 1 and 2 Intensity</b> (Introduced in 2024)<br>Emissions from Scope 1 and 2 sources per tonne of product sold                                         | 0.0051    | 0.0667  | 0.0052                   | 0.0056    | 0.0927  | 0.0057    |           |        |           | (10)%                       |                                               |                                                       |
| % of fleet (inc. MHE) that is low-carbon in use (either electric, hybrid or alternate fuel)                                                                   |           |         | 43%                      |           |         | 42%       |           |        | 16%       | 1ppt                        |                                               |                                                       |
| <b>Supply chain carbon</b>                                                                                                                                    |           |         |                          |           |         |           |           |        |           |                             |                                               |                                                       |
| <b>Scope 3 Absolute<sup>3</sup></b><br>Indirect emissions from the supply chain. Including all Scope 3 categories                                             | 6,126,135 | 174,190 | 6,300,325 <span>V</span> | 6,244,830 | 239,323 | 6,484,153 | 8,466,700 | 424    | 8,467,124 | (3)%                        | 63% reduction by 2035                         | (26)%                                                 |
| <b>Scope 3 Intensity</b><br>Emissions from Scope 3 sources per £m of revenue                                                                                  | 1,371     | 1,781   | 1,380 <span>V</span>     | 1,374     | 2,088   | 1,391     | 2,316     | 6      | 2,274     | (1)%                        |                                               | (39)%                                                 |
| <b>Scope 3 Intensity</b> (Introduced in 2024)<br>Emissions from Scope 3 sources per tonne of product sold                                                     | 0.720     | 13.140  | 0.739 <span>V</span>     | 0.779     | 14.794  | 0.807     |           |        |           | (8)%                        |                                               |                                                       |
| % heat generators sold which are low carbon (i.e. heat pumps, as opposed to gas boilers)                                                                      |           |         | 19%                      |           |         | 19%       |           |        |           | (0.1)ppt                    |                                               |                                                       |
| <b>Total carbon</b>                                                                                                                                           |           |         |                          |           |         |           |           |        |           |                             |                                               |                                                       |
| <b>Scope 1, 2 and 3 Absolute</b>                                                                                                                              | 6,169,490 | 175,074 | 6,344,564                | 6,289,419 | 240,822 | 6,530,241 | 8,544,689 | 1,526  | 8,546,215 | (3)%                        |                                               | (26)%                                                 |

1 Fugitive emissions from domestic refrigeration and building air conditioning are included but they are not material to the Group's overall emissions.

2 Includes Scope 1 and Scope 2 Market based emissions.

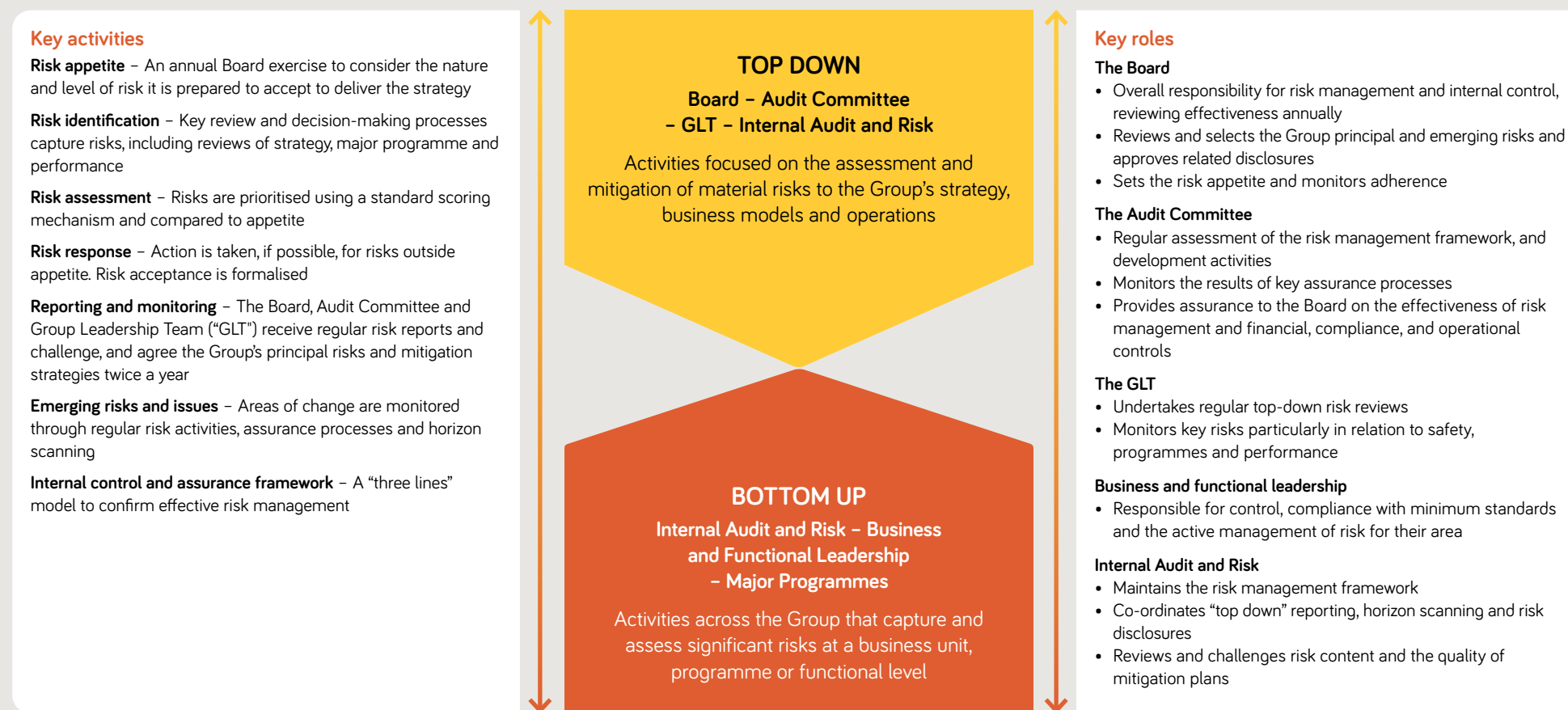
3 Scope 3 data quality improved in 2025, due to data corrections and the use of more Environmental Product Declaration carbon data where available within Category 1: Purchased Goods and Services, instead of estimated emissions factors. A full breakdown of the Group's Scope 3 carbon across the 15 Scope 3 categories is shared on the website [www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk) along with the data methodology for Scope 1, 2 and 3 carbon calculations.

## STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

Maintaining a dynamic and effective risk management process is central to the successful delivery of the Group's strategic objectives and building resilience as the Group manages the impacts of a challenging external environment, an evolving risk landscape and continued uncertainty.

### Risk management framework

The Group employs a comprehensive and multi-layered risk management framework, integrating both "top down" and "bottom up" perspectives. This approach ensures a common understanding of potential risks and opportunities, and their impact on the achievement of the Group's strategic priorities. The goal of the Group is to proactively, efficiently, and effectively manage risks, particularly focusing on the most significant areas, where there is a low tolerance for uncertainty. The approach and key responsibilities remain consistent with prior years, as set out in the diagram below:



Further details on the Group's risk management responsibilities and oversight are set out in the Corporate Governance report on page 64.

## Risk appetite

The Board accepts that, in order to achieve its strategic objective, and generate suitable returns for shareholders, it must accept and actively manage a certain level of risk. The Board undertakes an exercise, at least annually, to consider the nature and level of risk it is prepared to accept to deliver the strategy and to set its resulting risk appetite. In 2025, risk appetite and accompanying statements used to define the risk-taking parameters for all significant activity within the business were reviewed by the Board with no significant changes being made.

The risk appetite continues to balance opportunities for growth and business development in areas that present a clear opportunity for reward, against a low tolerance for activities that offer little commercial advantage or that may present a significant safety, legal, regulatory or reputational risk.

The Board also considered the principal risks in the context of risk appetite and assessed current and planned mitigating activities to ensure that these key risks are being managed within the stated appetite.

## Principal risks

The principal risks that are considered to have a potentially material impact on the Group's operations and achievement of its strategic objectives, along with further detail relating to potential risk impact and mitigating actions taken is explored in the following pages. The risks set out as follows should not be regarded as a comprehensive statement of all potential risks and uncertainties that may manifest in the future. Additional risks and uncertainties that are not presently known, or which are currently deemed immaterial, could also have an adverse effect on the Group's future operating results, financial condition or prospects.

The Board and Group Leadership Team assess principal and emerging risks at least twice a year, with a detailed assessment of external and internal developments and influences. As part of this review, the Board updated the principal risk set during the year to ensure it remains relevant and appropriate, reflecting changes in the external operating environment and progress made against our strategic objectives. To better reflect specific areas of risk and associated mitigations, the former risks regarding "long-term market trends" and "macroeconomic volatility" are consolidated as the "external markets and environment" principal risk. The former risks regarding "supply chain resilience" and "critical asset failure" are consolidated as the "business continuity and resilience" principal risk, which encapsulates supply chain, technology and crucial infrastructure resilience. Overarching trends and inherent risk levels are considered to be broadly consistent year-on-year.

As the Group transitions its focus from significant, large-scale technology-enabled change, prominent in recent years, to core operational strength and fundamental business improvement, the Board has determined that the risk associated with change is reduced to a level no longer considered significant enough for inclusion as a standalone principal risk. Consequently, "Managing Change" has been removed. A risk concerning business operations and driving competitive advantage, encompassing the Group's capacity to realise the longer-term benefits of implemented changes, modernised systems and new leadership has now been recognised.

The Board has considered people and skills as an emerging risk over recent years, and this year, it has been assessed as sufficiently significant to warrant inclusion within the principal risk set. This escalation is driven by a heightened competitive landscape for talent, primarily due to a general scarcity of technical knowledge and expertise within the UK construction industry. It is imperative to ensure that the Group can attract, retain, and develop the appropriate colleagues with the requisite skills and expertise to effectively respond to shifts in customer behaviour and demand.

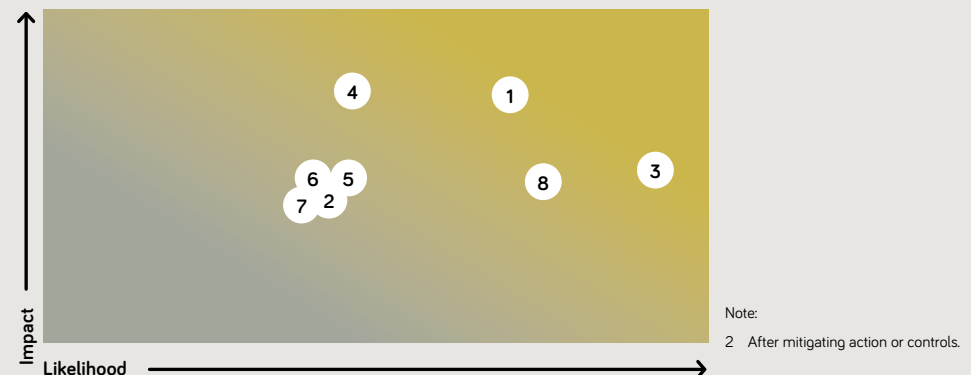
## Principal risks: at a glance

| Risk category        | Principal risks                                               | Strategic objective | Risk trend |      | Inherent risk <sup>1</sup> |
|----------------------|---------------------------------------------------------------|---------------------|------------|------|----------------------------|
|                      |                                                               |                     | 2025       | 2024 |                            |
| <b>External</b>      | 1. External market and environment                            | ABCDE               | ⊖          | ⊖    | High                       |
| <b>Strategic</b>     | 2. Business operating model and driving competitive advantage | ABCDE               | ⬆          | n/a  | High                       |
|                      | 3. Climate change and carbon reduction                        | D                   | ⊖          | ⊖    | High                       |
| <b>Technological</b> | 4. Cyber threat and data security                             | D                   | ⬆          | ⬆    | High                       |
| <b>Operational</b>   | 5. Health, safety and wellbeing                               | D                   | ⊖          | ⊖    | Medium                     |
|                      | 6. Legal compliance                                           | D                   | ⊖          | ⊖    | Medium                     |
|                      | 7. Business continuity and resilience                         | ADE                 | ⊖          | ⊖    | High                       |
|                      | 8. People and skills                                          | BDE                 | ⬆          | n/a  | High                       |

<sup>1</sup> Risk is stated before the application of controls. **Key** ⬆ Increasing ⬇ Decreasing ⊖ Limited change year-on-year

**2025 strategic objectives:** A Operating and leading in attractive markets B Leading the evolution of the merchandising model  
C Maximising the potential of Toolstation D Leveraging the power of the Group E Delivering attractive financial outcomes

## Principal risks heat map<sup>2</sup>



## STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

## Emerging risks

The risk environment in which the Group operates will continue to evolve as a result of future events and uncertainties, therefore, awareness of emerging risks arising from these forms part of the overall risk assessment process. The Group seeks to capture emerging risks that do not currently present a significant risk but which may have the potential to adversely impact its operations in the future. This enables the Group to monitor and understand the potential implications and build these into the decision-making processes at the right time. The Group identifies new and emerging risks through a process of horizon scanning that includes assessment of our risk set against a diverse set of external benchmarks, alongside perspectives collated from assessments made by the business and functional leadership teams, and the results of assurance activities. Where possible and appropriate, emerging trends are incorporated into existing principal risks. Conflict across the Middle East and Ukraine, continue to be monitored as potential risks in relation to the Group's supply chain and macroeconomic volatility more generally, and the Group continues to ensure compliance with relevant trade sanctions. There are no significant, standalone emerging risks considered significant enough to report at this time.

## External market and environment

| Inherent risk:<br>High                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Relevance:<br>Industry-wide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Risk trend: |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <p><b>Description</b></p> <p>The Group operates in a sector which continues to be impacted by multiple macroeconomic factors resulting from geopolitical uncertainty and increased volatility in financial markets, alongside a number of more local, specific drivers of construction, RMI and DIY activity, all of which lead to sustained spending pressure and reduced consumer confidence. The lack of certainty relating to the application of trade tariffs has the potential to further impact the broader macro-economic environment. Whilst the Group is currently not directly impacted by the proposed tariffs, the situation will be monitored as it develops. Continued uncertainty in the external environment could negatively impact the Group's ability to grow market share and deliver an improved trading performance.</p> <p>The timing and strength of a recovery in the UK construction sector remains uncertain and is likely to vary across specific sectors. Failure to respond appropriately and efficiently could impact our achievement of our strategic objectives.</p> | <p><b>Mitigation</b></p> <p>While current macroeconomic conditions are challenging, the long-term fundamental drivers of the Group's diverse end markets remain robust. The Group is well positioned to partner with the construction industry, with six focused businesses all holding #1 or #2 positions in their markets.</p> <p>The Group boasts a nationwide network, over £3bn in annual purchasing power, a wide product range, strong availability, and established relationships.</p> <p>Capital investment and overheads are carefully managed, with a strong focus throughout 2025 on cash, and cost reduction.</p> <p>A conservative hedging policy mitigates short-term currency and energy price exposure, and the Group has committed debt facilities of £800m, including a £375m revolving credit facility.</p> <p>Data points such as market forecasts, volume of housing transactions, house price inflation, product trends, channels of distribution and customer behaviour and confidence are regularly reviewed.</p> <p>Policy and legislative changes that may impact the Group are monitored, and where appropriate, actions taken to ensure the Group is adequately prepared to address relevant changes.</p> | <p>—</p>    |
| <p><b>Impact:</b> Adverse effect on financial results, ranging and/or price, customer service, loss of market share or operational disruption.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |

## Business continuity and resilience

**Inherent risk:**  
High

**Relevance:**  
Company specific

**Risk trend:**

### Description

Disruption of a critical Group asset, whether a primary Group distribution location, supply chain, or a key system failure or outage, could significantly interrupt operations and performance.

### Supply chain

The Group is susceptible to supply chain disruption and key supplier dependencies exist, with limited alternative sources available for certain products. Given the Group's status as a major customer, the failure of critical material suppliers to fulfil their obligations poses a risk of significant operational interruption.

### Distribution centres

The Group operates a small number of distribution centres with significant stockholdings with an increasing volume of deliveries that are shipped direct to the end customer. Certain product categories would present significant challenges over a prolonged period of disruption.

### IT systems

In its day-to-day operations, the Group is dependent on a wide range of IT systems and supporting infrastructure. The Group's current IT landscape is complex and includes some legacy systems that lack the functionality of modern software and present an increasing risk of failures or outages and require more effort to maintain.

### Mitigation

#### Supply chain

The Group maintains strong relationships with key suppliers and works with them to ensure a continuous supply of quality materials. Where possible, the Group has multiple sourcing strategies for key products, and keeps stock levels under constant review, maintaining a level of buffer stock in the network to cover a short-term disruptive event.

#### Crisis management and business continuity planning

A risk-based approach is taken to business continuity management with a focus on critical infrastructure. Supporting business continuity plans prepared for key sites cover a range of scenarios. In the event of an incident, tiered crisis response teams would be mobilised to coordinate activity and provide ongoing monitoring, decision support and communications.

#### IT disaster recovery

The Group's incident management process is designed to prioritise and respond to any incident quickly and effectively. Recovery targets are in place, designed to minimise operational and customer impact. During 2025, the Group's IT infrastructure and systems were migrated to the AWS Cloud, helping to further remove physical risks and modernise the Group's technology infrastructure.



**Impact:** Adverse impact on ranging and/or price, customer service and financial results.

## STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

## Cyber threat and data security

**Inherent risk:**  
High

**Relevance:**  
Industry-wide

**Risk trend:**

**Description**

Increased geopolitical crises and technological changes heighten the risk of sophisticated, targeted cyber attacks, as demonstrated by recent large-scale incidents affecting major retailers.

Cyber incidents compromising the confidentiality, integrity, or availability of Group data and systems could disrupt customers and the supply chain. Data theft, manipulation of critical operational data, or technology service interruption would seriously damage the Group's reputation, trading ability, and increase the risk of regulatory fines.

**Mitigation**

The Group continues to move away from legacy internally hosted systems and to new cloud-based services, with enhanced cloud security capabilities that will improve the overall security posture.

The Group is proactive in ensuring it meets its responsibilities in respect of information security and compliance, taking a risk-based approach to reduce the overall likelihood and impact of cyber incidents.

Key elements of the Group's framework to help maintain its network edge perimeter, infrastructure and sensitive data include:

- Utilisation of a 24/7 Security Operations Centre, providing managed detection and response services in conjunction with modern XDR endpoint protection and continuous threat hunting to rapidly identify potential vulnerabilities and attack vectors rapidly.
- Regularly reviewing, updating and rehearsing incident capabilities.
- Education and awareness promoted across all colleague levels with baseline cyber awareness training and regular phishing simulations.

The Group continually tests its security posture via CREST-approved Penetration Testers and takes steps to remediate any vulnerabilities or weaknesses identified.



**Impact:** Operational disruption; adverse effect on reputation; potential legal action, fines and penalties.

## Climate change and carbon reduction

| Inherent risk:<br>High                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Relevance:<br>Industry-wide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Risk trend: |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <p><b>Description</b></p> <p>Climate change will significantly impact the construction sector during the transition to a low-carbon economy.</p> <p>The Group's top climate-related risks relate to:</p> <ul style="list-style-type: none"> <li>• The move to a low-carbon fleet, given the Group has one of the largest UK vehicle fleets;</li> <li>• The move to higher EPC ratings for the Group's estate;</li> <li>• Increasing costs of goods due to producer country carbon pricing mechanisms;</li> <li>• The ability to transition to new lower-carbon product categories; and</li> <li>• Increased ethical risks in supply chains for some climate solutions.</li> </ul> <p>Environmental matters are important to colleagues, customers, suppliers, investors and government, driving changes to demand, expectations and information requirements, which the Group must identify and effectively respond to.</p> | <p><b>Mitigation</b></p> <p>The Group regularly reviews its material climate-related responsibilities and challenges in order to target investment and drive effective mitigation. Governance is led by the Board, which receives an annual update on material climate risks and opportunities, action taken and progress made.</p> <p>The Group has made progress against its SBTi accredited targets, which are underpinned by roadmaps for delivery in each business.</p> <p>Collaboration and engagement with suppliers and customers on decarbonisation continues. The Group is working closely with suppliers to collect Environmental Product Declarations in order to extract and better use carbon data and provide customers with information to support Scope 3 carbon emission reductions.</p> <p>Further information on progress made during the year can be found in the Sustainability report on pages 26 to 51.</p> | <p>–</p>    |
| <p><b>Impact:</b> Adverse effect on reputation, financial and/or operational performance; competitive disadvantage; less attractive as an investment stock.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |

## Health, safety and wellbeing

| Inherent risk:<br>Medium                                                                                                                                                                                                                                                                                                                                                                                                                            | Relevance:<br>Industry-wide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Risk trend: |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <p><b>Description</b></p> <p>The Group expects everyone to go home safe and well, every single day.</p> <p>The Group operates a large estate, with many complex and busy yards, along with one of the largest vehicle and mechanical handling equipment fleets in the UK. Poorly implemented safety practices on site, on the road and at delivery locations could result in significant harm to colleagues, customers and the wider community.</p> | <p><b>Mitigation</b></p> <p>The Group continues to challenge current ways of thinking to de-risk its operations and improve safety performance. An open reporting culture is fostered, with colleagues encouraged to "Call It Out" if they see anything they consider to be unsafe. Regular communication to colleagues highlights successful examples of this in practice, or where there are lessons to be learned</p> <p>Safety governance is well established and designed to promote continual focus and improvement, with safety performance reviewed at all levels, including all Board meetings.</p> <p>Relevant training is provided to all colleagues, with topic-specific training implemented where required, for example, all commercial drivers and management colleagues across Group merchanting businesses have been provided with practical, face to face Load Security training, to support risk reduction in a key area of the Group's operations.</p> <p>Further information on progress made during the year can be found in the Safety and wellbeing report on page 36.</p> | <p>–</p>    |
| <p><b>Impact:</b> Harm to colleagues, customers or the public; potential legal action, fines and penalties; adverse effect on reputation.</p>                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |             |

## STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

## Legal compliance

| Inherent risk:                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Relevance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Risk trend:                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Medium                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Industry-wide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                     |
| <b>Description</b><br><p>The Group is subject to a broad range of existing and evolving governance requirements, laws, regulations, standards and best practices, which affect the way that it operates.</p> <p>Should the Group fail to deliver against its legal and regulatory obligations, this could significantly undermine the Group's reputation, result in the imposition of fines or other enforcement action, and adversely impact operations and results.</p> | <b>Mitigation</b><br><p>The Group maintains a number of subject matter experts to support delivery against relevant legal and regulatory obligations, and internal expertise is augmented by external advisers.</p> <p>A Code of Conduct, and a suite of policies and control assessments are in place to mitigate identified legal and regulatory risks. Mandatory training, based on role type, exists to ensure colleagues do the right thing and feel encouraged to speak up if they see or suspect activity that contravenes Group values.</p> <p>Adherence to policies, effectiveness of controls and compliance with laws and regulations is periodically monitored by the Group Leadership Team and the Board.</p> <p>The Group articulates its expectations of the supply base, and higher risk suppliers are assessed against set requirements. Further information can be found in the Sustainable Sourcing section on page 33.</p> |  |
| <b>Impact:</b> Adverse effect on reputation, financial and/or operational performance; potential legal action, fines and penalties; diversion of management attention.                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                     |

## Business operating model and driving competitive advantage

| Inherent risk:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Relevance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Risk trend:                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Medium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Industry-wide                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                     |
| <b>Description</b><br><p>End market demand in the construction sector remains subdued, with timelines for recovery uncertain. Throughout 2025, the Group has faced into the need to refocus and change the way we operate in order to better serve our customers and effectively support our suppliers.</p> <p>A failure to innovate, respond to changes in customer behaviour, and ensure we have the right-fit proposition for our customers could impact on growth and recovery through missed opportunities. The Group needs to be ready to respond, and win, in its key markets when recovery gains pace.</p> | <b>Mitigation</b><br><p>During 2025, a series of actions were implemented, seeking to reverse the loss of market share, including the addition of resources back into key customer-facing roles to improve service levels and drive a more customer-focused approach.</p> <p>The Group continually reviews pricing strategies and product availability across each of the businesses, and has invested significantly in strategic pricing initiatives and targeted promotions. A series of localised, short-term incentives have been introduced, designed to re-energise colleagues to drive sales and increase market share.</p> <p>There has been ongoing discipline on capital allocation and overheads, which has, and will continue to, enable reinvestment in our proposition and position the Group well for future success.</p> <p>The sale of Staircraft helps to simplify the Group operating model with a clear focus on being the UK's leading distributor of building materials. The proceeds will be used to support our disciplined approach to reinvesting in our core assets, ensuring we have branches located where customers need us, with the right offering of products and services to enable us to be better placed to benefit from returning demand, with a clear customer-focused strategy owned by the leaders of the business.</p> |  |
| <b>Impact:</b> Adverse effect on reputation, financial and/or operational performance; competitive disadvantage; less attractive as an investment stock.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                     |

## People and skills

**Inherent risk:**  
High

**Relevance:**  
Industry-wide

**Risk trend:**

### Description

People are key to our success. Many of our colleagues have long service histories with the Group, during which they have accumulated valuable knowledge and expertise pertaining to our customers and products. The ability to attract, retain, develop and motivate appropriately qualified and knowledgeable colleagues, is central to ensuring that the Group has the right skills and experience to deliver its strategic initiatives and maintain our competitive offering to customers.

The Group, along with the broader sector, faces an increasing scarcity of technical knowledge and a more general labour shortage, and has seen the resurgence of the competitive landscape when it comes to the demand for talent. The Group increasingly competes for skills, and in key areas and specific roles this demand can increase recruitment time and salary pressures.

### Mitigation

A wide range of training programmes are in place to encourage colleague development, including management development programmes for colleagues identified for more senior positions. The Group's apprenticeship programme is highly regarded in the market and has been in place for a number of years.

The Group's full suite of reward and recognition systems are benchmarked regularly to ensure the offering remains competitive.

Colleague satisfaction and engagement is measured annually via an anonymous survey, with results provided to managers to create targeted and specific action plans.

Strategic initiatives are in place in relation to diversity, equity and inclusion, and knowledge management.

Further information on colleague engagement, progress against DE&I initiatives and colleague reward can be found on pages 35-38.



**Impact:** Adverse impact on colleagues, competitive disadvantage, adverse effect on delivery of strategy and/or reputation.

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information below is intended to help users of these accounts understand our position on key non-financial and sustainability matters and has been prepared in response to the reporting requirements contained in section 414C(7), 414CA and 414CB of the Companies Act 2006.

| Reporting requirements                                | Principal risks                     | Policy embedding, outcomes and key performance indicators | Link                 |
|-------------------------------------------------------|-------------------------------------|-----------------------------------------------------------|----------------------|
| <b>Colleagues</b>                                     | Health, safety and wellbeing        | Business model                                            | Page 13              |
|                                                       |                                     | KPIs – Accident frequency rate                            | Page 15              |
|                                                       |                                     | Safety and wellbeing                                      | Page 36              |
|                                                       | People and skills                   | Development                                               | Page 35              |
|                                                       |                                     | Modern slavery and human rights                           | Page 37              |
|                                                       |                                     | Diversity and inclusion                                   | Page 35              |
|                                                       |                                     | Colleague voice and engagement                            | Page 36              |
|                                                       |                                     | Reward                                                    | Page 38              |
|                                                       |                                     | Directors' remuneration report                            | Page 78              |
|                                                       |                                     | Directors' report – Employees                             | Page 100             |
| <b>Environment</b>                                    | Climate change and carbon reduction | Business model                                            | Page 13              |
|                                                       |                                     | KPIs – Carbon emissions                                   | Page 15              |
|                                                       |                                     | Climate-related financial disclosure                      | Page 39              |
|                                                       |                                     | Sustainability report                                     | Page 26              |
|                                                       |                                     | Carbon                                                    | Pages 32, 34, 50, 51 |
|                                                       |                                     | Waste                                                     | Page 34              |
|                                                       |                                     | Sustainable operations                                    | Page 34              |
| <b>Human rights, anti-bribery and anti-corruption</b> | Legal compliance                    | Human rights and modern slavery                           | Page 37              |
|                                                       | Supply chain resilience             | Legal compliance                                          | Page 37              |
|                                                       |                                     | Directors' report – Modern slavery                        | Page 100             |
| <b>Social and community</b>                           | People and skills                   | Business model                                            | Page 13              |
|                                                       |                                     | Charity and community                                     | Page 36              |
|                                                       |                                     | Sustainable sourcing                                      | Page 33              |

A description of the Group's business model and how it creates sustainable value can be found on page 13. Most of the reporting on these topics and KPIs is contained in the Strategic report under the sections Business model, Sustainability report and Statement of principal risks and uncertainties, or are incorporated into the Strategic report by reference from the pages noted. The Group has appropriate policies and diligence procedures regarding all the non-financial information presented in this Annual Report.

### Section 172

Working together with our stakeholders towards shared goals is part of how we deliver long-term sustainable success. Go to pages 68 to 70 to see more.

The Strategic report on pages 2 to 60 was approved by the Board of Directors and signed on its behalf by:

**Gavin Slark**

Chief Executive Officer

16 March 2026

**Duncan Cooper**

Chief Financial Officer

16 March 2026



Reliable



## GOVERNANCE

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## BOARD OF DIRECTORS



**Geoff Drabble**  
Chair

**Date of appointment to the Board**  
October 2024

**Committee memberships:** **N**

#### Experience

Geoff has unrivalled leadership experience from publicly listed businesses across the building materials distribution, equipment hire and tools markets, nationally and internationally. He has gained this from both executive and non-executive roles, and is currently Non-executive Chair of multinational plumbing and heating products distributor, Ferguson Enterprises Inc. Until February 2025, he was Non-executive Chair of international packaging company, DS Smith Plc.

He previously served as Senior Independent Director of Howden Joinery Group plc and was CEO of Ashted Group plc during a period of unprecedented growth. He has also been Executive Director of The Laird Group plc and held a number of senior management positions at Black & Decker.

#### External appointments:

- Ferguson Enterprises Inc (Non-executive Director)



**Gavin Slark**  
Chief Executive Officer

**Date of appointment to the Board**  
January 2026

**Committee memberships:** None

#### Experience

Gavin is a highly experienced public company CEO and Board Director with significant experience of the building materials and merchanting industry in the UK and Europe, most recently as CEO of SIG plc and Non-executive Director of Galliford Try Holdings plc.

Prior to SIG, Gavin was CEO of Grafton Group plc for over a decade, and CEO of BSS before its acquisition by Travis Perkins plc in 2010.

He brings to the Group a strong track record of delivering shareholder value through operational excellence and resilience through strategic developments and portfolio transformations with a focus on long-term growth and adaptability in the face of industry changes.



**Duncan Cooper**  
Chief Financial Officer

**Date of appointment to the Board**  
January 2024

**Committee memberships:** None

#### Experience

Duncan is a Chartered Accountant and, in addition to having a strong finance background, has experience in corporate communications, strategy design and implementation and large-scale technology change. Duncan joined the Group from Crest Nicholson plc, where he was appointed Chief Financial Officer in 2019. He formerly worked at J Sainsbury plc where he held multiple roles since 2010, culminating in Director of Group Finance. Prior to that, Duncan held finance roles at BSkyB plc and GlaxoSmithKline plc after qualifying at Deloitte LLP.



**Jez Maiden**  
Senior Independent  
Non-executive Director

**Date of appointment to the Board**  
June 2023

**Committee memberships:** **A N R**

#### Experience

A qualified accountant (FCMA), Jez is a proven Senior Independent Director with diverse sector experience spanning household FMCG, management consultancy, food manufacturing, transport and chemicals. He has extensive finance and audit, public company and capital markets expertise and has held a number of Executive Director CFO positions, most recently as Group Finance Director for Croda International Plc. He has previously served as a Non-executive Director at PZ Cussons plc and Synthomer plc and is currently a Non-executive Director, Chair of the Audit Committee and a member of the Remuneration Committee of Smith & Nephew plc, and a Non-executive Director and member of the Audit Committee at Intertek Group plc.

#### External appointments:

- Smith & Nephew plc (Non-executive Director)
- Intertek Group plc (Non-executive Director)



#### Committee membership key:

- A** Audit
- N** Nominations
- R** Remuneration
- S** Stay Safe
- Committee Chair



### Marianne Culver

Non-executive Director

#### Date of appointment to the Board

November 2019

Committee memberships: **R** **S**

#### Experience

Marianne has extensive executive and board experience in the global distribution and logistics sectors. She has served as Chief, Global Supply Chain with Premier Farnell plc and as Chief Executive (UK & Ireland) of TNT. Marianne was latterly Global President of RS Components, (formerly Electrocomponents plc). Her non-executive career to date has included membership of the boards of Rexel SA (listed on Euronext Paris), The British Quality Foundation and EDS Corporation. She is a current member of the Supervisory Board of BME B.V., where she serves as the Chair of the Remuneration Committee.

#### External appointments:

- BME B.V (Supervisory Board)



### Louise Hardy

Non-executive Director

#### Date of appointment to the Board

January 2023

Committee memberships: **R**

#### Experience

Louise has over thirty years of business and leadership experience in the construction and infrastructure industry, with senior roles at London Underground, Bechtel, and Laing O'Rourke, where she was Infrastructure Director for the London 2012 Olympic Park.

Most recently, she served as European Project Excellence Director for AECOM. Louise is currently a Non-executive Director of Crest Nicholson Holdings plc and Balfour Beatty plc, and is the independent Chair of Oriol. Louise remains a keen volunteer within the construction industry as a STEM ambassador and diversity champion.

#### External appointments:

- Crest Nicholson Holdings plc (Non-executive Director)
- Balfour Beatty plc (Non-executive Director)
- Oriol (Chair)



### Heath Drewett

Non-executive Director

#### Date of appointment to the Board

May 2021

Committee memberships: **A** **R**

#### Experience

Heath is an experienced CFO and currently Chief Financial Officer for Aggreko; a global provider of engineered energy and temperature solutions.

He also has extensive experience in the engineering, leisure and transportation and industrial sectors having previously worked for WS Atkins, British Airways, Morgan Advanced Materials and PwC. Heath brings a wealth of financial and commercial acumen to the Board at Travis Perkins based on his experience across a number of markets and sectors adjacent to the construction industry.

#### External appointments:

- Aggreko (Chief Financial Officer)



### Jora Gill

Non-executive Director

#### Date of appointment to the Board

August 2021

Committee memberships: **A** **N** **S**

#### Experience

Jora has extensive data and digital experience having held a number of Chief Information Technology Officer and Chief Digital Officer roles in significant organisations, including Standard and Poors, Elsevier, The Economist, and latterly SHL Group Ltd where he served as Chief Digital Officer until December 2021.

Jora is now the CEO and Co-founder of an AI company, Insights Driven. In addition, he serves as a Non-executive Director of the Phoenix Life Limited, a role he has held since June 2023.

#### External appointments:

- Insights Driven (CEO)
- Phoenix Life Limited (Non-executive Director)

## CORPORATE GOVERNANCE REPORT



**Geoff Drabble**  
Chair

16 March 2026

**I am pleased to present the corporate governance report for the year ended 31 December 2025. Your Board recognises that good corporate governance is essential to building a successful, sustainable business, ensuring timely, informed decision-making across the Group.**

### UK Corporate Governance Code

The Company was in compliance with the principles and provisions of the UK Corporate Governance Code 2024 (the “Code”), available at [www.frc.org.uk](http://www.frc.org.uk), throughout the year ended 31 December 2025, subject to the following explanations.

Provision 21 of the Code requires an externally facilitated board performance review every three years. As 2025 marked the third year since the last evaluation, the Board would ordinarily have commissioned one. However, following the change of Chair in February, and CEO departure in March, the Board deferred the external evaluation until 2026. This allows the new Chair and CEO to settle into their roles and develop working relationships. The Company will now undertake an externally facilitated evaluation in 2026.

Jez Maiden, a member of the Audit Committee and the Company's Senior Independent Director (“SID”) during 2025, also served as interim Chair until 1 February 2025. This temporary situation led to technical non-compliance with Provision 24 of the Code, which is explained further on page 74 (Audit Committee report). No alternative SID was appointed, as per Provision 12 of the Code, but engagement with Non-executive Directors and shareholders was not adversely affected.

### Role of the Board

The Board is responsible for directing the Company and ensuring leadership within a framework of effective controls. We focus on delivering the Group's strategy for the benefit of our shareholders, while taking into account the interests of all our stakeholders. This involves rigorously challenging strategy, assessing performance and balancing interests to ensure the highest quality decisions.

The Board has a schedule of matters reserved to it, last reviewed and approved in December 2025, which is available on the Company's website. In line with the Code, the Board delegates certain responsibilities to its Audit, Nominations, and Remuneration Committees. These Committees all have three independent Non-executive members and defined terms of reference, available on the Company's website.

### Culture

Our values and priorities drive the culture and operating practices within our business. The Board monitors this through various insights, ensuring we listen to colleagues and serve our customers safely. Insights include:

- Feedback received informally through visits by members of the Board to branches and other sites across the Group
- Responses to the Group-wide colleague engagement survey (“Your Voice Our Future”)
- Feedback from colleague listening sessions held by members of the Board
- Review of issues raised through the Group's Speak Up line

These insights help the Board assess how well the Group's culture aligns with its policy, strategy, and values.

### Engaging with stakeholders and the workforce

Engagement with stakeholder groups (shareholders, customers, suppliers, and colleagues) informs the Board during strategy formulation. The Board considers their views when making strategic decisions. The Group's s172 statement (pages 68 to 70) describes how the Group meets its duties,

including engagement with major shareholders and the resulting outcomes.

The Board designated a workforce Non-executive Director, Louise Hardy, in 2025. To encourage meaningful representation, Louise conducted four one-hour listening groups, engaging 44 colleagues including Branch Managers, new starters (less than one year of service) and Mental Health First Aiders. The purpose was for Louise, on behalf of the Board, to gather general feedback, gauge engagement levels, and check the landing of recent leadership and structural changes.

### Conflicts of interest and raising concerns

Directors declare any actual or potential conflicts of interest at the start of every Board and Committee meeting. The Company Secretariat maintains a conflicts register.

The Board reviews potential conflicts, records mitigating actions (if necessary) on the register, and carefully considers any relationships to ensure they do not compromise the Directors' independent judgement. The Board also conducts an annual review of the conflicts register to ensure it remains up to date.

Concerns regarding Board operation can be raised with the Chair or the SID. The SID discussed Board operation in 2025 with Directors independently from my own discussions, in line with good governance practice.

In 2025, the Group continued to emphasise the importance of the Code of Conduct training, reinforcing that colleagues at all levels must do the right thing. The Group also promoted the Speak Up service, which allows colleagues to

confidentially raise concerns regarding behaviour that is inconsistent with Group values. Promotion highlighted the range of ways by which colleagues can whistleblow, as the service is available via a telephone hotline, web portal, or mobile QR code. The Audit Committee received regular reports on issues raised, subsequent actions and the effectiveness of the Speak Up service. The Board also conducted an annual review (in December 2025) of the process for Group colleagues and third parties to report concerns.

### Case studies

The following case studies are reported as examples to illustrate the Board's decision-making process and its outcomes for the business and stakeholders.

Embedding a safety-oriented culture by leveraging the full Board (while scaling back the Stay Safe Committee, without disregarding the value it has added):

- The Board ensured it received regular health and safety reports from the Group's senior safety professionals in 2025, highlighting specific risk factors
- The Board scrutinised the application of the Group's "Just Culture" model to incidents, ensuring fair consequences, while distinguishing one-off from systemic issues
- The Board holds the Group Leadership Team ("GLT") accountable for prioritising clear safety standards and reinforcing "collective memory" of past incidents

Chief Executive Officer ("CEO") succession:

- Following Pete Redfern's resignation from the Board and his employment with the Group in March 2025, the Group needed a new leader to drive its strategic development
- The Nominations Committee recommended Gavin Slark and the Remuneration Committee constructed a compensation package aligned with the previous CEO's level and commensurate with Gavin's skills and extensive leadership experience (Gavin's package is also aligned with the current Directors' remuneration policy of the Company); The Board approved the appointment in May 2025, based on a start date no later than 1 January 2026 and Gavin joined as Chief Executive Officer on 1 January 2026.
- The appointment provided stability to the business instrumental to the Group's evolution, and confidence to the market

### Board composition and effectiveness

#### Board changes

The Board appoints new Directors based on the Nominations Committee's recommendation.

The Board saw a number of changes in 2025. I became Chair on 1 February 2025 and Jez Maiden stepped down as Interim Chair. Pete Redfern resigned as CEO due to ill health on 10 March 2025.

As at 31 December 2025, the Board comprised six Non-executive Directors and one Executive Director.

Gavin Slark then joined as CEO (see above).

The biographies of the Board, as at the date of the Annual Report and Accounts, are listed on pages 62 to 63.

### Re-election of Directors

All Directors are eligible for re-election at the 2026 Annual General Meeting, based on their performance and contribution to the Company's long-term sustainable success.

### Board performance review

The Board and Committee performance review, consistent with Code requirements (subject to the deferral of external review explained on page 64), was carried out in 2025 as described in the Nominations Committee report on pages 71 to 73.

### Division of responsibilities and meetings

#### Chair and CEO

The Chair and CEO roles are split. The Board reviewed and approved a written statement of the division of responsibilities, in December 2025, available on the Company's website. The Chair leads the Board and ensures its effectiveness. The role of the CEO is described below.

Jez Maiden was independent on appointment as Interim Chair, and remained so for the duration of his term. I was independent on appointment as Chair, and remain so.

### Non-executive Directors

The Board ensures that at least half its members, excluding the Chair, are independent Non-executive Directors. It reviews any relationships or circumstances that could affect their independence. Provision 10 of the Code sets out circumstances that might impair independence, such as cross-directorships or significant links with other Directors. The Board is satisfied that none of these circumstances applied in 2025, and all Non-executive Directors remain independent.

The Non-executive Directors provide constructive challenge, strategic guidance, and appraise Executive Directors' performance against targets, including through the Remuneration Committee. The Non-executive Directors and Chair meet regularly without Executive Directors present.

A Non-executive Director is appointed as the SID. The SID acts as a sounding board for the Chair and an intermediary for Directors and shareholders. The SID is available to shareholders seeking an alternative channel to raise issues. The SID meets with the other Non-executive Directors without the Chair to discuss the Chair's performance during the year and other matters. The SID's responsibilities are set out in writing on the Company's website. Jez Maiden is the Company's SID, fulfilling these responsibilities during 2025, while also serving as Interim Chair for the first month.

### Time commitment

When making new appointments, the Board considers competing demands on candidates' time. Candidates must disclose significant commitments and estimated time demands prior to appointment. Each Non-executive Director's letter of appointment sets out their expected time commitment, available for inspection at the Annual General Meeting. The Company liaises with Non-executive Directors to prevent scheduling clashes with external appointments. Directors can attend meetings by video or telephone conferencing if travel is an issue.

The Board annually reviews the time commitments of each Director and is satisfied all Directors have sufficient time to fulfil their duties. Any new external appointments during the year require careful consideration and, if necessary, prior consent, taking into account the number and scale of the Director's other commitments.

## CORPORATE GOVERNANCE REPORT CONTINUED

Executive Directors may accept one external non-executive directorship with a listed entity, subject to Board approval.

### Board and Committee meetings

The Board held nine meetings in 2025, covering the annual activity cycle and other matters arising. Meetings were a mix of in-person and virtual, using video conferencing. Regular agenda items included:

- Health and safety performance
- Financial results and performance
- Reviews of the Group's businesses with members of the GLT

Examples of other areas of particular focus in certain meetings includes the following:

- Review of the outturn trading performance of the Group in 2024 and the response of the Group to the trading conditions prevailing in 2025
- Appointments of CEO and other key senior leaders
- Group talent agenda: review with particular focus on talent and succession
- Investor relations: review of feedback received from investors in the course of the year and discussion of 2025 priorities
- Risk Appetite and Principal Risks: to facilitate the calibration of Board risk appetite and covering cyber risk preparedness
- Sustainability: review of climate-related risks and opportunities
- Governance, including review of Committee work and the conduct of matters reserved to the Board

The Chair meets regularly with Board members and with members of the GLT between Board meetings and ensures that Board members are kept informed of material developments. At meetings, the Chair encourages debate and equal contribution from each Board member within a transparent and constructive atmosphere. The following table sets out the Directors who served during the year and their Board and Committee meeting attendance.

|                         | PLC Board | Audit Committee | Nominations Committee | Remuneration Committee | Stay Safe Committee | Overall attendance (%) |
|-------------------------|-----------|-----------------|-----------------------|------------------------|---------------------|------------------------|
| Number of meetings      | 9         | 4               | 3                     | 9                      | 1                   | 98                     |
| Attendance:             |           |                 |                       |                        |                     |                        |
| D. Cooper               | 9/9       | –               | –                     | –                      | –                   | 100                    |
| M. Culver               | 9/9       | –               | –                     | 9/9                    | 1/1                 | 100                    |
| G. Drabble              | 9/9       | –               | 3/3                   | –                      | 1/1                 | 100                    |
| H. Drewett              | 9/9       | 4/4             | –                     | 8/9                    | –                   | 95                     |
| J. Gill                 | 9/9       | 4/4             | 2/3                   | –                      | 1/1                 | 94                     |
| L. Hardy <sup>1</sup>   | 9/9       | –               | 3/3                   | 9/9                    | –                   | 100                    |
| J. Maiden <sup>2</sup>  | 9/9       | 4/4             | 3/3                   | 1/1                    | –                   | 100                    |
| P. Redfern <sup>3</sup> | 1/1       | –               | –                     | –                      | –                   | 100                    |

<sup>1</sup> Louise Hardy stood down from the interim role as a member of the Nominations Committee and, temporarily, the role of Chair of the Remuneration Committee on 21 October 2025, although this had no effect on attendance.

<sup>2</sup> Jez Maiden became Interim Chair of the Remuneration Committee from 21 October 2025.

<sup>3</sup> Pete Redfern stepped down from the Board on 10 March 2025.

### Group Leadership Team

The Board delegates responsibility for the execution of Group strategy and management of the Group's business to the CEO, who provides coherent leadership, leading the GLT of key business and functional leaders in the development and execution of the Group's strategy, day-to-day operations, and in ensuring compliance, risk management, and effective resource utilisation across the business.

Other colleagues attend GLT meetings as required for specific matters. The GLT's main purpose is to assist Executive Directors in their duties, particularly regarding:

- the development and implementation of strategy, operational plans, policies, procedures and budgets;
- the monitoring of operational and financial performance;
- the assessment of control of risk; and
- the prioritisation and allocation of resources.

### Provision of information and support

All Directors have direct access to the General Counsel and Company Secretary for the purposes of advice regarding all governance matters. Directors may also seek independent professional advice at the Company's expense as required.

### Annual General Meeting

The Company welcomed shareholders, their proxies, and corporate representatives to the in-person Annual General Meeting ("AGM") on 14 May 2025. All Directors were present and available for questions.

Shareholders provided sufficient support, including votes by proxy, to pass all resolutions with an average of 95.5% of votes in favour. Each resolution received greater than 80% support.

Your Board values the AGM as a key opportunity for direct engagement. We look forward to welcoming shareholders, their proxies, and corporate representatives to the 2026 Annual General Meeting. We remain committed to effective shareholder communication and listening to your views. We will not offer remote participation in the 2026 AGM to avoid unnecessary expenditure but remain receptive to any clear increase in shareholder demand for it in the future.

### Statement by the Board

The Strategic report (pages 2 to 60) reviews the performance and financial position of the Group's businesses. The Board uses it to present a full assessment of the Group's position, prospects, business model, and strategy. The Directors' statement of responsibilities for the financial statements is on page 102.

### Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate

resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Board considered:

- The Group's cash flow forecasts and revenue projections
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue removal of property profits and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure and dividend suspension
- The committed debt facilities available to the Group and the covenants thereon
- The Group's debt maturity profile and investment credit ratings
- The Group's robust policy on liquidity and cash flow management
- The Group's ability to successfully manage the principal risks and uncertainties outlined on pages 52 to 59 during periods of uncertain economic outlook and challenging macroeconomic conditions

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements.

### The Board's fair, balanced and understandable declaration

At the meeting where the Group's annual results were presented, the Board considered whether the Annual Report and Accounts offered a fair, balanced and understandable overview of the Group's performance. The review process involved hearing from the CEO and CFO, receiving a report from the Audit Committee Chair on the review of the year-end financial statements and the audit conducted upon them, and a further review of the Annual Report and Accounts content. Concluding that the Annual Report and Accounts meet this standard, the Board approved the Directors' declaration, which can be found in the Directors' statement of responsibilities on page 102.

### Effectiveness of the system of internal control and risk management

The Board, supported by the Audit Committee, has reviewed the effectiveness of the system of internal control and risk management. This process followed the Financial Reporting Council's guidance on Risk Management and Internal Control, covering the year up to the approval of the Annual Report and Accounts. The Board has concluded that these systems are effective. Further details on this work are set out in the Audit Committee report on page 76 and 77.

### Geoff Drabble

Chair

16 March 2026

## SECTION 172 STATEMENT

The Group has taken into consideration the interests of key stakeholders and the success of the Company for the benefit of its members as a whole, in line with Section 172(1) (a) to (f) of the Companies Act 2006 (“s172”). This s172 statement explains how:

- the Directors have taken into consideration the interests of members as a whole in key decision-making; and
- the Group, including the Directors, has engaged with stakeholders.

s172 requires Directors to have regard (amongst other matters) to:

- The likely consequences of any decision in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

For example, and as set out below, the Board had particular regard to the requirements of s172 (amongst the other requirements of s172 and other matters more generally) in connection with the decision to sell Staircraft and the decision to appoint Gavin Slark as CEO.

| Key Board decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Stakeholder considerations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Decision to sell Staircraft:</b> In the first quarter of the financial year, the Board reviewed the strategic fit of the Staircraft manufacturing business within the Group's portfolio. Following a detailed assessment, the Board approved the disposal of the business.</p> <p><b>Context:</b> Staircraft is a manufacturing business based in Coventry, fully acquired by the Group in 2021. Despite investment, the business faced challenges relating to market volumes and technical expertise loss, impacting profitability.</p> <p><b>Outcome:</b> The transaction completed on 30 April 2025 for a consideration of £21m. This decision streamlined the Group's structure, reduced operational complexity, and protected the interests of the Staircraft workforce by transferring the business to an owner better placed to drive its specific manufacturing strategy.</p>                                                                 | <p><b>Shareholders:</b> The Board determined that the sale represented the best option for long-term value, simplifying the Group's operating model and allowing capital to be redeployed into core merchanting activities.</p> <p><b>Colleagues:</b> The potential transaction considered by the Board included expected impacts on Staircraft colleagues. While the transaction would ensure continuity of employment when the company passed to the new owner, securing jobs for the majority of the local Coventry workforce, the situation was complex. The change would result in Staircraft colleagues ceasing to be Group colleagues, leading to their compulsory exit from Group share schemes (albeit as good leavers) and from the non-contractual wellbeing benefits package offered by the Group (albeit Staircraft colleague contract terms were unaffected). The decision by the Board to proceed with the transaction effectively balanced these short-term negative consequences against the long-term benefit of securing the future of the business and continued employment.</p> <p><b>Customers and suppliers:</b> As Staircraft operated largely unintegrated with the wider operations of the Group, the sale was assessed to have minimal disruption on wider Group relationships. The transaction approved by the Board included transitional arrangements to maintain the service levels of Staircraft to its wider customer base, and of the Group to the customers that it supplies with Staircraft-manufactured products.</p> |
| <p><b>Appointment of CEO:</b> Following the resignation of Pete Redfern due to ill health in March 2025, the Board prioritised the recruitment of a new Group CEO to lead the business through its next phase of recovery and growth.</p> <p><b>Context:</b> The Board faced the need to secure stable, long-term leadership to navigate challenging trading conditions. The Nominations Committee, led by the Chair, engaged external search consultants to identify a candidate with the specific skills required to deliver the Group's strategy.</p> <p><b>Outcome:</b> The Board approved the appointment of Gavin Slark in May 2025, with a start date of 1 January 2026. This decision restored market confidence, provided clarity on the strategic direction to all stakeholders, and secured a leader with the specific capabilities required to set the Group's strategic direction and to execute the Group's operational improvement plan.</p> | <p><b>Shareholders:</b> The Board considered investor feedback which emphasised a desire for deep sector experience. The appointment of Gavin Slark, with his extensive track record in the merchanting sector (formerly CEO of Grafton Group plc and SIG plc), directly addressed shareholder priorities for a leader with operational credibility and a history of value creation.</p> <p><b>Colleagues:</b> The Board recognised that leadership stability is vital for colleague morale and retention. In selecting the new CEO, the Board prioritised “cultural fit” and the ability to connect with branch teams. The Board determined that Gavin's hands-on style would resonate well with colleagues and reinforce the “back to basics” operational culture.</p> <p><b>Customers:</b> The Board focused on selecting a leader with an instinctive understanding of the trade customer. This ensures that strategic decision-making at the top of the organisation remains aligned with the practical needs of the Group's customer base.</p> <p><b>Long-term success:</b> The Directors had regard to the likely consequences of the decision in the long term. They concluded that appointing a CEO with specific experience of strategic development in the sector was essential to drive operational improvement and the Company's future success.</p>                                                                                                                                                                                          |

## Stakeholder engagement

### Relevant issues, factors and stakeholders

The Group's Strategy and ESG framework reflects key macro factors and challenges (pages 53 and 54), growth drivers (page 12) and double materiality assessment results (page 28), and have been formed through expert teams and in-depth consultation with key stakeholder groups.

### Stakeholder engagement and key ESG issues

Building positive stakeholder relationships through engagement, collaboration and dialogue is important to the Group. Working together with its stakeholders towards shared goals assists the Group in delivering long-term sustainable success. The Group comprises a number of businesses and stakeholder engagement takes place both at a Group level and also within each business as each has its own unique stakeholders. Details of key stakeholders and examples of how the Group engages with them are set out below.

| Stakeholder type                                                     | How the Group engages with them                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Key ESG issues                                                                        |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Shareholders</b>                                                  | <p>The Group relies on the support of shareholders and places importance on their opinions. The Group wants to enable shareholders to have an in-depth understanding of strategy and operational and financial performance, so they can accurately assess the value of their shares in the Company. The Group has an open dialogue with shareholders through one-to-one meetings, group meetings, and the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.</p> <p>Shareholder feedback along with details of movements in the shareholder base are reported to, and discussed by, the Board and their views are considered as part of decision-making. Furthermore, the Chair and CFO undertook 154 investor interactions during 2025, including 11 investment bank conferences and four site visits, the outcomes of which were reviewed with the wider Board. The efficiency of reaching a wide investor base via virtual meetings is recognised but the Board remains focused on in-person meetings as it is their belief that this facilitates better quality conversation and helps to build long-term relationships with shareholders. In 2025, half of all investor interactions were in-person, this figure rising to over two-thirds with UK-based investors.</p>                                                                                                                                                                  | Carbon<br>Supply chain<br>Governance                                                  |
| <b>Debt holders, lenders, rating agencies and relationship banks</b> | <p>The Group places great importance on maintaining strong relationships and open dialogue with its debt holders, lenders, rating agencies and relationship banks. This was particularly the case during 2025, with the successful refinancing of the 2026 bond in two tranches via the private placement markets.</p> <p>As part of this process, the CFO undertook roadshows in both the US and the UK with two further site visits including management presentations and Q&amp;A sessions, the outcomes of which were reviewed with the wider Board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Governance                                                                            |
| <b>Customers</b>                                                     | <p>The success of the Group, both historically and into the future is dependent on the ability to understand and meet the needs of customers. The Group continues to invest in data capability to bring a greater level of understanding to the behaviour of customers, and when combined with the time spent discussing their needs and perceptions this produces a significant amount of insight, which is used to guide action. Taking a long-term view of customer needs has allowed Group business units to begin to develop and deploy a range of services, which are designed to go above and beyond the traditional model of the straight supply of materials. By looking forward and seeking to understand the potential range of impacts that may affect the business of its customers in the future, the Group is able to assist in the development of solutions to bring mutual value, enabling, for example, customers to work with changing planning legislation to construct houses that meet current and future standards. Many of these examples are shared under "Sustainable Solutions" on page 32.</p> <p>The ESG team engaged with over 100 customers in 2025, including 25 customer interviews as part of a Double Materiality Assessment.</p> <p>The Board's focus on customer relationships was demonstrated by its review of the findings from a customer service quality assessment in the General Merchant business. This insight informed the Board's support for leadership decisions aimed at improving performance in this area.</p> | Carbon<br>Sustainable solutions<br>Sustainable sourcing<br>Social value<br>Packaging  |
| <b>Colleagues</b>                                                    | <p>People are key to the Group's success and it is important that they are successful individually and as a team. The Group aims to build a fully inclusive environment where treating each other with respect and encouraging everyone to be themselves is at the heart of the Group's values. The Group works hard to engage with, and listen to, colleagues in a variety of ways. A Group-wide engagement survey in 2025 was sent to 16,603 colleagues with a participation rate of 83%, representing the views of 13,810 colleagues. The engagement survey included detailed questions around safety, belonging, equal opportunity, customer focus and corporate citizenship. The role of the designated workforce Non-executive Director is to help bring the colleague voice into the boardroom. This role was fulfilled by Louise Hardy in 2025. Louise held listening sessions to gauge engagement and colleague sentiment.</p> <p>104 colleagues across the Group were interviewed as part of a Double Materiality Assessment in 2025. This informed the materiality decisions made by the Group Leadership Team. An ESG module is included in all apprenticeships.</p> <p>The Group's proactive management of overheads in 2025 led to the removal of over 350 central and regional roles. The effect on this major stakeholder group was balanced against the necessity of adjusting the cost base in a persistently challenging market and reflecting the trend towards a smaller Group size.</p>                                                       | Safety and wellbeing<br>Reward<br>Skills<br>Diversity, equity and inclusion<br>Carbon |

## SECTION 172 STATEMENT CONTINUED

| Stakeholder type                       | How the Group engages with them                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Key ESG issues                                                                                                                             |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Suppliers</b>                       | <p>The Group sources products from experts in the products supplied. The Group aims to build strong supplier relationships and develop mutually beneficial, lasting partnerships. Engagement with suppliers is through trading and formal reviews. The Group's businesses also host conferences to bring suppliers and customers together to discuss shared goals and build relationships.</p> <p>106 suppliers were supported during 2025, including 37 interviews as part of a Double Materiality Assessment. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.</p>                                                                                                                                                                                                                                | <p>Carbon</p> <p>Sustainable sourcing (including QA)</p> <p>Sustainable solutions</p> <p>Packaging</p> <p>Safety</p> <p>Modern slavery</p> |
| <b>Communities and the environment</b> | <p>Investing in sustainable business growth means supporting the communities in which the Group operates. By ensuring a positive contribution, the Group can help its communities and strengthen the business. Colleagues engage with the communities in which the Group operates, building trust and understanding of local issues. Key areas of focus include support for local causes and issues, creation of opportunities to recruit and develop local people, and helping to look after the environment. Group businesses partner with charities and organisations at a local level to raise awareness and funds.</p> <p>The Group's impact on the environment is a key focus for the Board. During 2025, progress was made towards the Group's targets for buildings and fleet (Scope 1 and 2) and for the supply chain (Scope 3). Further information is available in the Sustainability report on pages 26-51.</p> | <p>Carbon</p> <p>Sustainable solutions</p> <p>Safety</p> <p>Quality</p> <p>Skills</p> <p>Sustainable sourcing</p>                          |
| <b>Government and regulations</b>      | <p>The regulatory environment significantly impacts the success of the business. The Group believes it is important to share its information and perspectives on areas that impact Group businesses with those who can influence policy, law and regulation. Engagement with the government and regulators takes place through a range of industry consultations, forums, meetings and conferences to communicate views to policy-makers relevant to the Group's sectors and businesses. Key areas of focus during 2025 were government consultations on Construction Product Reform and low-carbon industrial products.</p> <p>The Board is updated on legal and regulatory developments and takes these into account when considering future actions.</p>                                                                                                                                                                 | <p>Sustainable operations</p> <p>Sustainable solutions</p> <p>Skills</p> <p>Governance</p>                                                 |
| <b>Trade and professional bodies</b>   | <p>The Group collaborates with trade and professional bodies to raise awareness, share best practices and to move forward together as an industry on shared opportunities, issues and challenges. For example, the Group sits on the Builders Merchant Federation Board and its industry working groups. The Group is a CO<sub>2</sub>nstructZero Business Champion, the Construction Leadership Council's framework for net zero in the construction industry. The Group is represented in the Construction Product Association, Logistics UK, Builders Merchant Federation, Supply Chain Sustainability School, CPA and other forums relevant to the Group's material risks and opportunities.</p> <p>The Group is a founding member of The Construction Inclusion Coalition, which has been established to raise sector standards on equity, diversity and inclusion.</p>                                                | <p>Sustainable operations</p> <p>Skills</p> <p>Safety</p> <p>Diversity, equity and inclusion</p>                                           |

**Delegated decision-making**

The Group's governance framework delegates authority for local decision-making to each of its businesses, up to defined levels of cost and impact, which allows the businesses to take account of the needs of their own stakeholders in their decision-making. The leadership teams of each business make decisions with a long-term view and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the Directors of each business and of the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions that they take. Where possible, decisions are carefully discussed with affected groups and are, therefore, fully understood and supported when taken.

## NOMINATIONS COMMITTEE REPORT



**Geoff Drabble**

Chair, Nominations Committee

16 March 2026

### 2025 focus areas

- CEO Recruitment
- Development of a new strategy
- Managed Board and Executive succession planning

Number of meetings during 2025

3

### Dear shareholder,

**I am pleased to present the Nominations Committee report for the year ended 31 December 2025. I would like to set out clearly how your Board views the role of this Committee. We understand the importance of Board skills, knowledge, and diversity of experiences in order to deliver the Group's strategy, and that good corporate governance is an essential element in helping to build a successful business in a sustainable manner. As a Nominations Committee, we have faced a dynamic set of circumstances this year. Consequently, our focus has been on securing the right leadership to navigate the current trading environment to ensure the continued ability of the Group to compete effectively.**

### Leadership transition

The primary focus for the Nominations Committee in 2025 was the leadership of the Executive team. As reported last year, Pete Redfern joined the business in September 2024 and, regrettably, Pete then tendered his resignation in March 2025 due to ill health. Following this unexpected development, the Committee acted decisively to secure strong leadership. We recognised that, in the current market, the Group required a leader with deep merchanting experience and operational strength. I revisited the role brief with the Board, and we agreed that, given my own background as Chair, we had the scope to prioritise deep sector expertise.

We engaged Russell Reynolds Associates to conduct a comprehensive review of the market. In tandem, I leveraged my own knowledge of the sector to identify potential candidates. This rigorous process produced a strong shortlist, which included candidates from the previous recruitment exercise and new market entrants. All Directors met with the final shortlist of candidates.

I am delighted to report that this process resulted in the appointment of Gavin Slark as our new Group Chief Executive Officer ("CEO"). The Nominations Committee recommended Gavin to the Board based on his excellent merchanting experience, having previously served as CEO of BSS plc, Grafton Group plc, and SIG plc. Gavin brings a wealth of industrial experience and a track record of operational delivery. I am very satisfied that he is an excellent cultural fit for the business and the Board. His appointment will be instrumental in driving our operational improvement and trading focus in 2026 and beyond.

### Committee membership and role changes

There have been a few changes to the composition of the Committee during the year to support our evolving needs.

Jez Maiden served as Interim Chair of the Board until 1 February 2025 and of the Nominations Committee until 1 April 2025. Jez was replaced in each case by myself. Jez has subsequently taken on the role of Interim Chair of the Remuneration Committee as of 21 October 2025. Jez's contributions continue to be of great value to the Board.

Louise Hardy stepped down from her interim role as a member of the Nominations Committee, and temporarily from her role as Chair of the Remuneration Committee on 21 October 2025. I thank her for her additional service on the Nominations Committee during the busy transition period. I also thank Louise for her continuing contribution as a member of the Remuneration Committee.

### Process for Board appointments

The appointment of Gavin Slark followed the Nominations Committee's formal, rigorous, and transparent procedure. This includes the following:

**Skills Assessment:** Agreeing the key skills (in this case, merchanting and operational rigour) required for the role.

**Search:** Engaging independent search consultants (Russell Reynolds).

**Assessment:** Long-listing and short-listing based on merit and objective criteria, followed by interviews with all Directors and psychometric testing.

**Recommendation:** Recommending the preferred candidate to the Board.

**Disclosure on Search Consultants:** During the year, the Nominations Committee used the services of Russell Reynolds. Russell Reynolds held a prior engagement regarding the appointment of Pete Redfern but the Directors have no other connection with Russell Reynolds.

## NOMINATIONS COMMITTEE REPORT CONTINUED

## Diversity and inclusion

## Board diversity policy

The Nominations Committee has a key role to promote and set targets for appropriate ethnic and gender diversity at Board and senior management levels. Disclosure Guidance and Transparency Rule (“DTR”) 7.2.8AR requires the disclosure of the diversity policy applied to a board and its remuneration, audit and nomination committees. It has always been the Company’s broad approach to seek diversity in all senses, including age, gender, ethnic and social backgrounds, sexual orientation, disability and experience, with the aim of fostering a culture of inclusion. This remains the approach in all the activities of the Board and its Committees. In light of DTR 7.2.8AR, the Board has approved and adopted a formal diversity policy, which can be found in the Governance section on the Company’s website.

The FTSE Women Leaders Review (“FWLR”) recommends that boards should comprise 40% female directors, with a female in at least one of the roles of Chair, Senior Independent Director, CEO or CFO, and that, by the end of 2025, 40% of the leadership team should be female. In accordance with UK Listing Rules 6.6.6R(9), the Group acknowledges that as at 31 December 2025, it has not met the targets that at least 40% of the Board are women or that at least one of the senior Board positions is held by a woman. While the Board supports the FWLR’s aim, the October 2025 review of diversity data noted that while the Board gender diversity gap remains, the representation increase in 2025 at the Group Leadership Team (“GLT”) and GLT+1 levels is encouraging (see page 35 for further gender diversity detail). The Group is committed to building an inclusive environment and will continue to monitor its progress towards increasing the relative number of women in senior management positions and ensuring a diverse pipeline for the future.

Regarding ethnic diversity, the Parker Review has recommended that FTSE 250 companies should have at least one director who identifies as minority ethnic, a recommendation the Board has met. The Group’s current ethnic diversity amongst its leadership team is low. As such, in line with the Parker Review’s latest recommendations, the Group has set a target for 7% of its leadership team (GLT and GLT+1 levels) to be from minority ethnic backgrounds by the end of 2027.

The disclosures required to be made by UK Listing Rule (“UKLR”) 6.6.6R(9) are included in the information set out above.

The following tables are included in accordance with UKLR 6.6.6R(10) in the format prescribed by that rule and set out in UKLR 6 Annex 1. In accordance with UKLR 6.6.6R(11), it is confirmed that the Group used data gathered through self-identification (on recruitment and/or by periodic questionnaire) and held on the corporate record for the purposes of making the disclosures in accordance with UKLR 6.6.6R(9) and (10).

## Gender identity (at 31 December 2025)

| Gender                                 | No. of Board members | % of the Board | No. of senior positions on the Board | No. in executive management | % of executive management |
|----------------------------------------|----------------------|----------------|--------------------------------------|-----------------------------|---------------------------|
| <b>Men</b>                             | 5                    | 71             | 4                                    | 5                           | 71                        |
| <b>Women</b>                           | 2                    | 29             | –                                    | 2                           | 29                        |
| <b>Not specified/prefer not to say</b> | –                    | –              | –                                    | –                           | –                         |

## Ethnic background (at 31 December 2025)

| Ethnicity                                                          | No. of Board members | % of the Board | No. of senior positions on the Board | No. in executive management | % of executive management |
|--------------------------------------------------------------------|----------------------|----------------|--------------------------------------|-----------------------------|---------------------------|
| <b>White British/Other White (including minority-White groups)</b> | 6                    | 86             | 4                                    | 5                           | 71                        |
| <b>Mixed/Multiple ethnic groups</b>                                | –                    | –              | –                                    | –                           | –                         |
| <b>Asian/Asian British</b>                                         | 1                    | 14             | –                                    | 1                           | 14.5                      |
| <b>Black/African/Caribbean/Black British</b>                       | –                    | –              | –                                    | –                           | –                         |
| <b>Other ethnic groups, including Arab</b>                         | –                    | –              | –                                    | –                           | –                         |
| <b>Not specified/prefer not to say</b>                             | –                    | –              | –                                    | 1                           | 14.5                      |

## Board performance review

Your Board understands that regular performance review is vital for high performance. Under the UK Corporate Governance Code, an externally facilitated board performance review is typically required every three years. The last external review was technically due in 2025. However, given the significant changes to the Board during the year, including my own start as Chair from 1 February, the unexpected departure of the CEO in March and the recruitment of a new CEO, the Committee determined that the most value would be derived from deferring the external performance review until 2026. This decision allows the new Board team time to develop working relationships and focus on our immediate strategic priorities without the disruption of an external review process during a critical transition. Instead, an internal review was conducted in November–December 2025, utilising a questionnaire facilitated by the Company Secretary, to assess our performance against the UK Corporate Governance Code and our duties under s172 of the Companies Act. The review highlighted a clear distinction between our handling of immediate challenges versus our long-term focus:

- **Resilience and decisiveness:** The Board was rated highly for its “decisiveness and resilience” during a difficult period. This confirms that our governance structures held up well under the pressure of the leadership transition and trading headwinds.
- **Tactical vs. strategic balance:** The review identified that our focus in 2025 was heavily weighted toward tactical focus to support management through the leadership transition. With the new CEO in place, shifting this balance is our primary objective for 2026.
- **Information flow:** The arrival of our new CEO will also allow us to normalise the approach to ensuring the quality and timeliness of information supplied to the Board.

These findings are also reflected in the 2026 workplan (see “Looking forward”).

The Senior Independent Director has separately obtained feedback from the Directors regarding Chair effectiveness during 2025.

Review of 2025 focus areas

Last year, the Committee set out specific areas of focus. Our progress is summarised below.

| 2025 focus area                                 | Progress and outcomes                                                                                                                                                                                                                                        |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CEO recruitment                                 | Completed. The search was successfully concluded with the appointment of Gavin Slark, bringing deep sector expertise to the Group.                                                                                                                           |
| Development of a new strategy                   | In Progress. With the leadership team now in place, the Board is actively reviewing the strategic direction, with a renewed focus on core merchanting and operational efficiency.                                                                            |
| Managed Board and Executive succession planning | Ongoing. The Committee reviewed the Board Skills Matrix in October, identifying a need to bolster merchanting experience, which the CEO appointment addresses. The Committee expects to now shift some of its focus to succession planning at the GLT level. |

Looking forward

Our key priorities over the next 12 months will be to:

- Oversee the integration of our new CEO and ensure a smooth transition of leadership to drive the business forward.
- Keep under review our leadership needs to ensure the continued ability of the Group to compete effectively in a challenging marketplace.
- Succession planning, including below Board level, to support operational improvement and drive the diversity agenda through our internal talent pipelines, specifically reviewing the roadmap to our diversity targets.

I look forward to welcoming you to the Annual General Meeting and answering any questions you may have regarding the work of the Nominations Committee.

Geoff Drabble

Chair, Nominations Committee

16 March 2026

## AUDIT COMMITTEE REPORT



**Heath Drewett**  
Chair, Audit Committee  
16 March 2026

### 2025 focus areas

- Monitoring the integrity of financial statements and other external financial announcements
- Assessment of effectiveness and maturity of risk management and internal control

### Number of meetings during 2025

4

### Dear shareholder,

**I am pleased to present the Audit Committee's report for the year ended 31 December 2025. The report details our work in fulfilling the Committee's oversight mandate, focusing on: integrity of financial reporting, effectiveness of internal controls and risk management, and oversight of the external and internal audit functions. I will be available at the Annual General Meeting for questions.**

### Audit Committee membership and attendance

The members were Heath Drewett, Jora Gill and Jez Maiden.

All are independent Non-executive Directors, meeting the requirements of Provision 24 of the UK Corporate Governance Code 2024 ("Code") for financial experience and sector competence (see biographies on pages 62 to 63).

Provision 24 also requires the Board Chair not to be on the Committee. Jez Maiden served as a member, while also Interim Chair of the Board for the first month of 2025. This temporary overlap was considered in the Company's best interest, given his experience. No Audit Committee meetings were held in this period. Geoff Drabble assumed the role of Board Chair on 1 February 2025, when Jez stepped down as Interim Chair.

The Committee held four meetings in 2025.

Attendance is detailed in the Corporate Governance report on page 66. Other attendees included the Chair of the Board, CFO, General Counsel and Company Secretary, Group Financial Controller\*, Head of External Reporting, the Head of Internal Audit and Risk\*, and the lead audit partner\*. Other NEDs attended the February meeting for the principal/emerging risks review. The Committee met separately with Internal Audit and the external auditor, and management (without the external auditor).

### Role of the Audit Committee

The Audit Committee assists the Board in its oversight responsibilities under the Code:

- **Financial integrity:** Monitoring the integrity of the Company's financial statements and significant reporting judgements
- **Controls and risk:** Overseeing internal financial controls and risk management, supporting the Board's review and declaration of effectiveness, and preparation for future declarations in line with Code reform
- **Internal Audit:** Monitoring Internal Audit effectiveness, approving its annual plan and charter
- **External Audit:** Reviewing the external auditor's independence, objectivity, and effectiveness

### Work of the Audit Committee

The Audit Committee is satisfied it received sufficient and timely information from management, Internal Audit and the external auditor. Its performance was confirmed as effective by the Board Effectiveness Review. Our 2025 agenda was proactive, focusing on the following:

- **Internal Controls and Governance Reform:** Dedicated time at each meeting was spent reviewing preparatory work for strengthened reporting, including scope/materiality; Q4 included a focused review of financial and IT general controls to build the foundation for the Board's declaration of effectiveness
- **Financial Systems:** A post-implementation review of Oracle Financials was conducted in Q2
- **Audit Planning:** We reviewed the external audit plan and updates on annual impairment testing

\* and members of their respective teams

The following table summarises the main business matters covered at each of the four meetings in 2025:

|                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Q1 (March 2025)                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• 2024 year-end accounting*</li> <li>• External audit report 2024</li> <li>• Review of internal controls</li> <li>• Review of principal and emerging risks</li> <li>• Content of 2024 Annual Report and Accounts, and the press release regarding the 2024 financial results</li> </ul>                                                                                                         |
| Q2 (May 2025)                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Response to UK governance reform (scope/materiality of controls)</li> <li>• Post-implementation review (Oracle Financials)</li> <li>• External audit plan (half-year review plan)</li> <li>• Review of external auditor performance/effectiveness</li> </ul>                                                                                                                                  |
| Q3 (July 2025)                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• 2025 half-year accounting*</li> <li>• External audit report (findings from half-year review, year-end audit plan/independence)</li> <li>• Review of principal and emerging risks</li> <li>• Response to UK governance reform (further activity)</li> </ul>                                                                                                                                    |
| Q4 (November 2025)                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Response to UK governance reform (financial and IT general controls)</li> <li>• External audit report (update on year-end audit plan, progress/findings)</li> <li>• Updates on annual impairment testing/significant accounting matters</li> <li>• Effectiveness assessment/reapproval of Internal Audit charter/plan 2026</li> <li>• Review of Audit Committee terms of reference</li> </ul> |
| <p>* In considering accounting for both the year-end and the half year, the Audit Committee focused on accounting policies and compliance with accounting standards, going concern and viability assumptions, and significant financial reporting estimates and judgements.</p>                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <ul style="list-style-type: none"> <li>• Standing Agenda Items (reviewed at each meeting): Non-audit fees, Internal Audit Plan/reports/implementation, Operational Compliance Support, Procedures to prevent fraud (from Q3), Whistleblowing (Q1-Q3; the final quarterly report was made to the Board in December 2025).</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                        |

The Board is updated on key matters and recommendations following each Audit Committee meeting.

## AUDIT COMMITTEE REPORT CONTINUED

### Significant issues related to the financial statements

In fulfilling its responsibility for monitoring the integrity of the financial statements, the Audit Committee assessed the adoption of suitable accounting policies and the appropriateness of management's key judgements and estimates for the year ended 31 December 2025. The table below summarises the most significant judgement areas considered. For each, the Audit Committee reviewed management papers, challenged assumptions, sought clarifications, and reviewed supporting reports from both Internal Audit and the external auditor. This comprehensive due diligence provided the basis for the Audit Committee's conclusion on the financial statements.

| Area                                                   | Issue and nature of judgement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Factors considered and conclusions reached                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The carrying value of goodwill and other assets</b> | <p>The Group balance sheet contains £786.7m of goodwill and other intangible assets and £1,167.8m of tangible fixed assets and right-of-use assets.</p> <p>The Directors are required to determine annually whether those assets have suffered any impairment. They do so by comparing the present value of future cash flows for each cash-generating unit with the carrying value of assets. In addition, the Company balance sheet contains £2,443m of investments. The Directors compare the net present values of future cash flows from each investment to the carrying value of the investment in the balance sheet. The calculations undertaken to help arrive at a conclusion incorporate a consideration of the risks associated with each cash generating unit and are based upon forecasts of their long-term future cash flows, which by their nature require judgement to be exercised and are subject to considerable uncertainty.</p> | <p>The cash flow forecasts used for impairment considerations are prepared from the strategic business plans presented to, and approved by, the Board of Directors annually. Management presented the Committee with papers setting out the results of the work done, the assumptions made and the conclusions reached. They explained to the Committee how the cash flow and discount rate calculations were prepared, the key assumptions and judgements that were made and how sensitive those cash flows were to changes in the key assumptions. After reviewing management's papers and obtaining further explanation where necessary, the Committee concluded that management had taken a consistent, balanced and reasoned approach to preparing its calculations and that the judgements made were acceptable. It noted that the value-in-use models used by management showed that all material cash generating units had significant headroom, except for Toolstation Benelux, CCF and certain branches in the Merchanting segment for which impairments have been recognised and except for Travis Perkins General Merchant, Keyline and TF Solutions for which sensitivity disclosures have been included in the financial statements. The Committee concurred with the £216.5m impairment recognised. The Committee also discussed the calculations supporting the carrying value of investments held by the Company and concurred with management's conclusions.</p> <p>Further information is given in the financial statements (note 9 – Goodwill and other intangible assets and note 28 – Impairment).</p> |
| <b>Inventory Provision</b>                             | <p>The Group balance sheet contains £666.9m of inventory, which consists of a provision of £23.5m.</p> <p>The valuation of the Inventory Provision is calculated in-line with IAS 2 – Inventories.</p> <p>The Directors are required to write down inventory to the lower of cost and net realisable value ("NRV"). The estimation involved is in relation to the valuation of the NRV of inventory items.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Management presented the Committee with papers setting out the results of the work done, the assumptions made and the conclusions reached with respect to the inventory provision.</p> <p>After reviewing these papers and obtaining further explanation where necessary, the Committee concluded that management had taken a consistent, balanced and reasoned approach to preparing its calculations and made acceptable judgements.</p> <p>Further information is given in the financial statements (note 12 – Inventories).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

### Risk management and internal controls

The Audit Committee maintained an ongoing review of the effectiveness of the Group's risk management and internal controls during 2025, in line with the expectations of Provision 29 of the 2018 UK Corporate Governance Code, and concluded that, overall, they remain effective.

The Audit Committee's monitoring activities for the year, which informed this conclusion, included deep-dive reviews of specific control environments such as the post-implementation review of Oracle Financials in Q2 and a review of the gap analysis of the Group's IT General Controls in Q4. Furthermore, throughout 2025 the Audit Committee monitored the effectiveness of non-financial controls through Internal Audit reports. This monitoring process was effective in identifying necessary improvements, with progress to be reviewed during 2026.

In parallel with this current year review, the Audit Committee supported preparation for future declarations of effectiveness by the Board for financial years beginning on or after 1 January 2026 under Provision 29 of the 2024 UK Corporate Governance Code. This structured programme of review included endorsing the Group's framework for determining "materiality", ensuring the scope extended beyond financial reporting to encompass critical operational and compliance controls linked to Principal Risks such as Cyber Security and Health and Safety. The Audit Committee also oversaw Management's work to map these material controls, establishing clear ownership within core support functions. These preparatory steps ensure the control environment is sufficiently mature to support future Board declarations of effectiveness.

### Internal audit

The Audit Committee monitors the effectiveness of the Internal Audit function. Our key oversight actions included:

- Reviewing and approving the Internal Audit Charter and Plan for 2026 (Q4)
- Reviewing reports on control effectiveness and following up on management action to implement recommendations (throughout the year)
- Meeting separately with the Head of Internal Audit and Risk without management

The Audit Committee is satisfied the Internal Audit function is effective, well-resourced and maintains the appropriate standing within the Group.

### External auditor

The Audit Committee oversees the relationship with the Group's external auditor, Deloitte LLP, in accordance with Principle O and Provision 28 of the Code. The Audit Committee discharges its responsibilities regarding the external auditor in accordance with the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard ("FRC Minimum Standard"). The Audit Committee confirms that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. Following our oversight of the retender in 2024, Deloitte LLP was appointed as the Group's external auditor at the 2025 AGM. There are no contractual restrictions on the Group with regard to this appointment. Since appointment, the individual lead audit engagement partner for Deloitte LLP has been Jane Makrakis.

To meet the specific requirements of the FRC Minimum Standard in 2025, the Audit Committee facilitated unhindered access and open communication, holding regular private meetings with the external auditor. The Audit Committee formally assessed the effectiveness of the outgoing auditor (KPMG) in Q2, and assessed the effectiveness of the current external auditor (Deloitte) in connection with the review of the year-end audit plan in Q4. The Audit Committee also reviewed the current external auditor's system of quality management, noting its response to the latest FRC Audit Quality Inspection report.

The Audit Committee actively invited and responded to external auditor challenge, for example regarding the previously described analysis of the Group's IT General Controls, to which the external auditor contributed. The Audit Committee reviewed the external auditor's independence and objectivity, including by ongoing monitoring of non-audit fees at every meeting. Our formal policy on non-audit services safeguards independence, with only the interim review approved in 2025 (see below). The CFO reports to the Audit Committee on fees for non-audit services payable to the external auditor at every meeting. During the year, the external auditor was paid £2.8m (2024: £3.1m) for audit-related work and £0.1m (2024: £0.1m) for non-audit work. Non-audit work related to the review of the Group's interim financial statements. Fees for non-audit work were 2% (2024: 3%) of fees for audit-related work. The total fees paid by the Group to Deloitte LLP in 2025 represent 0.1% of Deloitte LLP's UK fee income. In addition, £1.1m (2024: £2.9m) of fees were paid to other accounting firms for non-audit work.

The Audit Committee is satisfied that the non-audit fees payable to the external auditor in relation to 2025 do not exceed 70% of the average of the current and previous two years' audit fees.

### Financial Reporting Council

During 2025, the Audit Committee monitored the Group's engagement with external stakeholders relevant to the Audit Committee's areas of oversight, including the Financial Reporting Council ("FRC").

Engagement with the FRC included a limited scope review of the supplier finance arrangements disclosures in the Company's 2024 Annual Report and Accounts. This review was conducted by the FRC in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC also carried out a separate review of the Company's reporting against certain principles and provisions of the 2018 UK Corporate Governance Code. The FRC was pleased to inform the Company by letter in October 2025 that no queries arose based on the review<sup>1</sup>.

In preparing the Group's Annual Report and Accounts, the Group responds to the recommendations of the FRC made through its reviews of corporate reporting and its thematic reviews of specific areas of corporate reporting. We were pleased to note that in its Annual Review of Corporate Governance Reporting, analysing reporting trends and practices among 100 UK-listed companies against the 2018 UK Corporate Governance Code for the last time, the FRC noted that the risk disclosures made by the Company in the 2024 Annual Report and Accounts were a good example of meaningful explanations in corporate governance reporting.

### Heath Drewett

Chair, Audit Committee

16 March 2026

<sup>1</sup> The FRC asked the Company to make clear in this report that the review was based solely on the Company's 2024 Annual Report and Accounts and that the FRC does not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into; the review was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC provides no assurance that the Company's 2024 Annual Report and Accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The FRC (which includes its officers, employees and agents) accepts no liability for reliance on its letter by the Company or any third party, including but not limited to investors and shareholders.

## DIRECTORS' REMUNERATION REPORT



**Jez Maiden**

Interim Chair, Remuneration Committee

16 March 2026

### 2025 focus areas

- Introduction of Performance Share Plan
- Amendment to the remuneration policy
- Appointment of Gavin Slark, Chief Executive
- Departure of Pete Redfern, former Chief Executive

### Number of meetings during 2025

9

### Dear shareholder,

**As Interim Chair of the Remuneration Committee, I am pleased to present the 2025 Directors' remuneration report.**

### Background

The year under review was characterised by continuing macroeconomic uncertainty and weak demand across most of our markets. At the same time, we had leadership changes across the Group arising as a result of the ill health of our former Chief Executive. This contributed to a challenging year for Travis Perkins but one in which the actions we have taken resulted in positive momentum being generated across the year. Whilst our adjusted operating profit for the full year was over 12% lower than 2024, the positive sales momentum in the second half of 2025 resulted in full year revenue being only marginally down, by 1%, with continued focus on cash generation delivering strong full year adjusted operating cash flow of £265m. This exceeded our internal plans set at the start of the year. We enter 2026 with a solid platform for renewed delivery under our recently arrived Chief Executive Officer, Gavin Slark.

### 2025 incentive outcomes

#### Annual bonus

Following the departure of our former Chief Executive during the year, our Chief Financial Officer was the sole Executive Director eligible to receive a bonus for 2025. The bonus targets set at the start of the year were 75% based on adjusted operating profit and 25% on adjusted operating cash flow. In light of the challenging conditions during the year, the profit performance was below the threshold target set at the start of the year and so no bonus was earned for this element. However, the strong

adjusted operating cash flow result exceeded the maximum target and resulted in the maximum bonus being earned for this part of the plan, equating to a bonus payable of 45% of salary, out of the 180% of salary possible.

The Remuneration Committee reviewed the bonus outcome in relation to the Chief Financial Officer and decided to confirm the bonus award and that no use of discretion was required. This assessment was made with reference to the scale of overachievement versus target for the cash measure and in the context of no bonus awards being approved for Executive Directors since 2021, with downward discretion having been applied by the Committee in each of the past three years to reduce award levels to zero. 50% of the bonus earned by the Chief Financial Officer will be deferred as shares for three years.

### Restricted Share Plan (2023 and 2021 awards)

Neither our current Chief Financial Officer nor our former Chief Executive Officer were eligible for vesting under the Company's long-term incentive plans in the year ending 31 December 2025. However, former Executive Directors were eligible for up to 75% of the 2023 Restricted Share Plan ("RSP") award vesting and 25% of the 2021 RSP award vesting subject to an assessment against the relevant performance underpins that applied to each award.

The underpins that applied to each award were (i) average adjusted return on capital employed of at least 9% over the underpin period and (ii) satisfactory governance performance including no ESG issues that caused material reputational damage to the Group over the underpin period. With regard to the 2023 RSP award, the average adjusted return on capital employed over the three year

period ending 31 December 2025 was 6.1% and so below 9%. As a result, the Committee concluded that the 75% of this award that was eligible to vest would instead lapse. In reaching this conclusion, the Committee considered both the absolute level of adjusted return on capital employed delivered over the period, in addition to broader factors such as wider performance delivery over the past three years. This treatment was in line with vesting of the 2022 RSP award in the prior year.

With regard to the 2021 RSP award, the average adjusted return on capital employed over the five year period ending 31 December 2025 was 9.5% and so this underpin was met. Given the Committee concluded that there had been satisfactory governance performance including no ESG issues that caused material reputational damage to the period ending 17 March 2026, it approved the vesting of this award to a former Executive Director.

### Leadership changes

The Group experienced a second year of leadership transition during 2025, with key changes to the Board at both Executive Director and Non-Executive Director level. Pete Redfern, who joined the Group as Chief Executive on 16 September 2024, stepped down as Chief Executive and from the Board on 10 March 2025 due to ill health. Given the circumstances of leaving, he did not serve his notice period and did not receive any payment in lieu of notice. He did not receive a bonus in relation to 2025 and he did not receive a long-term incentive award in 2025. However, as a result of his leaving being classified as a 'good leaver' under the RSP, he retained his award under the 2024 RSP which will remain capable of vesting in 2027, subject to assessment of applicable performance underpins by the Remuneration Committee and a pro-rata reduction to his departure date. A two year holding

period is applicable to any shares received on exercise of this award following vesting and malus and clawback provisions also apply.

Geoff Drabble was appointed Board Chair on 1 February 2025, with the annual fee set at £350,000 from the date of appointment, reflecting the expected time commitment of the role and the calibre of the individual. Following the departure of the CEO in March, Geoff assumed the leadership reins and interim running of the business, as Executive Chair, working closely with the Group Leadership Team to ensure stability and continuity, whilst leading the search for a permanent successor. This was successfully concluded in May 2025 with the appointment of Gavin Slark as Chief Executive, with Gavin joining the Group on 1 January 2026. In recognition of the significant expansion of Geoff's role and enhanced time commitment required to operate as Executive Chair prior to Gavin's commencement in role, Geoff's annual fee was increased to £700,000 for the duration of his enhanced responsibilities. This increase was at a discount to the former Chief Executive's base salary of £760,000 but reflective of the expected time commitment of the role at the time it was set. Geoff did not participate in the Company's incentive schemes. The all-encompassing enhanced fee operated from 10 March 2025, reverting back to the original Chair annual fee of £350,000 on 1 January 2026.

Gavin Slark joined the Group as Chief Executive on 1 January 2026. His salary on appointment was set at £760,000, this being the same level as his predecessor and commensurate with his skills and extensive leadership experience gained over many years within the building materials and merchanting industry, most recently as Chief Executive of SIG

plc and Grafton Group plc. Other aspects of his remuneration are aligned with the Company's remuneration policy.

To facilitate Gavin's appointment, it was necessary to buy-out his Restricted Share awards forfeited in connection with joining Travis Perkins. The buy-out award will replace the 2023, 2024 and 2025 awards forfeited at his former employer SIG plc. The number of shares forfeited will be converted into Travis Perkins shares and vest three years from grant subject to continued employment and following the Remuneration Committee concluding that it does not need to adjust the vesting outcome should the SIG plc Remuneration Committee use its discretion in relation to the applicable performance underpins to lapse part or all of the in-flight share awards. For completeness, the replacement award is eligible to vest in full three years from grant, as opposed to on the earlier normal vesting date of each award comprised within the buyout, to maximise the alignment between our new Chief Executive and the Company's shareholders. Additionally, it is conditional for vested shares after taxation arising from the award to be retained towards meeting the shareholding requirement of the remuneration policy, to the extent that this is necessary.

As Senior Independent Director, I also operated as Interim Chair from 1 June 2024 until Geoff Drabble's appointment as Chair on 1 February 2025. I was subsequently appointed as Interim Chair of the Remuneration Committee on 21 October 2025, temporarily replacing Louise Hardy, who remains a member of the Committee.

## Implementation of remuneration policy in 2026

The Committee has decided to implement the Remuneration Policy broadly unchanged from that applied in 2025, with the exception of a small amendment to the weighting of bonus measures and a review of performance targets, as set out below.

### 2026 salary review

The approach to this year's annual salary review was once again a difficult balance to strike. On one hand, endeavouring to deliver pay awards across all levels of the organisation that are fair and as competitive as possible, whilst on the other, managing affordability in the context of sustained challenging business performance, an above inflation increase to the National Living Wage and higher employer National Insurance contributions, amid rising employment costs generally. Whilst inflation stabilised during 2025, it remained higher and for longer than forecast, living costs remained high relative to earnings for many colleagues, and a key focus for the business continues to be to ensure that lower earners receive a meaningful pay uplift and that appropriate pay differentials are maintained for colleagues working at different levels across the Group. The majority of colleagues will receive a salary increase above the rate of inflation on 1 April 2026, whilst higher earners will receive a salary increase of 2.5%. Entry-level colleagues and apprentices are paid above the statutory minimum.

Taking into account current market conditions and the approach to the pay review for the wider workforce, the Remuneration Committee reviewed the salaries of the Chief Executive and Chief Financial Officer and determined that salary increases of 2.5% would be applied with effect from 1 April 2026. This is consistent with the approach

taken for other management levels across the Group. The Committee awarded the standard rate of increase to the Chief Executive given his appointment salary had been agreed some 11 months earlier.

Non-executive Directors' fees were reviewed and increased by 1.5% in April 2025, consistent with the 2025 salary movement for Executive Directors. The Chair's fee was set on his appointment on 1 February 2025. The fees for Non-executive Directors will next be reviewed in April 2026.

### 2026 bonus plan

The maximum annual bonus opportunities applicable to both Executive Directors for 2026 is unchanged at 180% of salary. As was the case in 2025, the annual bonus will remain subject to a combination of adjusted operating profit and adjusted cash performance targets. These are the key metrics aligned with measuring the ongoing success of delivering a turnaround of the business. Adjusted operating profit has been chosen to ensure that there is a continued focus on driving revenue and managing costs to deliver profit to shareholders. Adjusted operating cash flow is a key measure for the Group to maximise the necessary resources to invest and deliver long-term returns to shareholders. These financial measures ensure the business is focused on delivering top and bottom line growth, while continuing to drive accountability on efficient management of working capital and disciplined capital expenditure.

The bonus measures for both Gavin Slark and Duncan Cooper, as Chief Executive and Chief Financial Officer respectively, will be weighted 80% on Group adjusted operating profit (excluding property profits) and 20% on Group adjusted

## DIRECTORS' REMUNERATION REPORT CONTINUED

operating cash flow. The bonus opportunity will start accruing at a threshold performance level, rising from 0% to 50% of maximum payout for achieving target, with payouts on a straight-line basis in between threshold and target, and target and maximum.

### 2026 Performance Share Plan Awards

The 2025 AGM approved an amended remuneration policy to replace the former RSP with a Performance Share Plan ("PSP"). This will continue in 2026. It is intended that the Executive Directors will each receive awards at 250% of salary under the Performance Share Plan in 2026, with a 2026 award at 250% of salary agreed in principle as part of facilitating the recruitment of our Chief Executive. The awards will be subject to three equally weighted performance conditions, tested over a three year performance period, that align to the overall focus on sustainable value creation.

The performance metrics are adjusted ROCE, which aligns with generating improved returns from capital allocation decisions; adjusted EPS, which aligns with consistent delivery of profitable growth through improved operational delivery; and TSR, which ensures there is a relative measure that will only reward executives if there is outperformance compared to the FTSE 250 Index (excluding Investment Trusts). 25% of the award will vest on the achievement of threshold performance, with the full award vesting on the achievement of the maximum performance target, with straight-line vesting between threshold and maximum. The targets for the 2026 awards are set out in the next column with the performance ranges set for the EPS and ROCE measures having been re-based to reflect current market conditions, our internal plans and external market expectations for our

future performance, over the three year period from 2026 to 2028. They have been set to be at least as challenging as the performance ranges set in prior years allowing for current commercial circumstances, providing realistic targets at the lower end of the performance ranges and stretch targets at the top end of the ranges. The Committee is satisfied the target ranges are appropriately stretching in light of these reference points and given the current market context. The Committee will review performance targets again prior to the grant of the 2027 PSP award in the context of the next three year cycle and outlook at that time.

- Adjusted EPS: threshold 45p and maximum 60p
- Adjusted ROCE: threshold 7.5% and maximum 9.5%
- Relative TSR: threshold at median and maximum at upper quartile

Within the above parameters of setting achievable yet stretching performance targets, the Remuneration Committee has been cognisant that the Group is in the early stage of turning around an extended period of disappointing financial performance and that a new leadership team has been appointed over the last two years and particularly in the last few months. Employee retention, appropriate incentivisation and delivering improved returns for shareholders have informed the Committee in setting these PSP targets. With a weak macroeconomic backdrop and continuing challenging market conditions, the Group is focused on self-help and winning through its market-leading positions to drive financial returns. The targets set this year for adjusted EPS and ROCE are below those set in last year's PSP award. However, the EPS target will require a minimum of 50% increase

across the 3 years from 2025's outturn, with an above market consensus delivery for higher awards and a doubling of adjusted EPS to achieve the maximum award. Likewise, the ROCE targets have been set using the same assumptions in relation to the step change in profitability required for vesting and so are equally challenging to the range of EPS targets set. The Committee believes that these targets are sufficiently stretching, whilst offering genuine incentive for the management team under our new CEO to perform.

In line with institutional investors' best practice expectations, at the time of testing performance against the above conditions, the Remuneration Committee will have the ability to adjust the vesting outcome if it considers that the vesting level is not reflective of the underlying performance of the executive or the Group (e.g. in the event there was a perceived windfall gain) or the vesting outcome was not consistent with the overall experience of shareholders or other stakeholders, having had regard to the circumstances during the performance period.

### Shareholder engagement

At the start of 2025, the Committee undertook an extensive consultation exercise in relation to a reshaping of our approach to long-term incentives, moving from the RSP to a PSP from 2025. The Committee consulted with the majority of the Group's largest institutional shareholders and the leading advisory agencies to explain and provide context for the introduction of the PSP and detail its operation for 2025. The feedback from these investors regarding the replacement of the RSP with a PSP was positively received by the vast majority, although some requested the Committee

reconsider the degree of stretch in the maximum EPS target in the original proposal. As a result, the Committee adjusted the original proposal to increase the level of stretch and received over 95% support for the AGM resolution effecting the change to our policy. The Committee was grateful to shareholders for their support and remains open to ongoing feedback in relation to our approach to remuneration.

### 2026 Annual General Meeting

The Committee will submit this annual remuneration report to the 2026 Annual General Meeting, where it will be subject to an advisory shareholder vote. I look forward to your support and to answer any questions you may have.

#### Jez Maiden

Interim Chair of the Remuneration Committee

16 March 2026

## REMUNERATION IN 2025 – AT A GLANCE

### 2025 remuneration outcomes

| Element                                                                            | Executive Directors             |               | Former Executive Directors            |               |
|------------------------------------------------------------------------------------|---------------------------------|---------------|---------------------------------------|---------------|
|                                                                                    | Duncan Cooper, CFO              |               | Pete Redfern, Former CEO <sup>1</sup> |               |
|                                                                                    | 2025                            | 2024          | 2025                                  | 2024          |
| Base salary<br>(annualised from 1 April)                                           | <b>£532,875</b><br><b>+1.5%</b> | £525,000<br>– | <b>£760,000</b><br>–                  | £760,000<br>– |
| Annual bonus (% of maximum) <sup>2</sup>                                           | <b>25%</b>                      | 0%            | –                                     | 0%            |
| Restricted Share Plan (% of maximum)                                               | –                               | 0%            | –                                     | 0%            |
| Share ownership (% of salary) (as at 31 December, or date of departure if earlier) | <b>33%</b>                      | 39%           | <b>207%</b>                           | 269%          |

1 Pete Redfern was appointed Chief Executive and joined the Group on 16 September 2024 and stepped down from the Board and ceased employment on 10 March 2025. He received no bonus award in relation to 2025 performance.

2 The total bonus award for Duncan Cooper equates to £238,908, representing 45% of his pro-rata base salary during 2025. 50% of this award (£119,454) is paid in cash, whilst the remaining 50% is deferred into shares, vesting after 3 years.

## PAY FOR PERFORMANCE IN 2025 – AT A GLANCE

The following table shows how performance has been measured under the annual bonus and long-term incentive plans in 2025.

| Ambition                         | Strategic KPI                                                    | Bonus weighting | RSP weighting                          |
|----------------------------------|------------------------------------------------------------------|-----------------|----------------------------------------|
| Profit growth                    | Adjusted operating profit (before property profits)              | 75%             | –                                      |
| Turning profit into cash         | Adjusted operating cash flow                                     | 25%             | –                                      |
| Delivery against investments     | Average Return on Capital Employed ("ROCE")                      | –               | Underpin                               |
| Governance                       | ESG measures and strong governance framework                     | –               | Underpin                               |
| Delivering value to shareholders | Alignment to shareholder experience through share price movement | –               | 100% (since awards are made in shares) |

## DIRECTORS' REMUNERATION REPORT CONTINUED

### Annual bonus outcome for 2025: 25% of maximum

The maximum bonus opportunity for Executive Directors is 180% of salary. Half of the bonus earned is deferred into shares for three years. Former CEO, Pete Redfern, was not eligible for a bonus award for 2025 performance. The Remuneration Committee approved the bonus award for Duncan Cooper.

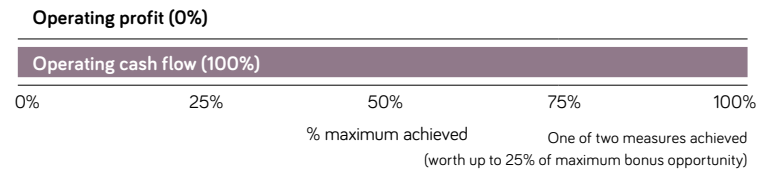
### Long-term incentive plan outcome for the 2023 RSP awards: Committee discretion applied to reduce vesting to 0%

The maximum Restricted Share Plan award for former Executive Directors Nick Roberts and Alan Williams was 125% of base salary. 75% of this award was eligible to vest based on ROCE and governance performance over three years. The ROCE underpin of an average of 9% over the performance period was not met with actual average ROCE over the period being 6.1%. Performance against the governance underpin which included no ESG issues causing the Company reputational damage during the relevant period was assessed as satisfactory. In accordance with the terms of the underpin, as a result of the ROCE underpin being missed, the Committee undertook an assessment to determine whether it was appropriate to scale back the level of payout under the award. The Committee considered performance, and in particular the level by which the ROCE underpin was missed, and determined that the first portion of the 2023 RSP award to former Executive Directors should not vest. The remaining 25% of the 2023 RSP award remains subject to the performance underpins tested over a 5 year period.

### Long-term incentive plan outcome for the 2021 RSP awards: 25% vesting

The maximum Restricted Share Plan award for former Executive Director Alan Williams was 125% of base salary. 25% of this award was subject to a five year vesting period and was assessed based on ROCE and governance performance over five years. The ROCE underpin of an average of 9% over the performance period was met with actual average ROCE over the period being 9.5%. Performance against the governance underpin which included no ESG issues causing the Company reputational damage during the relevant period was assessed as satisfactory. As a result the Committee approved the vesting of this portion of the 2021 award. The balancing 75% of the award vested in full on 1 March 2024.

#### Annual bonus performance for 2025



#### RSP underpin performance for 2023–2025

|                                     |   |
|-------------------------------------|---|
| Return on capital employed ("ROCE") | ✗ |
| Governance (including ESG)          | ✓ |

One of two underpins achieved

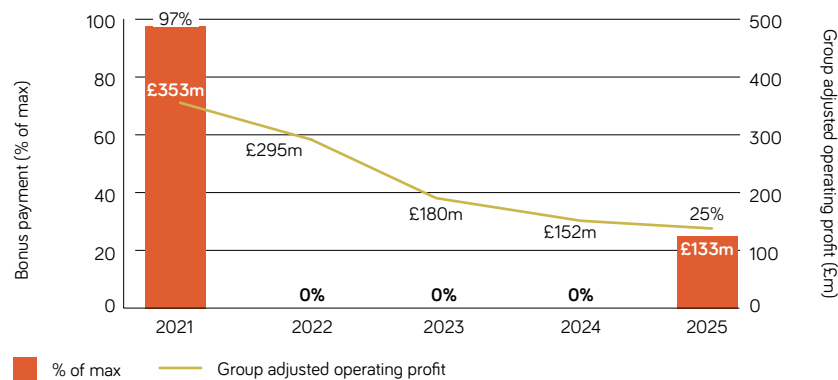
#### RSP underpin performance for 2021–2025

|                                     |   |
|-------------------------------------|---|
| Return on capital employed ("ROCE") | ✓ |
| Governance (including ESG)          | ✓ |

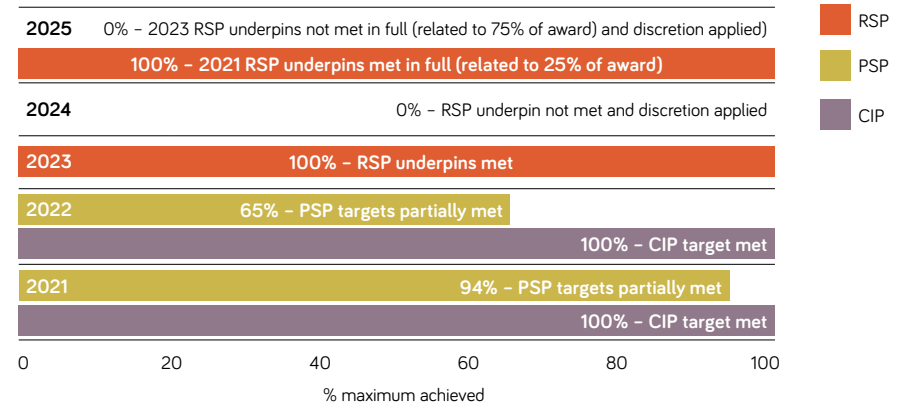
Two of two underpins achieved

The following charts illustrate how incentive outcomes for the Executive Directors have reflected performance over the past five years.

Historical bonus outcomes for the last 5 years vs Group adjusted operating profit



Historical LTIP vesting outcomes for the last 5 years



In accordance with the 2024 UK Corporate Governance Code, all annual bonus and long-term incentive awards are subject to malus (withholding of unvested awards) and clawback (recovery of paid or vested awards) provisions. The Remuneration Committee may invoke these provisions in specific circumstances, which include:

- A material misstatement of the Group's financial results
- An error in the calculation of a performance outcome or award vesting
- Gross misconduct by the participating individual
- Conduct resulting in significant reputational damage to the Group
- Corporate failure or insolvency

Period of application: Malus and clawback provisions apply for up to three years from the date of payment for the annual bonus, and for up to six years from the date of grant for long-term incentive awards. The Committee considers these time periods appropriate as they represent a reasonable timeframe during which any of the specified circumstances or latent issues would typically come to light.

Application in 2025: The Committee confirms that no formal malus or clawback provisions were exercised during the financial year ended 31 December 2025. (Note: While the Committee exercised downward discretion to lapse the 2023 RSP awards due to missed underpins, this was an exercise of standard performance discretion rather than the invocation of malus/clawback).

## DIRECTORS' REMUNERATION REPORT CONTINUED

### REMUNERATION POLICY REPORT

The Group's current Directors' remuneration policy, which was approved at the AGM held on 22 April 2024 and then amended by resolution at the AGM held on 14 May 2025 to introduce the Performance Share Plan replacing the Restricted Share Plan, can be found in full on the Group's website.

The principles of the Group's amended remuneration policy, which were developed taking into account Provision 40 of the 2018 UK Corporate Governance Code, are:

- **Alignment to our culture, purpose and values**  
Remuneration arrangements are determined taking into account the culture, purpose and values of the Group, wider workforce remuneration and emerging best practice as well as ensuring there is robust governance and compliance with the 2018 Corporate Governance Code.
- **Delivery of business strategy**  
Remuneration should support the execution of the strategy and long-term decision-making, contributing to the delivery of short and long-term financial returns for shareholders. Reward mechanisms should ensure that a significant proportion of variable pay is delivered in deferred shares, ensuring that executives retain a meaningful personal stake in the Group's long-term success.

- **Rewarding sustainable and consistent performance**

A significant proportion of executive remuneration is delivered in variable pay that is linked to business performance. Bonus and PSP outcomes are linked to performance against a limited number of measures, which are clearly linked to our strategy and subject to stretching but fair targets. Reward structures should also reinforce the Company's sustainability strategy and ESG agenda where relevant and appropriate.

- **Attraction, development and retention of talent**

Total remuneration should be competitive, fair and equitable, taking into account the size and scope of the role, external market practice as well as internal relativities and the wider workforce context. The principles that guide the approach to remuneration should be consistent for all colleagues across the Group. Reward structures should be clear, simple and transparent so that colleagues understand the value of their total remuneration and know how to contribute to performance.

- **Fair and balanced remuneration outcomes**

Remuneration outcomes are reviewed in the context of the shareholder experience, external climate and wider workforce. The Committee has the discretion to adjust reward outcomes to ensure that pay appropriately reflects underlying business performance and the wider context in a consistent and responsible way. All colleagues should be able to share in the success of the Group through participation in both annual bonus schemes and longer-term share plans.

- **Management of risk**

Malus, clawback and discretion provisions, holding periods and shareholding guidelines, including post-employment guidelines, should be in place to create alignment with shareholders and to mitigate reputational and other risk.

These principles apply across the Group. In addition to a competitive base salary, colleagues also have access to an extensive range of benefits, retirement benefits, an all-colleague Sharesave scheme and recognition awards.

## ANNUAL REMUNERATION REPORT

The following sets out the annual remuneration report for 2025, which includes a summary of the remuneration policy and how it is intended to be implemented in 2026. This report is subject to an advisory shareholder vote at the 2026 AGM.

### Implementation of the Directors' remuneration policy in 2026

#### Executive Directors:

The following provides a summary of how the Group intends to implement the Policy during 2026.

| Purpose and link to strategy                                                                              | Individual maximum opportunity in 2026                                                                                                  | Performance measures and weighting in 2026 | Operation in 2026                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Base salary</b> (increase of 2.5% for the CEO and CFO from 1 April 2026)                               |                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                          |
| Core element of total package, essential to support recruitment and retention of high-calibre executives. | CEO: From 1 April 2026 £779,000<br>(From appointment: £760,000)<br><br>CFO: From 1 April 2026 £546,200<br>(From 1 April 2025: £532,875) | n/a                                        | The Remuneration Committee reviewed executive salaries and in line with the approach taken for senior leaders across the Company increased base salaries by 2.5%. The rate of increase at executive levels was below the budgeted rate of increase applied to lower paid colleagues.                                     |
| <b>Benefits</b> (no change)                                                                               |                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                          |
| Maintains a competitive package with a range of benefits for the executive and their family.              | n/a                                                                                                                                     | n/a                                        | Executive Directors continue to be entitled to benefits in line with the Policy, including private medical insurance, income protection, annual leave, company car (or cash alternative), life insurance of up to five times salary and participation in all-employee share plans such as Sharesave and Buy As You Earn. |
| <b>Pension</b> (no change)                                                                                |                                                                                                                                         |                                            |                                                                                                                                                                                                                                                                                                                          |
| Helps executives provide for retirement and aids retention.                                               | 10% of salary in line with the rate available across the wider workforce.                                                               | n/a                                        | Executive Directors participate in a defined contribution arrangement or receive a cash allowance.                                                                                                                                                                                                                       |

## DIRECTORS' REMUNERATION REPORT CONTINUED

| Purpose and link to strategy                                                                                                                                                                                                                                                                                                                       | Individual maximum opportunity in 2026                                                                            | Performance measures and weighting in 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Operation in 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Annual bonus</b> (minor change to weighting of measures)                                                                                                                                                                                                                                                                                        |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Rewards achievement of annual performance objectives.</p> <p>Deferred element encourages longer-term shareholding and aligns reward to shareholder interests.</p> <p>Malus and clawback based forfeiture provisions discourage excessive risk taking and short-term outlook, ensuring that executive and shareholder interests are aligned.</p> | <p>Maximum annual bonus opportunity of 180% of salary.</p>                                                        | <p>The 2026 annual bonus will be based on the following measures:</p> <ul style="list-style-type: none"> <li>80% on adjusted operating profit (before property profits)</li> <li>20% on adjusted operating cash flow</li> </ul> <p>Adjusted operating profit has been chosen to ensure that there is a continued focus on driving revenue and managing costs to deliver profit to shareholders. Likewise, operating cash flow is a critical measure for the business to ensure that we have the necessary resources to invest in the business and return value to shareholders.</p>                                                                                                                                                                                                                                                                                          | <p>Targets are determined in relation to the Group's budget.</p> <p>For 2026, there is no bonus payment for threshold level of performance, 50% of the bonus is payable for target performance, and maximum payment is made only for performance in excess of the Group's budget. Payouts between these points are determined on a straight-line basis.</p> <p>50% of bonus earned is deferred as shares that are held for three years.</p> <p>Malus and clawback provisions apply up to three years from the date of award.</p> <p>Bonus targets are considered to be commercially sensitive, and disclosure of such may provide an unfair advantage to the Group's competitors. However targets, and the corresponding level of bonus earned, will be disclosed retrospectively in the relevant reporting period.</p> |
| <b>Performance Share Plan</b> (new targets set for adjusted EPS and adjusted ROCE performance conditions for 2026 awards)                                                                                                                                                                                                                          |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Aligns participants with the shareholder experience, whereby participants build up a shareholding in Travis Perkins plc and are incentivised to deliver sustainable financial performance and enhance shareholder value over the longer term.</p>                                                                                               | <p>Maximum annual award of 250% of base salary.</p>                                                               | <p>For PSP awards granted in 2026, the performance conditions are as follows:</p> <ul style="list-style-type: none"> <li>33% on relative TSR, measured against the FTSE 250 excluding Investment Trusts</li> <li>33% on adjusted EPS</li> <li>33% on adjusted ROCE</li> </ul> <p>Targets for each performance condition are set out below:</p> <ul style="list-style-type: none"> <li>Adjusted EPS: threshold 45p and maximum 60p</li> <li>Adjusted ROCE: threshold 7.5% and maximum 9.5%</li> <li>Relative TSR: threshold at median and maximum at upper quartile</li> </ul> <p>Any adjustments will be considered by the Remuneration Committee on a case-by-case basis but could include, for example, acquisitions or disposals, share buybacks or balance sheet events that materially impact the Group's gearing (or other factors at the Committee's discretion).</p> | <p>25% of the award vests on the achievement of threshold performance, with the full award vesting on achievement of the maximum performance target, with straight-line vesting for performance between threshold and maximum.</p> <p>Awards vest after three years, subject to a holding period of a further two years.</p> <p>Malus and clawback provisions apply up to six years from the date of award.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Share ownership requirement</b>                                                                                                                                                                                                                                                                                                                 |                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Aligns the interests of executives and shareholders.</p>                                                                                                                                                                                                                                                                                        | <p>Executive Directors are required to hold shares valued at 200% of salary within five years of appointment.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Executive Directors are also expected to maintain this level of shareholding (or their actual shareholding if lower) for a period of two years after stepping down from the Board.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Non-executive Directors

### Fees and benefits

- The Non-executive Director fees policy is to pay:
  - a basic fee for membership of the Board.
  - an additional fee to the Chair of a Committee and to the Senior Independent Director, taking into account the additional responsibilities and time commitment of the role.
  - an additional fee to Non-executive Director undertaking the responsibility for workforce engagement and attending listening sessions with colleagues.
- The Non-executive Chair receives an all-inclusive fee for the role.
- Non-executive Directors do not receive any other benefits (other than a staff discount card for purchasing products) and are not eligible to join the Group's pension scheme.
- The review date for Non-executive Directors' fees is 1 April. Fees were last reviewed for increase by 1.5% with effect from 1 April 2025, in line with the approach for the wider workforce at the time. The annual fee for Geoff Drabble as Chair was set at £350,000 on appointment on 1 February 2025.
- The current fees are as follows:
 

|                                          |                       |
|------------------------------------------|-----------------------|
| – Chair fee                              | £350,000 <sup>1</sup> |
| – Non-executive Director basic fee       | £65,236               |
| – Audit/Remuneration Committee Chair fee | £17,773               |
| – Senior Independent Director fee        | £13,068               |
| – Stay Safe Committee Chair fee          | £12,545               |
| – Workforce engagement fee               | £10,000               |

<sup>1</sup> In recognition of the significant expansion of Geoff's role and enhanced time commitment required to operate as Executive Chair until Gavin Clark's appointment, Geoff's fee was increased to £700,000 from 10 March 2025 for the duration of his enhanced responsibilities which concluded on 31 December 2025.

### Remuneration elsewhere in the Group

The approach to setting reward for the wider workforce is guided by the same principles that apply to executives, with a focus on attracting and retaining the best talent, competing within the industry sector and against the local market, and ensuring that pay outcomes are fair and equitable. The salary review process and incentive plan design are broadly consistent throughout the Group. A higher proportion of total remuneration for Executive Directors and the Group Leadership Team is variable and linked to business performance compared to the wider workforce.

The Group has prioritised its salary review budget on lower earners in recent years in recognition of continuing cost of living challenges. The longer-term aim is to continue to work towards meeting the Real Living Wage across the Group over time, whilst acknowledging the need to remain competitive at all levels in the organisation and to protect fair and appropriate internal pay relativities reflective of the skills, capabilities and experience of the workforce.

The Group's wellbeing and benefit programmes are well established and provide comprehensive support to colleagues and their families during the moments that matter. Benefits include pension, share acquisition schemes, an employee assistance programme, recognition awards, discounts on Group products, an extensive retailer discount programme and a range of health, wellbeing, financial and lifestyle benefits. The take-up and use of benefits are closely monitored to assess the impact of cost of living pressures and resources have been invested in further communications directly with colleagues, as well as through line managers and offline communication methods such as driver handheld devices, to ensure that everyone is aware of the support that is available. The benefits offering is regularly reviewed and has steadily expanded over the past few years, with positive feedback from colleagues.

All colleagues based in the UK and the Netherlands also have the opportunity to participate in the Sharesave plan, which allows colleagues to save towards acquiring shares in Travis Perkins plc at a discounted option price. Senior leaders across the Group also receive long-term incentive awards.

## DIRECTORS' REMUNERATION REPORT CONTINUED

### Audited information

#### Single total figure of remuneration

| £000                              | 2025   |          |         |             |       |     |                |       |
|-----------------------------------|--------|----------|---------|-------------|-------|-----|----------------|-------|
|                                   | Salary | Benefits | Pension | Total fixed | Bonus | LTI | Total variable | Total |
| <b>Executive Directors</b>        |        |          |         |             |       |     |                |       |
| Duncan Cooper                     | 531    | 18       | 53      | 602         | 239   | -   | 239            | 841   |
| <b>Former Executive Directors</b> |        |          |         |             |       |     |                |       |
| Pete Redfern <sup>1</sup>         | 148    | 17       | 15      | 180         | -     | -   | -              | 180   |
| <b>Non-executive Directors</b>    |        |          |         |             |       |     |                |       |
| Marianne Culver                   | 65     | 1        | -       | 66          | -     | -   | -              | 66    |
| Geoff Drabble <sup>2</sup>        | 611    | 10       | -       | 621         | -     | -   | -              | 621   |
| Heath Drewett                     | 83     | 1        | -       | 84          | -     | -   | -              | 84    |
| Jora Gill                         | 78     | -        | -       | 78          | -     | -   | -              | 78    |
| Louise Hardy <sup>3</sup>         | 87     | 1        | -       | 88          | -     | -   | -              | 88    |
| Jez Maiden <sup>4</sup>           | 102    | -        | -       | 102         | -     | -   | -              | 102   |

1 Pete Redfern was appointed Chief Executive and joined the Group on 16 September 2024 and stepped down from the Board and ceased employment on 10 March 2025. The figure disclosed under 'Benefits includes' £14,615 in relation to pay in lieu of accrued but untaken holiday at the time of his departure.

2 Geoff Drabble was appointed to the Board as Non-executive Director and Chair Designate on 1 October 2024. He took up the role of Chair on 1 February 2025. In recognition of the significant expansion of Geoff's role and enhanced time commitment required to operate as Executive Chair prior to Gavin Slark joining the Group, Geoff's fee was increased to £700,000 on 10 March 2025 for the duration of his enhanced responsibilities which concluded on 31 December 2025. From 1 January 2026, upon Gavin commencing as CEO, Geoff's pay reverted back to his Chair fee only.

3 Louise Hardy stepped down from her role as Chair of the Remuneration Committee on 21 October 2025 but remains a member of the Committee. Louise also simultaneously stepped down from her role as a member of the Nominations Committee.

4 Jez Maiden stood down as Interim Chair on 31 January 2025. Jez continued as Senior Independent Director and was subsequently appointed as Interim Chair of the Remuneration Committee on 21 October 2025.

Single total figure of remuneration *continued*

| £000                              | 2024   |          |         |             |       |     |       |                |       |
|-----------------------------------|--------|----------|---------|-------------|-------|-----|-------|----------------|-------|
|                                   | Salary | Benefits | Pension | Total fixed | Bonus | LTI | Other | Total variable | Total |
| <b>Executive Directors</b>        |        |          |         |             |       |     |       |                |       |
| Duncan Cooper <sup>2</sup>        | 514    | 17       | 51      | 582         | 0     | –   | 196   | 196            | 778   |
| <b>Former Executive Directors</b> |        |          |         |             |       |     |       |                |       |
| Pete Redfern <sup>1</sup>         | 220    | 5        | 22      | 247         | 0     | –   | –     | 0              | 247   |
| <b>Non-executive Directors</b>    |        |          |         |             |       |     |       |                |       |
| Marianne Culver                   | 64     | 1        | –       | 65          | –     | –   | –     | –              | 65    |
| Geoff Drabble <sup>3</sup>        | 16     | –        | –       | 16          | –     | –   | –     | –              | 16    |
| Heath Drewett                     | 82     | –        | –       | 82          | –     | –   | –     | –              | 82    |
| Jora Gill                         | 77     | 1        | –       | 78          | –     | –   | –     | –              | 78    |
| Louise Hardy                      | 82     | 1        | –       | 83          | –     | –   | –     | –              | 83    |
| Jez Maiden <sup>4</sup>           | 219    | 1        | –       | 220         | –     | –   | –     | –              | 220   |

<sup>1</sup> Pete Redfern was appointed Chief Executive and joined the Group on 16 September 2024 and stepped down from the Board and ceased employment on 10 March 2025.

<sup>2</sup> Duncan Cooper was appointed Chief Financial Officer on 9 January 2024. The figure disclosed under “Other” for Duncan relates to LTI buy-out awards in respect of deferred bonus shares forfeited from his previous employer on appointment to the Group, which are not subject to performance conditions. These have therefore been included in the single figure of remuneration in the year of grant valued based on the share price at the date of grant of £789.

<sup>3</sup> Geoff Drabble was appointed to the Board as Non-executive Director and Chair Designate on 1 October 2024.

<sup>4</sup> Jez Maiden was appointed to the Board as Senior Independent Director on 1 June 2023 and appointed as Interim Chair on 31 May 2024.

## DIRECTORS' REMUNERATION REPORT CONTINUED

## Explanatory notes for the single total figure of remuneration table

## Salary

The salary for the CFO and the fees for the Non-executive Directors were increased by 1.5% on 1 April 2025.

## Benefits

Benefits for 2025 for Pete Redfern and Duncan Cooper include private medical insurance and the provision of a company car and fuel (or allowance alternative).

Benefits for Non-executive Directors include the reimbursement of travel and subsistence expenses for the attendance at Board meetings and the associated tax gross up paid on their behalf where applicable.

## Directors' pension entitlements

Duncan Cooper receives 10% of salary, paid as a mix of pension contributions to the Group's defined contribution pension scheme and a cash allowance. This was also provided to Pete Redfern until the date of his departure.

The value of Directors' pension entitlements for the year ended 31 December 2025 (or the date of stepping down from the Board, if earlier) are outlined in the table below.

| £                                                                                                        | Pete Redfern | Duncan Cooper |
|----------------------------------------------------------------------------------------------------------|--------------|---------------|
| Pension value in the year from employer contributions to defined contribution scheme                     | n/a          | £9,996        |
| Pension value in year from cash allowance (salary supplement in place of employer pension contributions) | £14,770      | £43,095       |
| Total pension benefit accrued                                                                            | £14,770      | £53,091       |

## Annual bonus for 2025

Annual bonus for the CFO in 2025 was based on adjusted operating profit (before property profits) (75%) and adjusted operating cash conversion (25%). The bonus was structured such that there was no payout for below threshold performance, with 50% of maximum paying out for achieving target performance and 100% of bonus for achieving maximum levels of performance.

The following table summarises the bonus targets and achievement for 2025. This results in a bonus payout of 25% of maximum for the CFO. 50% of the bonus earned will be deferred as shares for three years:

| Performance measure                                 | Weighting | Targets        |                    |                      | Actual performance | Achieved (% of maximum) |
|-----------------------------------------------------|-----------|----------------|--------------------|----------------------|--------------------|-------------------------|
|                                                     |           | Threshold (0%) | Target (50% bonus) | Maximum (100% bonus) |                    |                         |
| Adjusted operating profit (before property profits) | 75%       | £159m          | £177m              | £195m                | £123m              | 0%                      |
| Adjusted operating cash flow                        | 25%       | £208m          | £231m              | £255m                | £265m              | 100%                    |

Overall, the Committee considers that the remuneration policy has operated as it intended during 2025, and remuneration outcomes are appropriate in the context of performance, the approach to workforce incentives and the wider stakeholder experience during the year.

## Payments to past Directors and payments for loss of office

### Nick Roberts

Nick Roberts stepped down from the Board and from his role as Chief Executive on 16 September 2024. In accordance with the remuneration policy, after he stepped down from the Board, Nick received salary (£167k), pay in lieu of accrued but not taken holiday (£17k), benefits (£7k) and pension (£17k) in the 2025 financial year, until the end of his notice period on 27 March 2025. The first portion of Nick's unvested 2023 RSP award will lapse in March 2026.

### Alan Williams

Alan Williams stepped down from the Board and retired as Chief Financial Officer on 9 January 2024 and his employment with the Group ceased on 31 January 2024. The first portion of Alan's unvested 2023 RSP award (75%) will lapse on 1 March 2026 and the final portion of his 2021 RSP award will vest as explained earlier in this report.

### Pete Redfern

Pete Redfern stepped down as Chief Executive and from the Board on 10 March 2025 due to ill health. Given the circumstances of leaving, he did not serve his notice period and did not receive any payment in lieu of notice. He did not receive a bonus in relation to 2025 and he did not receive a long-term incentive award in 2025.

However, as a result of his leaving being classified as a 'good leaver' under the Restricted Share Plan, he retained his award under the 2024 Restricted Share Plan which will remain capable of vesting in 2027, subject to assessment of applicable performance underpins by the Remuneration Committee and a pro-rata reduction to his departure date (reducing the award to 17,536 shares). A two year holding period is applicable to any shares received on exercise of this award following vesting and malus and clawback provisions also apply.

## Share interests awarded during the financial year

Details of the performance share plan award granted to Duncan Cooper following shareholder approval at the 2025 AGM of the amendment to policy to replace the Restricted Share Plan with the Performance Share Plan are set out below. Pete Redfern did not receive an award during 2025 prior to his cessation of employment.

### 2025 Long-term incentive awards

|               | Date of award | Type of award            | Basis          | Face value*                                               | Performance period                                                                                                                                                                                                         |
|---------------|---------------|--------------------------|----------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Duncan Cooper | 19 June 2025  | PSP (conditional awards) | 250% of salary | <b>£1,332,187</b><br>(214,592 shares at £6.208 per share) | 1 January 2025 to 31 December 2027.<br><br>The award vests after three years, subject to the performance conditions. Shares that vest after three years are subject to an additional two year holding period post vesting. |

\* Awards are determined based on the average share price over the three dealing days prior to the grant date. Awards are increased at each dividend payment date between grant and the end of the holding period, to reflect the dividends that would have been paid on the same number of vested shares. In the case of a good leaver, the number of shares that vest will usually be reduced pro-rata to reflect the proportion of the vesting period that has passed up to the date of cessation of employment (awards lapse in the case of bad leavers).

| Performance condition                                    | Targets   |                            |                           |
|----------------------------------------------------------|-----------|----------------------------|---------------------------|
|                                                          | Weighting | Threshold<br>(25% vesting) | Maximum<br>(100% vesting) |
| Adjusted EPS (2027 final year)                           | 33.33%    | 65p                        | 80p                       |
| Adjusted ROCE (2027 final year)                          | 33.33%    | 9%                         | 10.5%                     |
| Relative TSR versus FTSE 250 excluding investment trusts | 33.33%    | Median                     | Upper quartile            |

## DIRECTORS' REMUNERATION REPORT CONTINUED

## 2025 Deferred Share Bonus Plan ("DSBP")

As no bonus was earned in respect of 2024, there will be no share awards under the Deferred Share Bonus Plan in 2025.

## Directors' shareholding and share interests – Executive Directors

Formal shareholding requirements apply to Executive Directors. The Committee may decide to scale back or withhold participation in long-term incentives if the requirements are not met or maintained. Executive Directors are required to hold shares valued at 200% of salary within five years of appointment.

Directors' shareholdings and share interests as at 31 December 2025 are outlined in the table below:

| Executive Director | Beneficially owned shares <sup>1</sup> | Conditional shares under PSP <sup>2</sup> | Unvested RSP options <sup>3</sup> | Unvested unconditional shares under DSBP <sup>4</sup> | Unconditional options under Sharesave | Vested but unexercised options | Total interests | Total interests which count towards shareholding requirement <sup>5</sup> | Shareholding (% of salary) <sup>6</sup> |
|--------------------|----------------------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------------------|---------------------------------------|--------------------------------|-----------------|---------------------------------------------------------------------------|-----------------------------------------|
| Pete Redfern       | 252,966                                | –                                         | 109,109                           | –                                                     | –                                     | –                              | 362,075         | 252,966                                                                   | 207%                                    |
| Duncan Cooper      | 20,799                                 | 282,797                                   | 94,719                            | 13,973                                                | –                                     | –                              | 412,288         | 28,205                                                                    | 33%                                     |

1 Includes ordinary shares beneficially held by the executive and their spouse/partner at 31 December 2025 for Duncan Cooper and at 10 March 2025, the date of stepping down from the Board, for Pete Redfern.

2 Includes outstanding awards made under the Performance Share Plan (PSP). Vesting is subject to the achievement of the performance conditions. In the case of Duncan Cooper, this also includes buy-out replacement awards in respect of performance share awards forfeited on leaving the previous employer. Vesting is subject to the achievement of the original Crest Nicholson plc performance conditions in line with the original vesting and release schedule.

3 Includes outstanding awards made under the Restricted Share Plan (RSP). Vesting of these awards may be scaled back if one or more of the performance underpins is not met, subject to Remuneration Committee discretion. Pete Redfern's 2024 RSP award was reduced pro-rata to 10 March 2025 following cessation of employment resulting in 17,536 shares under award. This is in line with the leaver treatment disclosed in last year's report.

4 Includes outstanding awards made under the Deferred Share Bonus Plan (DSBP), which are not subject to performance conditions. In the case of Duncan Cooper, this relates to buy-out replacement awards in respect of deferred share bonus awards forfeited on leaving his previous employer.

5 Interests qualifying towards the shareholding requirement comprise ordinary shares beneficially held at 31 December 2025 (or date of stepping down from the Board if earlier) by the executive and their spouse/partner and the post tax value (53%) of outstanding DSBP awards and any other share options which have vested but have not been exercised.

6 Shareholding as a % of salary is calculated based on the Executive Director's salary as at 31 December 2025 (or date of stepping down from the Board if earlier) and share price of £6.21, this being the average price across the final quarter of 2025.

During 2025 the following awards were exercised:

| Duncan Cooper                                | Exercise date | Number of shares | Price per share |
|----------------------------------------------|---------------|------------------|-----------------|
| Buy-out award 2022 Deferred bonus share plan | 03 April 2025 | 11,105           | £5.076          |

## Director's shareholding and share interests – Non-executive Directors

| Non-executive Director | Beneficial shareholding (as at 28 February 2026) | Beneficial shareholding (as at 31 December 2025) | Beneficial shareholding (as at 31 December 2024) |
|------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Geoff Drabble          | 31,109                                           | 31,109                                           | 31,109                                           |
| Marianne Culver        | 728                                              | 728                                              | 728                                              |
| Heath Drewett          | –                                                | –                                                | –                                                |
| Jora Gill              | –                                                | –                                                | –                                                |
| Louise Hardy           | –                                                | –                                                | –                                                |
| Jez Maiden             | 1,000                                            | 1,000                                            | 1,000                                            |

There were no material changes in Directors' share ownership between 31 December 2025 and 16 March 2026.

## Unaudited information

### Service contracts

Each of the Executive Directors has a service contract, which will be available for inspection at the Annual General Meeting or at the Group's registered office. These contracts provide for six months' notice from the Directors and 12 months' notice from the Group. They do not specify any particular level of compensation in the event of termination or change of control. Details of the Group's policy on payments in respect of loss of office are provided in the Directors' remuneration policy.

The dates Executive Directors service contracts were entered into are as follows:

- Gavin Slark – 1 January 2026
- Duncan Cooper – 9 January 2024

Non-executive Directors do not have a service contract, but each has received a letter of appointment, which will be available for inspection at the Annual General Meeting or at the Group's registered office.

Non-executive Directors' and the Chair's letters of appointment do not have expiry dates, however, other than in the most exceptional circumstances, Non-executive Directors and the Chair of the Board will not serve for more than nine years.

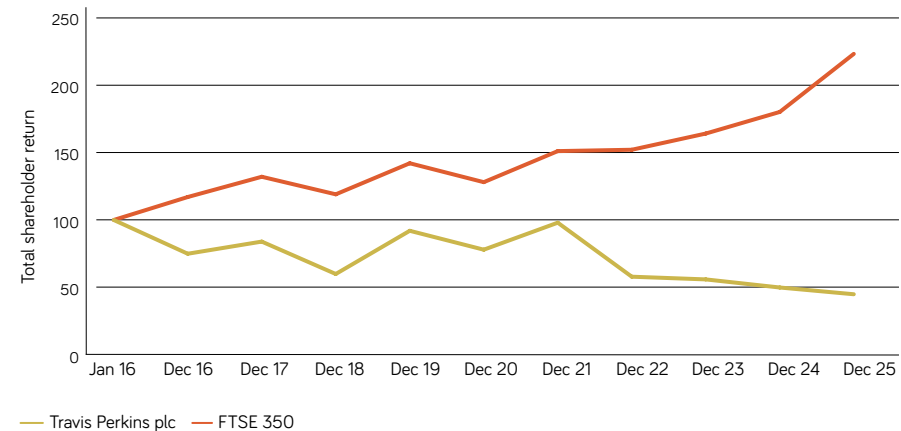
| Director        | Expiry of appointment letter |
|-----------------|------------------------------|
| Geoff Drabble   | October 2034                 |
| Marianne Culver | November 2028                |
| Heath Drewett   | May 2030                     |
| Jora Gill       | August 2030                  |
| Louise Hardy    | January 2032                 |
| Jez Maiden      | June 2032                    |

In accordance with best practice, the Non-executive Directors stand for re-election annually.

No compensation is payable on termination of the employment of Non-executive Directors, which may be with, or without, notice.

### Funding of equity awards

Both executive incentive arrangements and entitlements under the HMRC approved all-colleague Sharesave scheme are satisfied by shares purchased in the market. Shares purchased in the market are held by a trust and the voting rights relating to the shares are exercisable by the Trustees in accordance with their fiduciary duties. As at 31 December 2025, the Trust held 669,123 Travis Perkins plc shares.



### Total shareholder return performance graph

For comparative purposes, the FTSE 350 index has been selected as this is the index of which the Group was a member during the reporting year.

Total shareholder return ("TSR") is rebased to 100 from 1 January 2016.

**DIRECTORS' REMUNERATION REPORT** CONTINUED**Historical CEO pay**

|                                                  | 2016   | 2017   | 2018   | 2019   | 2020 | 2021   | 2022   | 2023   | 2024 | 2025        |
|--------------------------------------------------|--------|--------|--------|--------|------|--------|--------|--------|------|-------------|
| Single figure remuneration (£000)                | £2,575 | £2,532 | £2,258 | £2,622 | £696 | £4,446 | £1,905 | £1,091 | £802 | <b>£760</b> |
| Annual bonus payout (% of maximum)               | 24%    | 72%    | 35%    | 89%    | –    | 97%    | 0%     | 0%     | 0%   | <b>0%</b>   |
| Vesting of Restricted Share Plan (% of maximum)  | –      | –      | –      | –      | –    | –      | –      | 100%   | 0%   | <b>0%</b>   |
| Vesting of Performance Share Plan (% of maximum) | 54%    | 40%    | 40%    | 46%    | 40%  | 94%    | 65%    | –      | –    | –           |
| Vesting of Co-Investment Plan (% of maximum)     | 97%    | 100%   | 100%   | 100%   | 100% | 100%   | 100%   | –      | –    | –           |

Data for 2016-2018 relates to John Carter. Data for 2019 relates to both John Carter and Nick Roberts reflecting their tenure in the role of CEO during the year. Data for 2020-2023 relates to Nick Roberts. Data for 2024 relates to both Nick Roberts and Pete Redfern reflecting their tenure in the role of CEO during the year. Data for 2025 relates to both Pete Redfern as CEO until 10 March 2025 and Geoff Drabble from that date, acting as Executive Chair for the remainder of the year.

**CEO to all-employee pay ratio**

The following table provides pay ratio data in respect of the CEO's total remuneration compared to the 25th, 50th and 75th percentile employees.

| Year        | Method          | 25th percentile<br>pay ratio | Median<br>pay ratio | 75th percentile<br>pay ratio |
|-------------|-----------------|------------------------------|---------------------|------------------------------|
| <b>2025</b> | <b>Option A</b> | <b>27</b>                    | <b>24</b>           | <b>21</b>                    |
| 2024        | Option A        | 30                           | 27                  | 22                           |
| 2023        | Option A        | 45                           | 39                  | 32                           |
| 2022        | Option A        | 79                           | 69                  | 56                           |
| 2021        | Option A        | 206                          | 168                 | 134                          |
| 2020        | Option A        | 37                           | 30                  | 23                           |
| 2019        | Option A        | 133                          | 109                 | 81                           |

The employees used for the purposes of the table above, were identified on a full-time equivalent basis as at 31 December 2025. Option A was chosen as it is considered to be the most accurate way of identifying the relevant employees. Employee pay includes salary, allowances, overtime, bonus, commission, benefits and share plan proceeds. For the purpose of the calculation, employee pay has been standardised to the equivalent of a 40-hour working week and mid-year joiners and leavers have been excluded to ensure a like-for-like comparison from one year to the next.

The remuneration for the CEO for 2025 comprises the aggregate of remuneration for Pete Redfern as CEO until 10 March 2025 and the fees payable to Geoff Drabble for the remainder of the year when effectively acting as Executive Chair for this period.

The following table provides salary and total remuneration information in respect of the employees at each quartile:

| Year | Element of pay     | 25th percentile employee | Median employee | 75th percentile employee |
|------|--------------------|--------------------------|-----------------|--------------------------|
| 2025 | Salary             | £26,625                  | £29,263         | £33,500                  |
|      | Total remuneration | £28,516                  | £31,358         | £36,865                  |

The ratio is consistent with the Group's wider policies on employee pay, reward and progression. There is a decrease in the CEO pay ratio for 2025. This reflects the fact that there was no bonus payout for 2025, no long-term incentive value reported and the change in executive leadership during the year, with Geoff Drabble as Executive Chair receiving a fee that was set at a discount to the former CEO's salary and no pension entitlement. There are no changes attributable to changes in the Group's employment model nor in the methodology used to calculate the ratio.

### Change in remuneration of Directors

The following table sets out the year-on-year percentage change in remuneration for the Executive and Non-executive Directors relative to the wider workforce.

|                                         | Percentage change in salary/fee earned |        |      |        |      |      | Percentage change in bonus earned |         |         |         |       |         | Percentage change in taxable benefits received |      |      |      |                     |      |
|-----------------------------------------|----------------------------------------|--------|------|--------|------|------|-----------------------------------|---------|---------|---------|-------|---------|------------------------------------------------|------|------|------|---------------------|------|
|                                         | 2025                                   | 2024   | 2023 | 2022   | 2021 | 2020 | 2025                              | 2024    | 2023    | 2022    | 2021  | 2020    | 2025                                           | 2024 | 2023 | 2022 | 2021                | 2020 |
| Comparative employee group <sup>1</sup> | <b>3.1%</b>                            | 5.9%   | 5.8% | 5.2%   | 1.5% | 1.7% | <b>42.8%</b>                      | (10.8%) | (72.9%) | (74.8%) | 69.0% | (38.0%) | <b>25.4%</b>                                   | 5%   | 4%   | 13%  | (8.5%) <sup>2</sup> | 8.4% |
| <b>Executive Directors</b>              |                                        |        |      |        |      |      |                                   |         |         |         |       |         |                                                |      |      |      |                     |      |
| CFO – Duncan Cooper <sup>3</sup>        | <b>3.3%</b>                            | n/a    | n/a  | n/a    | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>5.9%</b>                                    | n/a  | n/a  | n/a  | n/a                 | n/a  |
| <b>Former Executive Directors</b>       |                                        |        |      |        |      |      |                                   |         |         |         |       |         |                                                |      |      |      |                     |      |
| CEO – Pete Redfern <sup>3,4</sup>       | <b>(32.7%)</b>                         | n/a    | n/a  | n/a    | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>(40.0%)</b>                                 | n/a  | n/a  | n/a  | n/a                 | n/a  |
| <b>Non-executive Directors</b>          |                                        |        |      |        |      |      |                                   |         |         |         |       |         |                                                |      |      |      |                     |      |
| Geoff Drabble <sup>3,6</sup>            | <b>3718.2%</b>                         | n/a    | n/a  | n/a    | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |
| Marianne Culver                         | <b>1.6%</b>                            | –      | 4.9% | 1.7%   | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |
| Heath Drewett <sup>7</sup>              | <b>1.2%</b>                            | 1.2%   | 2.5% | 71.7%  | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |
| Jora Gill <sup>7</sup>                  | –                                      | 1.3%   | 7.0% | 184.0% | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |
| Louise Hardy                            | <b>6.1%</b>                            | 27.7%  | n/a  | n/a    | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |
| Jez Maiden <sup>5</sup>                 | <b>(53.4%)</b>                         | 386.7% | n/a  | n/a    | n/a  | n/a  | <b>n/a</b>                        | n/a     | n/a     | n/a     | n/a   | n/a     | <b>n/a</b>                                     | n/a  | n/a  | n/a  | n/a                 | n/a  |

<sup>1</sup> The comparator group is all colleagues within the Merchanting and Toolstation businesses and central functions. Travis Perkins plc is a non-employing entity and so is not used for comparative purposes.

<sup>2</sup> During 2021, the Group began to replace the company car fleet with a cash allowance. The reduction reflects the difference between the P11d value and the cash allowance.

<sup>3</sup> Geoff Drabble, Pete Redfern and Duncan Cooper were appointed during 2024 and, therefore no prior-year comparison is shown for these Directors. Pete Redfern stepped down from the Board and ceased employment on 10 March 2025.

<sup>4</sup> The change in remuneration for Pete Redfern for 2025 reflects the comparison between successive part years during his tenure as CEO between 16 September 2024 and 10 March 2025.

<sup>5</sup> Jez Maiden was appointed Interim Chair for part of 2024 and the increase in his fees for 2024 reflects that appointment. Similarly, the decrease in his fees for 2025 is reflective of Jez stepping down as Interim Chair on 31 January 2025.

<sup>6</sup> Geoff Drabble's responsibilities expanded on 10 March 2025 and the increase in his fees for 2025 reflects this. The higher fees received in 2025 also reflect the comparison of a full year to a part year.

<sup>7</sup> Heath Drewett and Jora Gill were appointed during 2021 and, therefore, the higher fees received in 2022 reflect the comparison of a full year to a part year.

**DIRECTORS' REMUNERATION REPORT** CONTINUED**Relative importance of spend on pay**

Capital expenditure is shown, for comparison, as an indicator of investment by the Group in future growth. It includes funds invested in the purchase of property, plant and equipment. Corporation tax is included as an indicator of wider societal contribution facilitated by the Group's operations and is the actual amount of corporation tax paid in the relevant reporting periods.

|                              | 2025 | 2024 |
|------------------------------|------|------|
| Distribution to shareholders | 29   | 23   |
| Capital expenditure          | 87   | 76   |
| Corporation tax              | 22   | 21   |
| Employee remuneration        | 655  | 640  |

**Governance**

During the year the Committee comprised Louise Hardy (Committee Chair until 21 October 2025, following which she remained a member of the Committee), Marianne Culver, Heath Drewett and, from 21 October 2025, Jez Maiden as Interim Committee Chair. All members of the Committee were independent on appointment and remain so.

Korn Ferry were appointed by the Committee in December 2024 to provide independent advice on executive remuneration. Korn Ferry are founding members of the Remuneration Consultants Code of Conduct and adhere to this Code in its dealings with the Committee. The Committee is satisfied that the advice provided by Korn Ferry is objective and independent. The Committee is comfortable that the Korn Ferry engagement partner and team that provides remuneration advice to the Committee do not have connections with the Group or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Korn Ferry provided additional services to the Group in relation to remuneration including support in developing and implementing remuneration proposals and compensation benchmarking. Fees are charged on a time and materials basis. During the year Korn Ferry was paid £86,111 (excluding VAT) for advice provided to the Committee.

In addition Pete Redfern, Duncan Cooper and other members of executive management have assisted the Committee in its work and attended Committee meetings where appropriate. No individual is involved in the setting of their own remuneration.

**Responsibilities**

The Remuneration Committee is responsible for developing and implementing the remuneration policy within the Group. It determines and agrees with the Board the policy for the remuneration and benefits of the Chair, Executive Directors and Group Leadership Team members and other senior executives. The Committee also oversees the administration of the Group's share plans. The Committee's terms of reference are available on the Travis Perkins plc website ([www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk)) or on request from the Company Secretary.

### Key items discussed in 2025 meetings

The Remuneration Committee held four routinely scheduled meetings during the year, with five additional meetings. The Remuneration Committee discussed the following matters:

| Date                | Key issues considered                                                                                                                                                                                                                                                                                                                                   |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>13 January</b>   | <ul style="list-style-type: none"> <li>• Approval of 2025 annual bonus plan design and targets for Executive Directors and the Group Leadership Team ("GLT")</li> <li>• Review options for new long-term incentive plan &amp; remuneration policy for 2025 awards</li> </ul>                                                                            |
| <b>20 January</b>   | <ul style="list-style-type: none"> <li>• Approval of remuneration for new MD of Specialist Merchants and MD of Toolstation/interim MD of BSS, following GLT role changes</li> </ul>                                                                                                                                                                     |
| <b>27 January</b>   | <ul style="list-style-type: none"> <li>• Approval of annual salary review for 2025 for Executive Directors and the GLT</li> <li>• Review design proposal and targets for new long-term incentive plan ("PSP") for 2025 awards</li> </ul>                                                                                                                |
| <b>28 February</b>  | <ul style="list-style-type: none"> <li>• Approval of PSP design and proposed amendment to remuneration policy under resolution at the 2025 AGM</li> <li>• Approval of vesting for CFO buyout award</li> </ul>                                                                                                                                           |
| <b>12 March</b>     | <ul style="list-style-type: none"> <li>• Approval of outturn of 2024 annual bonus scheme and 2025 deferred share bonus plan awards</li> <li>• Approval of vesting outcome of 2022 long-term incentive awards ("RSP")</li> <li>• Approval of 2024 Directors' remuneration report</li> <li>• Review of shareholding vs requirement for the GLT</li> </ul> |
| <b>8 May</b>        | <ul style="list-style-type: none"> <li>• Approval of remuneration for the new Chief Executive Officer</li> <li>• Approval of temporary fee adjustment for Chair whilst acting as Executive Chair</li> </ul>                                                                                                                                             |
| <b>17 June</b>      | <ul style="list-style-type: none"> <li>• Approval of remuneration adjustments for three members of the GLT</li> <li>• Approval of grant of 2025 PSP awards, including consideration of windfall gains</li> </ul>                                                                                                                                        |
| <b>29 September</b> | <ul style="list-style-type: none"> <li>• Review of vesting outlook for RSP awards made in 2021, 2022, 2023 and 2024</li> <li>• Review of annual bonus design for 2026</li> </ul>                                                                                                                                                                        |
| <b>9 December</b>   | <ul style="list-style-type: none"> <li>• Performance update on the 2025 annual bonus scheme</li> <li>• Approval of CEO buyout award</li> <li>• Review of 2025 Directors' remuneration report</li> <li>• Approval of remuneration adjustments for two members of the GLT</li> </ul>                                                                      |

**DIRECTORS' REMUNERATION REPORT** CONTINUED**Shareholder voting**

The following resolutions in relation to remuneration were put to the Group's AGM (2024 Directors' remuneration report and amendment to 2025 Policy):

| Resolution                                                                                                                                                      | Votes for   | For (%) | Votes against | Against (%) | Votes withheld |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------------|-------------|----------------|
| To receive and approve the 2024 Directors' remuneration report (2025 AGM)                                                                                       | 160,827,902 | 99.80%  | 323,587       | 0.20%       | 27,319         |
| To receive and approve, an amendment to the Remuneration policy to enable performance share awards to be granted in the year ending 31 December 2025 (2025 AGM) | 154,192,403 | 95.67%  | 6,980,798     | 4.33%       | 5,607          |

The Directors' remuneration report has been approved by the Board of Directors and is signed on its behalf by:

**Jez Maiden**

Interim Chair of the Remuneration Committee

16 March 2026

## DIRECTORS' REPORT

The Directors present their Annual Report and audited Accounts of Travis Perkins plc and its subsidiaries (the “Group”) for the year ended 31 December 2025. The report sets out information required to be included by the Companies Act 2006 (the “Act”), and the applicable Financial Conduct Authority (“FCA”) UK Listing Rules (UKLR 6.6) and Disclosure Guidance and Transparency Rules (the “DTR”). Certain information is incorporated into this report by reference and can be located in the sections outlined as follows.

| Disclosure                                    | Page    |
|-----------------------------------------------|---------|
| Corporate Governance report                   | 64-67   |
| Directors' details                            | 62-63   |
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| Dividend waivers                              | 100     |
| Number of employees and related costs         | 151     |

### Business review

A review of the Group's position, developments, activities in the field of research and development and a review of the key events affecting the Group in the last financial year can be found on pages 2 to 60 and is also incorporated into this report by reference. The Group operates predominantly in the UK with Toolstation branches also trading in Belgium and the Netherlands. The Group also has a sourcing office in China and a branch in the Republic of Ireland.

### Articles of Association

The Company's Articles of Association (the “Articles”) may only be amended by special resolution at a general meeting of the shareholders. The Articles can be viewed on the Group's website at: [www.travisperkinsplc.co.uk/about-us/governance/](http://www.travisperkinsplc.co.uk/about-us/governance/).

### Board of Directors

The names, biographies and committee memberships of all Directors as at the date of this Annual Report are provided in the biographies on pages 62 to 63 and details of the Directors that held office during the 2025 financial year are set out within the Corporate governance report in the table on page 66. The powers and responsibilities of the Directors are set out in the Corporate governance report on page 65. The appointment and removal of Directors is regulated by the Articles, the Act, the UK Corporate Governance Code (the “Code”) and related legislation. Under Article 83 of the Articles all Directors are required to retire and seek re-election annually and, accordingly, all will do so at the Annual General Meeting. All Directors as at the date of the Annual Report and Accounts are recommended for re-election on the basis of their skills, experience and the value of their contributions to the Board and the Company's long-term sustainable success.

Details of the service agreements for Executive Directors and letters of appointment for Non-executive Directors and the Chair of the Board are set out in the Directors' remuneration report on pages 78 to 98 and are available for inspection by appointment at the Company's registered office. Executive Directors have rolling 12-month notice periods in their contracts.

### Directors' conflicts of interest

Directors have a statutory duty to avoid a situation where they have, or may have, a direct or indirect interest that conflicts or may conflict with the Company's interests. The Articles permit Directors to authorise a potential conflict of interest to the extent permitted by law. During the year, no Director had any material interest in any contract of significance of the Group's business. The disclosable interests of Directors at 31 December 2025, including holdings, if any, of persons closely associated are provided in the Directors' remuneration report on pages 78 to 98.

### Directors' indemnities

Article 143 of the Articles permits the Company to indemnify any person who is, or was, a Director, or a Director of any associated company against any loss or liability in relation to the Company or associated company, to the extent permitted by law. The Company has granted such indemnities to its Directors and directors of associated companies and these remain in force in the year ending 31 December 2025. The Company maintains Directors' and Officers' liability insurance cover in respect of potential legal action brought against its Directors and directors of associated companies.

## DIRECTORS' REPORT CONTINUED

**Major shareholdings**

As at 31 December 2025, the Company had been advised the following significant holdings of voting rights attached to its shares (based on the Company's share register and on formal notification received by the Company pursuant to DTR 5). The information below was calculated at the date on which the relevant disclosures were made, however, the percentage of total voting rights held by each may have changed since the Company was notified.

|                                        | Direct/Indirect | Number of voting rights held | Voting rights (%) |
|----------------------------------------|-----------------|------------------------------|-------------------|
| Pzena Investment Management, Inc       | Indirect        | 15,587,458                   | 6.9%              |
| Ameriprise Financial, Inc              | Indirect        | 11,121,830                   | 5.2%              |
| Schroders Plc                          | Indirect        | 11,136,777                   | 5.2%              |
| Silchester International Investors LLP | Indirect        | 10,650,216                   | 5.0%              |

Pursuant to UKLR 6.6.6R(2), the Company confirms that between 31 December 2025 and 8 March 2026, there have been no further disclosures made to the Company in accordance with DTR 5.

**Results and dividend**

The Group's results for the year ending 31 December 2025 are set out in the income statement on page 115 and dividends for the year ending 31 December 2025 are set out in note 21. The Directors recommend a final dividend of 7.5 pence per share for approval at the Company's Annual General Meeting. If approved by shareholders, the final dividend will be paid on 28 May 2026 to those shareholders on the register at the close of business on 17 April 2026. All arrangements where a shareholder has waived or agreed to waive any current or future dividends fall below the 1% of total dividend disclosure threshold under UKLR 6.6.

**Balance sheet and post-balance sheet events**

The balance sheet on page 117 shows the Group's financial position.

**Employees**

A full statement on employee matters can be found in the Sustainability report on pages 35 to 38 and an overview of the Company's approach to diversity can be found in the Sustainability report and the Nominations Committee report on pages 31 and 72. The Group's Encouraging Equal Treatment Policy aims to ensure recruitment, employment and promotion decisions are based solely on an individual's ability and potential, regardless of their gender, race, colour, ethnic origin, sexual orientation, religious belief, age, disability, marital status (including civil partnership), pregnancy, maternity or gender reassignment. In particular, applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitudes of the person concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, including making any reasonable adjustments to their role, and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Group's practices are designed to keep employees informed on matters relevant to them, including the Group's financial performance and strategy, through regular meetings and communications. In September 2025, the Group conducted its latest "Your Voice Our Future" colleague engagement survey to enable colleagues to give feedback on issues affecting them. The Company has a designated workforce engagement Non-executive Director, Louise Hardy, to bring the colleague voice into the Boardroom. The majority of colleagues with more than three months consecutive service are eligible to join the Group's Sharesave scheme, enabling them to benefit from the Group's growth and success. Full details of employee share plans are available in the Directors' remuneration report on page 87.

**Modern slavery**

The Group recognises the harmful impact that Modern Slavery and human trafficking has on society and is committed to ensuring its business and supply chain is free from this criminal activity. The Group produces a slavery and human trafficking statement each financial year. The latest statement can be found on the Company's website at: [www.travisperkinsplc.co.uk/modern-slavery-statement/](http://www.travisperkinsplc.co.uk/modern-slavery-statement/).

**Political donations**

The Group's policy is not to make donations to political parties. The Group did not give any money for political purposes, nor did it make any donations to political organisations or independent candidates or incur any political expenditure during the year.

**Statement on disclosure of information to the external auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all reasonable steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Act.

**Share capital and change of control**

As at 31 December 2025, the Company had an allotted and fully paid share capital of 212,509,334 ordinary shares of 11.205105 pence, each with voting rights and an aggregate nominal value of £23,811,894.01, including shares owned by the Travis Perkins Employee Share Ownership Trust. The ordinary shares are listed on the London Stock Exchange and all shares rank pari passu. As at 31 December 2025, there were no ordinary shares of the Company held in treasury. There are no restrictions on voting rights attached to the Company's ordinary shares. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights. The rights and obligations attaching to its shares are set out in the Articles. Fully paid shares in the Company are freely transferable. There are no persons that hold securities carrying special rights with regard to the control of the Company. Details of the structure of the Company's share capital and changes in the share capital during the year are also included in the notes to the financial statements on page 140. As at 31 December 2025, the Travis Perkins Employee Share Ownership Trust owned 669,123 shares in the Company (0.31% of issued share capital) for use in connection with the Company's share schemes. Any voting or other similar decisions relating to those shares would be taken by the trustees, who may take account of any recommendation of the Company. There are no rights attached to shares under employee share schemes, save for the right to acquire shares pursuant to options granted under those schemes in accordance with, and subject to, their rules. There are a number of agreements to which the Company is a party that may take effect, alter or terminate upon a change of control following a takeover bid. None of these agreements are considered significant in the context of the Company as a whole. The Company does not have agreements with any Director or any employee that would provide compensation for loss of office or employment resulting from a takeover except for that provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a takeover.

The Directors' report has been approved by the Board of Directors and is signed on its behalf by:

**Will Lang**

General Counsel and Company Secretary

16 March 2026

## DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the Parent Company financial statements only, prudent.
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards.
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements.
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors, whose names and functions are listed in the Directors' biographies, confirms that to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Statement of Directors' responsibilities has been approved by the Board and is signed on its behalf by:

**Gavin Slark**

Chief Executive Officer

16 March 2026

**Duncan Cooper**

Chief Financial Officer

16 March 2026



Reliable

## FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

to the members of Travis Perkins plc

### 1. Opinion

#### In our opinion:

- the financial statements of Travis Perkins plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated income statement;
- the Consolidated statement of comprehensive income
- the Consolidated and parent company balance sheets;
- the Consolidated and parent company statements of changes in equity;
- the Consolidated cash flow statement;
- the related notes 1 to 35, and Parent Company notes 1 to 12 including the material accounting policy information in the respective notes.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key audit matters</b>           | <p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>• Inventory provisioning;</li> <li>• Recoverability of goodwill; and</li> <li>• Impairment of core Merchanting branches.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Materiality</b>                 | <p>The materiality that we used for the Group financial statements was £11.5 million which was determined by considering a number of different metrics used by investors and other readers of the financial statements. These included:</p> <ul style="list-style-type: none"> <li>• adjusted profit before tax from continuing operations;</li> <li>• revenue; and</li> <li>• net assets.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Scoping</b>                     | <p>The audit of the Group has been performed centrally by the group audit team, and no component auditors were engaged. We have focused our audit procedures on nine components, performing an audit of the specified account balances and transactions for Travis Perkins General Merchant, CCF, Keyline, BSS, Toolstation UK, Toolstation Benelux, Travis Perkins (Properties) Limited, TP Property Company Limited and the Parent Company. For the remaining components, we performed review at an aggregated group level to re-assess our evaluation that there were no identified risks of material misstatement in any of these components.</p> <p>Our audit scope covered 96% of Group revenue, 95% of Group loss before tax and 96% of Group net assets.</p>                                                                                                                                                                                                                                                                     |
| <b>First-year audit transition</b> | <p>The year ended 31 December 2025 is our first year as auditor of Travis Perkins plc. We have been independent since December 2023 and commenced our transition activities from that date. Our work included:</p> <ul style="list-style-type: none"> <li>• Establishing a detailed audit transition plan;</li> <li>• Shadowing the previous auditor through the 31 December 2024 audit, including attendance at key meetings, such as with the Audit Committee;</li> <li>• Reviewing the previous auditor's audit files;</li> <li>• Holding transition workshops with key component finance and operational management, including internal audit, treasury, tax, legal and Group finance teams to inform our audit planning; and</li> <li>• Considering historical accounting policies and accounting judgements.</li> </ul> <p>These procedures built our understanding of the Group which informed our audit risk assessment, through which we identified the risks of material misstatement to the Group's financial statements.</p> |

**INDEPENDENT AUDITOR'S REPORT** continued

to the members of Travis Perkins plc

**4. Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the process and controls relevant to management's going concern model and to the preparation of forecasts used for the going concern assessment;
- evaluating the reasonableness of key assumptions within the Group's forecasts and their consistency with the Board approved strategic plan;
- evaluating the historical accuracy of forecasts prepared by management;
- assessing availability of financing facilities the existence and availability of financing facilities;
- assessing the Group's liquidity forecast and performing sensitivity analysis to assess whether there is sufficient headroom over the going concern period;
- evaluating the mitigating factors and reasonable downside scenarios identified by management in relation to their going concern analysis;
- testing the mechanical accuracy of the going concern model; and
- assessing the appropriateness of the Group's disclosure concerning the going concern basis of accounting.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1. Inventory provisioning

| Key audit matter description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How the scope of our audit responded to the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Key observations                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Group operates as a leading distributor of building materials and a retailer of home improvement products, holding significant and diverse inventory across its various businesses, including generalist and specialist products. As at 31 December 2025 the Group's inventory balance is £666.9 million (FY24: £648.6 million), having taken account of an associated inventory obsolescence provision of £23.5 million (3.5% of gross inventory) (FY24: £29.0 million (4.5% of gross inventory)).</p> <p>The valuation of inventory, particularly the assessment of the inventory obsolescence, net realisable value ("NRV") and excess provisioning, is a key audit matter due to the inherent subjectivity and significant management judgement involved.</p> <p>The Group continues to experience challenging trading conditions in the UK, putting significant pressure on margins, especially within the core Merchanting businesses. As a result, there is a potential risk of management override and/or bias within key accounting estimates impacting adjusted operating profits. These risks relate to the use of an appropriate inventory provisioning policy in light of challenging trading conditions and any unsupportable manual adjustments made by management to the inventory provision calculation.</p> <p>Inventory provisioning, including associated accounting policies is included in Note 12 of the financial statements. This is also discussed in the Audit Committee's report on page 76.</p> | <p>To respond to this key audit matter, we have:</p> <p><b>Understood the process and controls:</b> We obtained an understanding of relevant controls over inventory valuation, including the process for calculating the inventory provision.</p> <p><b>Assessed management's methodology:</b> We assessed the appropriateness of management's methodology for determining the inventory obsolescence provision, including the criteria used to identify slow-moving or obsolete items (e.g., age of stock, last sale date, expected future demand), excess inventory items, inventory items held above their NRV and the appropriateness of provision rates.</p> <p><b>Recalculated the inventory provision:</b> Using management's provisioning policy, we recalculated the provision to test the mathematical accuracy of the calculation and consistent application of the provisioning policy across the Group.</p> <p><b>Tested the completeness and accuracy of inventory data:</b> We tested the key inputs to the provisioning calculation, to assess whether the data reconciles to the inventory sub-ledger and sales data within the Group's accounting system. We also tested a sample of inventory items by agreeing the cost to supplier invoices.</p> <p><b>Challenged key assumptions and judgements:</b> We challenged the key assumptions used by management in calculating their inventory provision, with reference to historical provisioning rates and inventory write-offs. We also considered whether adjustments were necessary to reflect the challenging trading environment in addition to the Group's formula driven model.</p> <p><b>Utilised data analytics:</b> With the involvement of our data analytics specialists, we tested inventory ageing reports and sales data using data analytics to identify unusual trends, significant concentrations of old stock, or items with low sales activity that may require a higher provision. We also designed this analytic to compare all inventory items cost, to recent sales invoices, to assess completeness and accuracy of the NRV provision.</p> <p><b>Tested the disclosures:</b> We assessed the adequacy of the disclosures in the financial statements relating to inventory provisioning, including the accounting policies applied and, the nature of significant judgements.</p> | <p>Based on the audit procedures performed, we are satisfied that the valuation of the inventory obsolescence provision is reasonable.</p> <p>We are satisfied that the disclosures in the financial statements with respect to the inventory provision are appropriate.</p> |

## INDEPENDENT AUDITOR'S REPORT *continued*

to the members of Travis Perkins plc

### 5. Key audit matters *continued*

#### 5.2. Recoverability of goodwill

| Key audit matter description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the scope of our audit responded to the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Key observations                                                                                                                                  |
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| <p>The Group carries significant goodwill, primarily arising from past acquisitions. As of 31 December 2025, the total carrying value of goodwill in the Group is £720.8 million (FY24: £821.3 million), after recording goodwill impairments of £60.1 million (FY24: Nil) relating to Toolstation Benelux and £43.6 million (FY24: Nil) relating to CCF.</p> <p>The recoverability of goodwill is a key audit matter due to the material value of impairment recorded in the current year, and the significant management judgement and estimation uncertainty involved in the annual impairment assessment, including compliance with IAS 36 Impairment of Assets. The Group continues to experience challenging trading conditions in the UK and Europe, putting additional pressure on margins and increasing the level of judgement and sensitivity linked to their key assumptions.</p> <p>As set out in Note 28, management have fully impaired the goodwill in relation to Toolstation Benelux and CCF within the current financial year, resulting in the sensitivity of these models to changes in key assumptions being reduced, with no reasonably possible change having a material impact on impairment.</p> <p>Management use a value in use (VIU) model to assess the recoverable amount of goodwill, with the Travis Perkins General Merchant and Keyline models being highly sensitive to the following key assumptions:</p> <ul style="list-style-type: none"> <li>• Future revenue growth rates;</li> <li>• Operating margins assumptions; and</li> <li>• Discount rate (pre-tax WACC) applied to future cash flows.</li> </ul> <p>The recoverable amount is sensitive to changes in these assumptions, given the cyclical nature of the construction and home improvement markets, and the ongoing competitive landscape. Changes to these key assumptions could have a material impact on the carrying value of the associated goodwill.</p> <p>The effect of these matters results in a high degree of estimation uncertainty, with a range of reasonably possible outcomes which results in a material change to the impairment charge. The financial statements Note 9 and 28 discloses goodwill impairment and associated accounting policies, including sensitivities for the key assumptions and their impact on impairment. This is also discussed within the Audit Committee Report on page 76.</p> | <p>To respond to this key audit matter, we have:</p> <ul style="list-style-type: none"> <li>• <b>Understood the process and controls:</b> We obtained an understanding of relevant controls over the impairment assessment process.</li> <li>• <b>Assessed the mathematic accuracy:</b> Evaluated the integrity of management's VIU models, including the mathematical accuracy and consistency with IAS 36.</li> <li>• <b>Challenged key assumptions:</b> We challenged key assumptions by: <ul style="list-style-type: none"> <li>• Assessing forecasted cashflows against historical performance, approved budgets, external market forecasts, and our understanding of the business strategy.</li> <li>• Challenging revenue growth rates and operating margin assumptions by assessing the reasonableness against industry trends, economic outlook and historical performance.</li> <li>• With the involvement of our valuation specialists, independently assessing the appropriateness of the pre-tax discount rates used and determining a reasonable range of discount rates to be applied to the impairment models.</li> </ul> </li> <li>• <b>Performed sensitivity analysis:</b> We performed sensitivity analysis, on the key assumptions, using reasonably possible downside scenarios to assess the impact on the recoverable amount.</li> <li>• <b>Assessed the trigger for impairment:</b> We assessed the trigger point for management identifying goodwill impairment in the current year, understanding the cause of the downturn in performance to verify whether it could not have been reasonably forecasted at the prior balance sheet date.</li> <li>• <b>Tested the disclosures:</b> We assessed the adequacy of the disclosures in the financial statements relating to goodwill, including the accounting policies applied, the nature of significant judgements and estimation uncertainties, and details of any impairment losses recognised.</li> </ul> | <p>We are satisfied that the judgements applied, impairment charges recorded and disclosures within the financial statements are appropriate.</p> |

### 5.3. Impairment of core Merchanting branches assets

| Key audit matter description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the scope of our audit responded to the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Key observations                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Group holds a significant portfolio of Property, Plant and Equipment (PPE) and Right-of-Use Assets (ROUAs), primarily comprising its extensive network of merchant branches, retail stores, distribution centres, and administrative offices. As at 31 December 2025, the carrying value of PPE is £655.0 million (FY24: £771.1 million) and ROUAs is £512.8 million (FY24: £545.5 million).</p> <p>The assessment of whether these assets, referred to as branch assets, are impaired, and if so, the measurement of any impairment loss, is a key audit matter due to the material value of these assets and the significant management judgement and estimation uncertainty involved. Due to the continuation of challenging trading conditions in the UK and Benelux, the Group has identified impairment indicators, in line with IAS 36, across the branch assets in the Travis Perkins General Merchant, CCF, Keyline, BSS and Toolstation Benelux businesses. In the current year management have recorded material impairments of branch assets (PPE impairment of £75.8 million (FY24: £39.6 million), ROUA impairment of £19.7 million (FY24: £31.2 million)) highlighting the uncertainty involved in estimating the recoverable amounts of these assets.</p> <p>As set out in Note 28, management determines the branch assets' recoverable amount as being the higher of its fair value less costs of disposal and its value in use (VIU).</p> <p>The VIU is calculated through discounted cashflow models, which involve the following key assumptions, including:</p> <ul style="list-style-type: none"> <li>• Future revenue growth rates</li> <li>• Operating margins assumptions.</li> <li>• Discount rate (pre-tax WACC) applied to future cash flows.</li> </ul> <p>The recoverable amount is sensitive to changes in these assumptions, given the cyclical nature of the construction and home improvement markets, and the ongoing competitive landscape. Changes to these key assumptions could have a material impact on the carrying value of the associated branch assets.</p> <p>When the carrying amount is not supported by the value in use, management determines the fair value less costs of disposal of freehold and leasehold properties when determining the recoverable amount.</p> <p>The effect of these matters results in a high degree of estimation uncertainty, with a range of reasonably possible outcomes which results in a material change to the impairment charge. The financial statements note 10 and 28 discloses impairment of Merchanting branches assets and associated accounting policies, including sensitivities for the key assumptions and their impact on impairment. This is also discussed within the Audit Committee Report on page 76.</p> | <p>To respond to this key audit matter, we have:</p> <ul style="list-style-type: none"> <li>• <b>Understood the process and controls:</b> We obtained an understanding of relevant controls over the impairment assessment process, including the identification of impairment indicators and the preparation of impairment models.</li> <li>• <b>Challenged impairment indicators:</b> We assessed management's identification of impairment indicators and the timing of impairment trigger, considering both internal factors (e.g., actual performance against budget) and external factors (e.g., market conditions in the construction sector, rising interest rates, changes in property values and market rent).</li> <li>• <b>Assessed the mathematical accuracy:</b> Evaluated the integrity of management's VIU models, including the mathematical accuracy and consistency with IAS 36.</li> <li>• <b>Challenged key assumptions:</b> For branch assets where impairment indicators were identified, we challenged key assumptions by: <ul style="list-style-type: none"> <li>• Assessing forecasted cashflows to historical performance, approved budgets, external market forecasts, and our understanding of the business strategy.</li> <li>• Challenging revenue growth rates and operating margin assumptions by assessing the reasonableness against industry trends, economic outlook and historical performance.</li> <li>• With the involvement of our valuation specialists, independently assessing the appropriateness of the pre-tax discount rates used and determining a reasonable range of discount rates to be applied to the impairment models.</li> </ul> </li> <li>• <b>Performed sensitivity analysis:</b> We performed sensitivity analysis, on the key assumptions, using reasonably possible downside scenarios to understand the impact on the recoverable amount.</li> <li>• <b>Assessed the trigger for impairment:</b> We assessed the trigger point for management identifying branch asset impairments in the current year, understanding the cause of the downturn in performance to verify whether it could not have been reasonably forecasted at the prior balance sheet date.</li> <li>• <b>Tested the disclosures:</b> We assessed the adequacy of the disclosures in the financial statements relating to branch assets, including the accounting policies applied, the nature of significant judgements and estimation uncertainties, and details of any impairment losses recognised.</li> </ul> | <p>We are satisfied that the judgements applied, impairment charges recorded and disclosures within the financial statements are appropriate.</p> <p>Our work highlighted that there are improvements needed in the internal review process used by management in forming their estimate as to the valuation of the branch assets.</p> |

## INDEPENDENT AUDITOR'S REPORT *continued*

to the members of Travis Perkins plc

### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

|                                                       | Group financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                              | Parent Company financial statements                                                                                                                  |   |                                                       |      |         |     |            |     |                                                                                                         |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------------------------|------|---------|-----|------------|-----|---------------------------------------------------------------------------------------------------------|
| Materiality                                           | £11.5 million (2024: £9.5 million as used by the predecessor auditor)                                                                                                                                                                                                                                                                                                                                                                                                   | £10.3 million (2024: £7.6 million as used by the predecessor auditor)                                                                                |   |                                                       |      |         |     |            |     |                                                                                                         |
| Basis for determining materiality                     | <p>We considered the following metrics in the current year:</p> <ul style="list-style-type: none"><li>adjusted profit before tax from continuing operations;</li><li>revenue; and</li><li>net assets.</li></ul> <p>Group materiality represents:</p> <table><tr><th>Metric</th><th>%</th></tr><tr><td>Adjusted profit before tax from continuing operations</td><td>12.1</td></tr><tr><td>Revenue</td><td>0.3</td></tr><tr><td>Net assets</td><td>0.6</td></tr></table> | Metric                                                                                                                                               | % | Adjusted profit before tax from continuing operations | 12.1 | Revenue | 0.3 | Net assets | 0.6 | <p>We have used 3% of net assets, capped at 90% of Group materiality, as the basis for materiality.</p> |
| Metric                                                | %                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                      |   |                                                       |      |         |     |            |     |                                                                                                         |
| Adjusted profit before tax from continuing operations | 12.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                      |   |                                                       |      |         |     |            |     |                                                                                                         |
| Revenue                                               | 0.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                      |   |                                                       |      |         |     |            |     |                                                                                                         |
| Net assets                                            | 0.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                      |   |                                                       |      |         |     |            |     |                                                                                                         |
| Rationale for the benchmark applied                   | <p>In determining our benchmark for materiality, we considered a number of different metrics used by investors and other readers of the financial statements:</p> <p>Adjusted profit before tax is reconciled to the loss before tax in note 2b of the annual report.</p>                                                                                                                                                                                               | <p>Due to the nature of the Company as a parent entity holding company, we consider net assets to be the most appropriate basis for materiality.</p> |   |                                                       |      |         |     |            |     |                                                                                                         |

#### 6.2. Performance Materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

|                                                                    | Group financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Parent Company financial statements                                              |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Performance materiality</b>                                     | 65% (2024: 65% as used by the predecessor auditor) of Group materiality                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 65% (2024: 65% as used by the predecessor auditor) of Parent Company materiality |
| <b>Basis and rationale for determining performance materiality</b> | <p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> <li>our understanding of the entity and its environment;</li> <li>our risk assessment, including our assessment of the Group's overall control environment;</li> <li>change in the senior leadership team during the year; and</li> <li>results of the previous years' audits performed by the predecessor auditor, including the value and quantum of corrected and uncorrected misstatements in prior periods and our expectation of the likelihood of misstatements recurring in the current period.</li> </ul> |                                                                                  |

#### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.55 million (2024: £0.5 million as used by the predecessor auditor), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

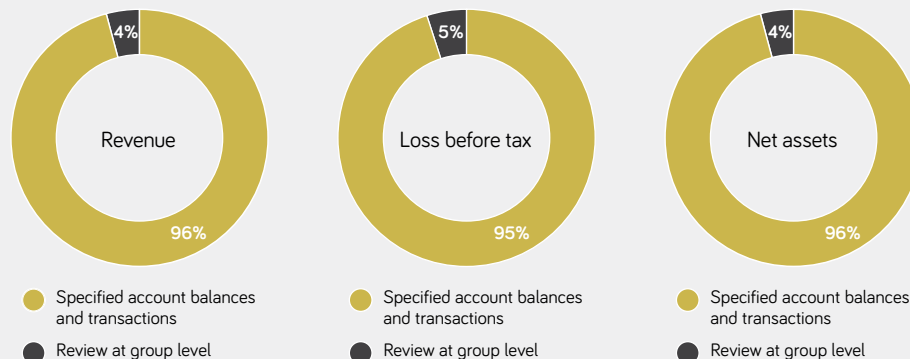
### 7.1. Identification and scoping of components

Our approach to scoping the Group audit was to understand the Group and its environment, including group-wide controls, implementing a risk-based approach by developing an appropriate audit plan for each significant account balance and assess the risks of material misstatement at the Group level. The Group operates over 1,400 branches across the UK and Benelux. We have focused our Group audit scope primarily on significant trading entities and Parent Company. The audit of the Group has been performed centrally by the Group engagement team.

In considering the risk profile, control environment, change in the Group leadership and scoping coverage, we have focused our audit procedures on nine components, performing an audit of the specified account balances and transactions for Travis Perkins General Merchant, CCF, Keyline, BSS, Toolstation UK, Toolstation Benelux, Travis Perkins (Properties) Limited, TP Property Company Limited and the Parent Company. For these components, we used component performance materiality levels determined on the basis of their individual financial information, which ranged from £3.7m to £6.6m (2024: £4.8m to £7.6m).

For the remaining components, we performed review at an aggregated group level to re-assess our evaluation that there were no identified risks of material misstatement in any of these components.

Our scoping and audit procedures have provided us significant coverage of the Group, representing 96% (2024: 95%) of the Group's revenue, 95% (2024: 97%) of the Group's loss before tax and 96% (2024: 94%) of the Group's net assets.



### 7.2. Our consideration of the control environment

The Group's operations utilise a range of information systems which underpin the financial reporting process. We identified the main enterprise resource planning (ERP) systems (Oracle, Sage, Klipboard) and other systems, including in-store transaction processing systems, warehouse management systems and the Group consolidation tool (HFM), as relevant IT systems to our audit. The Group primarily manages its IT systems centrally and therefore, we have involved IT specialists at the group level.

As a result of certain IT control deficiencies related to application user access management and management of privileged access accounts, we were not able to rely on controls over the key IT systems. We adopted a fully substantive approach to our testing, as had been planned given the significant ERP system changes occurring within the business in the previous year, and with this being our first year as auditors of the Group. The IT control improvements required are disclosed in the Audit Committee's report on page 76. As deficiencies in the control environment increase the risk of fraud and error within the financial statements, we performed additional procedures to respond to the potential risks, including increasing the scope and extent of audit procedures over information used as audit evidence, and utilised a reduced threshold for our performance materiality as set out in section six of our audit report.

As set out on page 76 and 77 of the Audit Committee Report, management are working on a programme to improve and build upon the existing controls framework, including standardisation and formalisation of controls across the Group, ahead of Provision 29 of the updated UK Corporate Governance Code 2024 becoming applicable for the Group in 2026.

## INDEPENDENT AUDITOR'S REPORT *continued*

to the members of Travis Perkins plc

### 7. An overview of the scope of our audit *continued*

#### 7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's businesses and its financial statements. We made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. The Group have assessed the risk and opportunities relevant to climate change, with details provided within their principal risks (as set out on page 57). The Group currently considers climate to have limited impact over their short-term planning horizon (as stated in the Sustainability Report on page 45). Our procedures have also included the following:

- assessing whether the risks identified by the Group are complete and consistent with our understanding of the Group; and
- involving our Environmental, Social and Governance ("ESG") specialist to assist in evaluating whether appropriate disclosures have been made in the financial statements with reference to the Task Force on Climate-Related Financial Disclosures ("TCFD") requirements and climate related disclosures in the notes to the financial statements.

### 8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in section 10 in our audit report, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, pensions, IT, ESG, data analytics and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: inventory provisioning. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's environmental regulations.

### 11.2. Audit response to risks identified

As a result of performing the above, we identified Valuation of inventory provisioning as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee, in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## INDEPENDENT AUDITOR'S REPORT *continued*

to the members of Travis Perkins plc

### 13. Corporate Governance Statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 67;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 25;
- the directors' statement on fair, balanced and understandable set out on page 67;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 67; and
- the section describing the work of the audit committee set out on page 74.

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 15. Other matters which we are required to address

#### 15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the shareholders on 14 May 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is therefore one year.

#### 15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### Jane Makrakis FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

16 March 2026

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

| £m                                                                              | Notes | 2025             | 2024      |
|---------------------------------------------------------------------------------|-------|------------------|-----------|
| Revenue                                                                         | 1     | <b>4,564.6</b>   | 4,607.4   |
| Cost of sales                                                                   |       | <b>(3,372.0)</b> | (3,403.7) |
| Gross profit                                                                    |       | <b>1,192.6</b>   | 1,203.7   |
| Charge for impairment losses for trade receivables                              | 14    | <b>(16.4)</b>    | (16.7)    |
| Selling and distribution                                                        |       | <b>(797.1)</b>   | (779.2)   |
| Administrative expenses – other                                                 |       | <b>(259.1)</b>   | (271.3)   |
| Profit on disposal of properties                                                |       | <b>9.9</b>       | 11.3      |
| Other operating income                                                          | 4     | <b>3.5</b>       | 4.0       |
| Adjusted operating profit                                                       |       | <b>133.4</b>     | 151.8     |
| Administrative expenses – adjusting items                                       | 3     | <b>(222.2)</b>   | (139.1)   |
| Administrative expenses – amortisation of acquisition-related intangible assets | 9     | <b>(7.8)</b>     | (10.4)    |
| Operating (loss)/profit                                                         | 2     | <b>(96.6)</b>    | 2.3       |
| Finance income                                                                  | 6     | <b>20.1</b>      | 11.1      |
| Finance costs                                                                   | 6     | <b>(58.2)</b>    | (51.8)    |
| Loss before tax                                                                 |       | <b>(134.7)</b>   | (38.4)    |
| Adjusting items – deferred tax                                                  | 3     | <b>(27.2)</b>    | -         |
| Tax on adjusting items                                                          |       | <b>13.8</b>      | 29.0      |
| Other tax                                                                       |       | <b>(28.2)</b>    | (31.2)    |
| Total tax                                                                       | 7     | <b>(41.6)</b>    | (2.2)     |
| Loss from continuing operations                                                 |       | <b>(176.3)</b>   | (40.6)    |
| Loss from discontinuing operations                                              | 8     | <b>-</b>         | (36.8)    |
| <b>Loss for the year</b>                                                        |       | <b>(176.3)</b>   | (77.4)    |

All loss for the year is attributable to the owners of the Company.

### Earnings per share (note 20):

|                                             | 2025           | 2024    |
|---------------------------------------------|----------------|---------|
| Basic earnings per share                    |                |         |
| – from continuing operations                | <b>(83.3)p</b> | (19.2)p |
| – total                                     | <b>(83.3)p</b> | (36.6)p |
| Diluted earnings                            |                |         |
| – from continuing operations                | <b>(83.3)p</b> | (19.2)p |
| – total                                     | <b>(83.3)p</b> | (36.6)p |
| Adjusted basic earnings per share           | <b>30.8p</b>   | 36.6p   |
| Total dividend declared per share (note 21) | <b>12.0p</b>   | 14.5p   |

The accompanying notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

| £m                                                                                           | Notes | 2025           | 2024   |
|----------------------------------------------------------------------------------------------|-------|----------------|--------|
| Loss for the year                                                                            |       | <b>(176.3)</b> | (77.4) |
| <i>Items that will not be reclassified subsequently to profit and loss:</i>                  |       |                |        |
| Actuarial (loss)/gain on defined benefit pension schemes                                     | 18    | <b>(4.2)</b>   | 35.1   |
| Deferred tax credit/(charge) relating to other comprehensive income                          | 7     | <b>1.0</b>     | (9.5)  |
| <i>Items that may be reclassified subsequently to profit and loss:</i>                       |       |                |        |
| Foreign exchange differences on retranslation of foreign operations                          |       | <b>4.1</b>     | (2.3)  |
| Fair value (loss)/gain on cash flow hedges                                                   | 27    | <b>(5.1)</b>   | 0.4    |
| Reclassification of cash flow hedges to profit or loss                                       | 27    | <b>2.2</b>     | -      |
| Deferred tax on cash flow hedges                                                             | 7     | <b>0.9</b>     | (0.1)  |
| <b>Total other comprehensive (loss)/profit for the year net of tax</b>                       |       | <b>(1.1)</b>   | 23.6   |
| <b>Total comprehensive loss for the year</b>                                                 |       | <b>(177.4)</b> | (53.8) |
| Total comprehensive loss for the year attributable to the owners of the Company arises from: |       |                |        |
|                                                                                              |       | 2025           | 2024   |
| Continuing operations                                                                        |       | <b>(177.4)</b> | (16.9) |
| Discontinued operations                                                                      | 8     | -              | (36.9) |
|                                                                                              |       | <b>(177.4)</b> | (53.8) |

All other comprehensive loss is attributable to the owners of the Company.

## CONSOLIDATED BALANCE SHEET

As at 31 December 2025

| £m                                                   | Notes | 2025           | 2024           |
|------------------------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                                        |       |                |                |
| <b>Non-current assets</b>                            |       |                |                |
| Goodwill                                             | 9     | 720.8          | 821.3          |
| Other intangible assets                              | 9     | 65.9           | 86.9           |
| Property, plant and equipment                        | 10    | 655.0          | 771.1          |
| Right-of-use assets                                  | 11    | 512.8          | 545.4          |
| Non-current prepayments                              | 14    | 12.0           | 15.3           |
| Deferred tax asset                                   | 16    | -              | 17.5           |
| Derivative financial instruments                     | 27    | 1.3            | 3.3            |
| Retirement benefit asset                             | 18    | 118.1          | 116.9          |
| <b>Total non-current assets</b>                      |       | <b>2,085.9</b> | <b>2,377.7</b> |
| <b>Current assets</b>                                |       |                |                |
| Inventories                                          | 12    | 666.9          | 648.6          |
| Trade and other receivables                          | 14    | 630.7          | 760.5          |
| Tax debtor                                           |       | 0.4            | -              |
| Cash and cash equivalents, excluding bank overdrafts | 23    | 426.9          | 244.4          |
| <b>Total current assets</b>                          |       | <b>1,724.9</b> | <b>1,653.5</b> |
| <b>Total assets</b>                                  |       | <b>3,810.8</b> | <b>4,031.2</b> |
| <b>Equity and liabilities</b>                        |       |                |                |
| <b>Capital and reserves</b>                          |       |                |                |
| Issued share capital                                 |       | 23.8           | 23.8           |
| Share premium account                                |       | 545.6          | 545.6          |
| Cash flow hedge reserve                              | 27    | 0.5            | 2.5            |
| Merger reserve                                       |       | 326.5          | 326.5          |
| Revaluation reserve                                  |       | 8.2            | 9.5            |
| Own shares                                           |       | (3.9)          | (7.2)          |
| Foreign exchange reserve                             |       | 10.2           | 6.1            |
| Capital redemption reserve                           |       | 1.4            | 1.4            |
| Retained earnings                                    |       | 864.0          | 1,065.9        |
| <b>Total equity</b>                                  | 19    | <b>1,776.3</b> | <b>1,974.1</b> |

| £m                                    | Notes | 2025           | 2024           |
|---------------------------------------|-------|----------------|----------------|
| <b>Non-current liabilities</b>        |       |                |                |
| Interest-bearing loans and borrowings | 22    | 419.4          | 421.8          |
| Lease liabilities                     | 11    | 532.7          | 560.1          |
| Derivative financial instruments      | 27    | 3.1            | -              |
| Deferred tax liabilities              | 16    | 63.7           | 68.3           |
| Long-term provisions                  | 15    | 14.0           | 21.6           |
| <b>Total non-current liabilities</b>  |       | <b>1,032.9</b> | <b>1,071.8</b> |
| <b>Current liabilities</b>            |       |                |                |
| Interest-bearing loans and borrowings | 22    | 7.2            | -              |
| Lease liabilities                     | 11    | 88.7           | 94.5           |
| Overdraft                             | 22    | -              | 13.2           |
| Derivative financial instruments      | 27    | 0.1            | -              |
| Trade and other payables              | 17    | 864.2          | 838.2          |
| Short-term provisions                 | 15    | 41.4           | 39.4           |
| <b>Total current liabilities</b>      |       | <b>1,001.6</b> | <b>985.3</b>   |
| <b>Total liabilities</b>              |       | <b>2,034.5</b> | <b>2,057.1</b> |
| <b>Total equity and liabilities</b>   |       | <b>3,810.8</b> | <b>4,031.2</b> |

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 16 March 2026 and signed on its behalf by:

Gavin Slark  
Director

Duncan Cooper  
Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| £m                                                         | Share capital | Share premium | Cash flow hedge reserve | Merger reserve | Revaluation reserve | Own shares | Foreign exchange reserve | Capital redemption reserve | Retained earnings | Total equity |
|------------------------------------------------------------|---------------|---------------|-------------------------|----------------|---------------------|------------|--------------------------|----------------------------|-------------------|--------------|
| <b>At 1 January 2024</b>                                   | 23.8          | 545.6         | 2.9                     | 326.5          | 10.8                | (14.1)     | 8.4                      | 1.4                        | 1,135.0           | 2,040.3      |
| Loss for the year                                          | -             | -             | -                       | -              | -                   | -          | -                        | -                          | (77.4)            | (77.4)       |
| Other comprehensive income for the year net of tax         | -             | -             | 0.3                     | -              | -                   | -          | (2.3)                    | -                          | 25.6              | 23.6         |
| <b>Total comprehensive loss for the year</b>               | -             | -             | 0.3                     | -              | -                   | -          | (2.3)                    | -                          | (51.8)            | (53.8)       |
| Dividends paid                                             | -             | -             | -                       | -              | -                   | -          | -                        | -                          | (23.2)            | (23.2)       |
| Adjustments in respect of revalued fixed assets net of tax | -             | -             | -                       | -              | (1.3)               | -          | -                        | -                          | 1.5               | 0.2          |
| Sale of own shares                                         | -             | -             | -                       | -              | -                   | 0.1        | -                        | -                          | -                 | 0.1          |
| Own shares movement                                        | -             | -             | -                       | -              | -                   | 6.8        | -                        | -                          | (6.8)             | -            |
| Exercise of options over non-controlling interest          | -             | -             | -                       | -              | -                   | -          | -                        | -                          | (1.2)             | (1.2)        |
| Equity-settled share-based payments net of tax             | -             | -             | -                       | -              | -                   | -          | -                        | -                          | 11.7              | 11.7         |
| Reclassifications                                          | -             | -             | (0.7)                   | -              | -                   | -          | -                        | -                          | 0.7               | -            |
| <b>At 1 January 2025</b>                                   | 23.8          | 545.6         | 2.5                     | 326.5          | 9.5                 | (7.2)      | 6.1                      | 1.4                        | 1,065.9           | 1,974.1      |
| Loss for the year                                          | -             | -             | -                       | -              | -                   | -          | -                        | -                          | (176.3)           | (176.3)      |
| Other comprehensive loss for the year net of tax           | -             | -             | (2.0)                   | -              | -                   | -          | 4.1                      | -                          | (3.2)             | (1.1)        |
| <b>Total comprehensive loss for the year</b>               | -             | -             | (2.0)                   | -              | -                   | -          | 4.1                      | -                          | (179.5)           | (177.4)      |
| Dividends paid                                             | -             | -             | -                       | -              | -                   | -          | -                        | -                          | (28.6)            | (28.6)       |
| Adjustments in respect of revalued fixed assets net of tax | -             | -             | -                       | -              | (1.3)               | -          | -                        | -                          | 1.9               | 0.6          |
| Own shares movement                                        | -             | -             | -                       | -              | -                   | 3.3        | -                        | -                          | (3.3)             | -            |
| Equity-settled share-based payments net of tax             | -             | -             | -                       | -              | -                   | -          | -                        | -                          | 7.6               | 7.6          |
| <b>At 31 December 2025</b>                                 | 23.8          | 545.6         | 0.5                     | 326.5          | 8.2                 | (3.9)      | 10.2                     | 1.4                        | 864.0             | 1,776.3      |

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

| £m                                                          | 2025           | 2024   | £m                                                                    | 2025           | 2024    |
|-------------------------------------------------------------|----------------|--------|-----------------------------------------------------------------------|----------------|---------|
| <b>Cash flows from operating activities</b>                 |                |        | <b>Cash flows from investing activities</b>                           |                |         |
| <b>Loss before tax</b>                                      | <b>(134.7)</b> | (38.4) | Interest received                                                     | 11.7           | 5.8     |
| Adjustments for:                                            |                |        | Proceeds on disposal of property, plant and equipment                 | 52.0           | 63.0    |
| Depreciation of property, plant and equipment               | 66.0           | 79.8   | Purchases of land and buildings                                       | (27.0)         | (12.3)  |
| Depreciation of right-of-use assets                         | 87.4           | 96.8   | Purchases of other property, plant and equipment                      | (46.8)         | (55.8)  |
| Amortisation of other intangibles                           | 3.7            | 3.6    | Purchase/development of computer software                             | (3.5)          | (4.1)   |
| Amortisation of acquisition-related intangibles             | 7.8            | 10.4   | Proceeds on sale of subsidiary (note 30)                              | 20.8           | -       |
| Share-based payments                                        | 7.7            | 11.7   | <b>Net cash inflow/(outflow) from continuing investing activities</b> | <b>7.2</b>     | (3.4)   |
| Gain on disposal of property, plant and equipment           | (9.9)          | (11.3) | <b>Net cash inflow/(outflow) from investing activities</b>            | <b>7.2</b>     | (3.4)   |
| Purchase of tool hire assets                                | (9.8)          | (3.8)  |                                                                       |                |         |
| Finance income                                              | (20.1)         | (11.1) | <b>Cash flows from financing activities</b>                           |                |         |
| Finance costs                                               | 58.2           | 51.8   | Sale of own shares                                                    | -              | 0.1     |
| (Increase)/decrease in inventories                          | (24.5)         | 63.6   | Repayment of lease liabilities                                        | (95.9)         | (93.8)  |
| Decrease/(increase) in receivables                          | 125.7          | (76.1) | Dividends paid                                                        | (28.6)         | (23.2)  |
| Increase in payables                                        | 33.9           | 18.0   | Drawdown of borrowings                                                | 250.5          | -       |
| Adjusting items payments less than the charge               | 214.7          | 119.2  | Repayment of bonds                                                    | (248.7)        | -       |
| <b>Cash generated from operations</b>                       | <b>406.1</b>   | 314.2  | Interest paid and debt arrangement fees                               | (31.9)         | (25.3)  |
| Income taxes paid                                           | (21.7)         | (20.9) | Interest on lease liabilities                                         | (29.7)         | (29.6)  |
| <b>Net cash inflow from continuing operating activities</b> | <b>384.4</b>   | 293.3  | <b>Net cash outflow used in continuing financing activities</b>       | <b>(184.3)</b> | (171.8) |
| Net cash outflow from discontinued operating activities     | (9.1)          | (15.9) | Net cash outflow used in discontinued financing activities            | (2.5)          | (2.5)   |
| <b>Net cash from operating activities</b>                   | <b>375.3</b>   | 277.4  | <b>Net cash used in financing activities</b>                          | <b>(186.8)</b> | (174.3) |
|                                                             |                |        | <b>Net increase in cash and cash equivalents</b>                      | <b>195.7</b>   | 99.7    |
|                                                             |                |        | Cash and cash equivalents at 1 January                                | 231.2          | 131.5   |
|                                                             |                |        | Cash and cash equivalents at 31 December (note 23)                    | 426.9          | 231.2   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### GENERAL INFORMATION

#### Overview

Travis Perkins plc is a Company incorporated in the United Kingdom, England and Wales, under the Companies Act 2006. The address of the registered office is given on page 157. The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 6 to 25.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates, and presented rounded to the nearest £100,000 unless otherwise stated.

#### Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Company has elected to prepare its Parent Company financial statements in accordance with FRS 101; these are presented on pages 155 to 161.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, except that derivatives, other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and designated financial instruments are stated at fair value through other comprehensive income. The consolidated financial statements include the accounts of the Company and all entities controlled by the Company (its subsidiaries, together referred to as "the Group") from the date control commences until the date that control ceases. Control is achieved where the Company:

- Has power over the investee.
- Is exposed or has rights to a variable return from the involvement with the investee.
- Has the ability to use its power to affect its returns.

As such, the results of subsidiaries acquired are included in the consolidated income statement from the effective date of acquisition.

#### Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The results of subsidiaries accounted for in foreign currencies are translated at the average monthly exchange rate for items of profit and loss and at the closing exchange rate for balance sheet items. The exchange differences are recorded in the foreign exchange reserve.

#### Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividends.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 52 to 59 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements. The going concern assessment is not sensitive to estimates on inflation.

#### Material accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

#### Key judgements and estimates

The preparation of financial statements requires the Directors to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. The Directors frequently re-evaluate these significant factors and make adjustments as facts and circumstances dictate.

Key judgements and estimates, including those that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, are found in the following notes:

| Page | Note | Description                                           |
|------|------|-------------------------------------------------------|
| 138  | 18   | Pension liability assumptions                         |
| 148  | 28   | Impairment reviews for goodwill and for branch assets |

Those listed above are key sources of estimation uncertainty for the Group.

The notes are organised into the following sections:

**Income and expenses:** Provides a breakdown of individual line items in the income statement and summarises the accounting policies, judgements and estimates relevant to understanding these items.

**Assets and liabilities:** Provides a breakdown of individual line items in the balance sheet and summarises the accounting policies, judgements and estimates relevant to understanding these items.

**Capital:** Provides information about the capital management practices of the Group and shareholder returns for the year.

**Risks:** Discusses the Group's impairment testing and the exposure to various financial risks, explains how these affect the Group's financial position and performance and what the Group does to manage these risks.

**People:** Provides information about the number of people employed by the Group and associated costs.

**Other:** Provides information on items which require disclosure, but are not considered critical in understanding the financial performance or position of the Group.

## INCOME AND EXPENSES

### 1. Revenue

#### Accounting policy

##### Revenue recognition

Revenue is recognised when the Group has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Performance obligations to the customer in respect of sales of goods are satisfied on delivery or collection by customer. Payments are typically due from credit customers not later than the last day of the month following the month of delivery. Revenue is measured at the transaction price received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax. For the Group sale of services revenue comprises tool hire. Tool hire revenue is recognised under IFRS 16 – Leases.

#### Customer rebates

Where the Group has rebate agreements with its customers, the value of variable income with respect to customer rebates is calculated in accordance with the agreements in place so that the amount recognised as revenue in the year is based on the amount which is highly probable not to reverse.

#### a. Revenue

| £m               | 2025    | 2024    |
|------------------|---------|---------|
| Sale of goods    | 4,403.6 | 4,439.9 |
| Sale of services | 161.0   | 167.5   |
|                  | 4,564.6 | 4,607.4 |

All revenue arose in the UK except for £109.8m (2024: £109.1m) arising in Europe.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### INCOME AND EXPENSES *continued*

#### 1. Revenue *continued*

##### b. Revenue reconciliation and like-for-like sales

| £m                                     | Merchanting   | Toolstation | Total         |
|----------------------------------------|---------------|-------------|---------------|
| 2024 revenue                           | 3,786.3       | 821.1       | 4,607.4       |
| Network change                         | (48.1)        | (6.8)       | (54.9)        |
| Trading days                           | (24.6)        | (2.1)       | (26.7)        |
| 2024 like-for-like revenue             | 3,713.6       | 812.2       | 4,525.8       |
| Like-for-like change                   | (4.7)         | 19.7        | 15.0          |
| 2025 like-for-like revenue             | 3,708.9       | 831.9       | 4,540.8       |
| Network change                         | 13.3          | 10.5        | 23.8          |
| 2025 revenue                           | 3,722.2       | 842.4       | 4,564.6       |
| Like-for-like revenue (decline)/growth | (0.1%)        | 2.4%        | 0.3%          |
| <b>Total revenue (decline)/growth</b>  | <b>(1.7%)</b> | <b>2.7%</b> | <b>(0.9%)</b> |

Like-for-like sales are a measure of underlying sales performance for two successive periods. Branches and stores contribute to like-for-like sales once they have been trading for more than 12 months. Revenue included in like-for-like is for the equivalent times in both years being compared. When branches close, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year. The network change adjustment removes the impact of branches opened or closed within the last 12 months and the trading days adjustment removes the impact of different numbers of working days in the year in order to make the periods comparable.

#### 2. Profit

##### a. Operating profit

| £m                                                    | 2025          | 2024   |
|-------------------------------------------------------|---------------|--------|
| Operating (loss)/profit                               | <b>(96.6)</b> | 2.3    |
| Adjusting items (note 3)                              | <b>222.2</b>  | 139.1  |
| Amortisation of acquisition-related intangible assets | <b>7.8</b>    | 10.4   |
| Adjusted operating profit                             | <b>133.4</b>  | 151.8  |
| Less: profit on disposal of properties                | <b>(9.9)</b>  | (11.3) |
| Adjusted operating profit excluding property profits  | <b>123.5</b>  | 140.5  |

During the year the Group recognised a loss on the disposal of plant and equipment of £0.6m (2024: Gain of £0.8m).

##### b. Adjusted profit

| £m                                                           | 2025           | 2024   |
|--------------------------------------------------------------|----------------|--------|
| Loss before tax                                              | <b>(134.7)</b> | (38.4) |
| Adjusting items (note 3)                                     | <b>222.2</b>   | 139.1  |
| Amortisation of acquisition-related intangible assets        | <b>7.8</b>     | 10.4   |
| Adjusted profit before tax                                   | <b>95.3</b>    | 111.1  |
| Total tax                                                    | <b>(41.6)</b>  | (2.2)  |
| Adjusting tax charge (note 3)                                | <b>27.2</b>    | –      |
| Tax on adjusting items                                       | <b>(13.8)</b>  | (29.0) |
| Tax on amortisation of acquisition-related intangible assets | <b>(1.9)</b>   | (2.6)  |
| Adjusted profit after tax                                    | <b>65.2</b>    | 77.3   |

Adjusted profit excludes adjusting items and amortisation of acquisition-related intangible assets.

### 3. Adjusting items

#### Accounting policy

Adjusting items are those items of income and expenditure that, individually or in aggregate, by reference to the Group, are material in size and unusual in nature or incidence and that in the judgement of the Directors should be disclosed separately on the face of the financial statements (or in the notes in the case of a segment) to ensure both that the reader has a clear understanding of the Group's underlying financial performance and that there is comparability of financial performance between periods.

Items of income or expense that are considered by the Directors for designation as adjusting items include, but are not limited to, significant one-year or multi-year restructuring programmes, onerous contracts, write-downs or impairments of assets, the costs of acquiring and integrating businesses, gains or losses on disposals of businesses and investments, re-measurement gains or losses arising from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective, pension scheme curtailment gains and the effect of changes in corporation tax rates on deferred tax balances.

#### a. Adjusting operating items

| £m                                                  | 2025  | 2024  |
|-----------------------------------------------------|-------|-------|
| Merchanting impairments (note 28)                   | 111.0 | 62.7  |
| Toolstation Europe impairment and restructuring     | 98.6  | -     |
| Restructuring                                       | 12.4  | 43.7  |
| Staircraft impairment and disposal                  | 3.0   | 32.7  |
| Adjustments to prior year adjusting operating items | (2.8) | -     |
|                                                     | 222.2 | 139.1 |

#### Merchanting impairments

The 2025 full branch-level impairment review identified 196 branches where the carrying value of the branch's assets was above the value of the discounted future cash flows generated from those assets. The total impairment recognised in relation to these branches is £67.4m (2024: £62.7m). In the majority of cases the branches are expected to deliver a positive contribution in 2026 with the vast majority delivering a positive contribution in the future, based on cautious financial planning assumptions. An impairment of £43.6m has been recognised following the annual impairment review of the CCF business as a result of challenging trading conditions in its markets, for more information refer to note 28.

#### Toolstation Europe

The Toolstation Europe impairment charge relates to the write-down of goodwill, property and right-of-use assets in the Toolstation Benelux business by £105.5m (note 28). The Toolstation Europe restructuring charge relates to restructuring costs in Toolstation Benelux and adjustments in respect of redundancy provisions and gains on the early exit of leases related to Toolstation France recognised in the previous year resulting in a release of £6.9m.

#### Restructuring

The restructuring charge of £12.4m relates to severance payments made as a result of headcount reductions, with these roles being in central functions or regional support teams. In 2024 there were £43.7m of adjusting items related to central and regional restructuring, supply chain consolidation and the closure of 39 standalone Benchmarx branches.

#### Staircraft

The Staircraft business was sold during the year for consideration of £20.8m and resulted in a loss on disposal of £3.0m. For more information refer to note 30. In 2024 an impairment charge of £32.7m was recognised in respect of the annual impairment review of the Staircraft business.

#### Adjustments to prior year adjusting operating items

The adjustments to prior year adjusting items relates to the release of property and stock provisions recognised as adjusting in prior periods.

#### b. Adjusting tax

The adjusting tax charge of £27.2m arises principally from the derecognition of the deferred tax asset relating to the tax losses generated by the Group's Toolstation Netherlands business (£20.2m) as the recognition criteria of IAS 12 – Income Taxes are not met. See note 28 for further information on the forecast cash flows of this business. The remaining charge is a prior year adjustment relating to deferred tax on the tax treatment of prior year adjusting items.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### INCOME AND EXPENSES *continued*

#### 4. Other operating income and auditor's remuneration

##### a. Other operating income

Other operating income of £3.5m (2024: £4.0m) relates to external rental income from the lease of ex-trading properties and surplus units in trade parks owned by the Group to external tenants.

##### b. Auditor's remuneration

During the year the Group incurred the following costs for services provided by the Company's auditor:

| £m                                                               | 2025 | 2024 |
|------------------------------------------------------------------|------|------|
| <i>Fees payable to the Company's auditor for audit services:</i> |      |      |
| Audit of the Company's annual accounts                           | 1.3  | 0.5  |
| Audit of the Company's subsidiaries                              | 1.5  | 2.2  |
| Additional fees payable for the prior period audit               | 1.4  | 0.4  |
| <i>Fees paid to the Company's auditor for other services:</i>    |      |      |
| Audit-related assurance services                                 | 0.1  | 0.1  |
|                                                                  | 4.3  | 3.2  |

The 2025 fees were payable to Deloitte LLP, with the exception of the additional fees payable for the prior period audit which were payable to the Group's previous auditor, KPMG LLP. All 2024 fees were payable to KPMG LLP.

A description of the work of the Audit Committee is set out in the Audit Committee report on pages 74 to 77 and includes an explanation of how auditor objectivity and independence is safeguarded when the auditor provides non-audit services.

#### 5. Business segments

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"), which is considered to be the Board, to assess performance and allocate capital.

Both operating segments sell building materials to a wide range of customers, none of which are dominant, and operate predominantly in the United Kingdom. The Merchanting segment sells building materials at prices specifically negotiated with customers, with variation in the products offered in each branch. The Toolstation segment includes both the UK and Benelux business, and sells building materials at a fixed price, with a fixed range in each store.

Segmental operating profit represents the result of each segment without allocation of certain central costs, finance costs and tax. Segmental adjusted operating profit is the result of each segment before adjusting items, the amortisation of acquisition-related intangible assets and property profits. Unallocated segment assets and liabilities comprise financial instruments, current and deferred tax, cash, borrowings and pension scheme assets and liabilities.

For the purposes of monitoring segment performance and allocating resources between segments, the Group's leadership team monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates, other financial assets (except for trade and other receivables) and tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

##### a. Segment information

| £m                                                     | 2025        |             |             |              |
|--------------------------------------------------------|-------------|-------------|-------------|--------------|
|                                                        | Merchanting | Toolstation | Unallocated | Consolidated |
| Revenue                                                | 3,722.2     | 842.4       | -           | 4,564.6      |
| Operating profit/(loss)                                | 2.9         | (68.4)      | (31.1)      | (96.6)       |
| Amortisation of acquisition-related intangible assets  | 5.4         | 2.4         | -           | 7.8          |
| Adjusting items                                        | 123.2       | 99.0        | -           | 222.2        |
| Less property profits                                  | (9.9)       | -           | -           | (9.9)        |
| Segmental adjusted operating profit                    | 121.6       | 33.0        | (31.1)      | 123.5        |
| Adjusted operating margin                              | 3.3%        | 3.9%        | -           | 2.7%         |
| Average capital employed                               | 2,056.0     | 480.5       | (16.3)      | 2,520.2      |
| Segmental return on capital employed                   | 5.9%        | 6.9%        |             |              |
| Segment assets                                         | 2,626.0     | 617.6       | 567.2       | 3,810.8      |
| Segment liabilities                                    | (1,129.9)   | (385.1)     | (519.5)     | (2,034.5)    |
| Consolidated net assets                                | 1,496.1     | 232.5       | 47.7        | 1,776.3      |
| Capital expenditure excluding property                 | 45.2        | 15.0        | -           | 60.2         |
| Depreciation of fixed assets and software amortisation | 47.6        | 22.1        | -           | 69.7         |
| Depreciation of right-of-use assets                    | 55.0        | 32.4        | -           | 87.4         |

| £m                                                     | 2024        |             |             |              |
|--------------------------------------------------------|-------------|-------------|-------------|--------------|
|                                                        | Merchanting | Toolstation | Unallocated | Consolidated |
| Revenue                                                | 3,786.3     | 821.1       | –           | 4,607.4      |
| Operating profit                                       | 19.5        | 12.0        | (29.2)      | 2.3          |
| Amortisation of acquisition-related intangible assets  | 7.6         | 2.8         | –           | 10.4         |
| Adjusting items                                        | 132.6       | 6.5         | –           | 139.1        |
| Less property profits                                  | (11.3)      | –           | –           | (11.3)       |
| Segmental adjusted operating profit                    | 148.4       | 21.3        | (29.2)      | 140.5        |
| Adjusted operating margin                              | 3.9%        | 2.6%        | –           | 3.0%         |
| Average capital employed                               | 2,232.5     | 564.3       | 12.4        | 2,809.2      |
| Segmental return on capital employed                   | 6.6%        | 3.8%        |             |              |
| Segment assets                                         | 2,888.0     | 726.6       | 416.6       | 4,031.2      |
| Segment liabilities                                    | (1,165.3)   | (380.9)     | (510.9)     | (2,057.1)    |
| Consolidated net assets                                | 1,722.7     | 345.7       | (94.3)      | 1,974.1      |
| Capital expenditure excluding property                 | 51.4        | 12.6        | –           | 64.0         |
| Depreciation of fixed assets and software amortisation | 75.3        | 18.5        | –           | 93.8         |
| Depreciation of right-of-use assets                    | 67.4        | 29.4        | –           | 96.8         |

## b. Unallocated segment assets and liabilities

Unallocated segment assets and liabilities comprise the following:

| £m                                                | 2025           | 2024           |
|---------------------------------------------------|----------------|----------------|
| <b>Assets</b>                                     |                |                |
| Financial instruments                             | 1.3            | 3.3            |
| Property, plant and equipment                     | 8.7            | 16.5           |
| Cash and cash equivalents                         | 426.9          | 244.4          |
| Retirement benefit surplus                        | 118.1          | 116.9          |
| Unallocated corporate assets                      | 11.7           | 18.0           |
| Tax debtor                                        | 0.5            | –              |
| Deferred tax asset                                | –              | 17.5           |
|                                                   | <b>567.2</b>   | <b>416.6</b>   |
| <b>Liabilities</b>                                |                |                |
| Financial instruments                             | (3.2)          | –              |
| Deferred tax liabilities                          | (63.7)         | (68.3)         |
| Interest-bearing loans, borrowings and loan notes | (426.6)        | (435.0)        |
| Unallocated corporate liabilities                 | (26.1)         | (7.6)          |
|                                                   | <b>(519.6)</b> | <b>(510.9)</b> |

Non-current assets with a carrying value of £nil (2024: £101.8m) owned by the Toolstation Europe businesses are located in foreign countries.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### INCOME AND EXPENSES *continued*

#### 6. Net finance costs

| £m                                                     | 2025   | 2024   |
|--------------------------------------------------------|--------|--------|
| <i>Items in the nature of interest:</i>                |        |        |
| Interest on bonds and other loans                      | (24.6) | (17.1) |
| Interest on bank facilities and overdrafts             | (1.8)  | (2.0)  |
| Other interest                                         | -      | (1.8)  |
| <i>Other finance costs:</i>                            |        |        |
| Amortisation of issue costs of bank loans              | (1.5)  | (1.3)  |
| <i>Remeasurement:</i>                                  |        |        |
| Net loss on remeasurement of derivatives at fair value | (0.6)  | -      |
| <i>Lease interest:</i>                                 |        |        |
| Property                                               | (26.1) | (26.5) |
| Equipment                                              | (3.6)  | (3.1)  |
| Finance costs                                          | (58.2) | (51.8) |
| <i>Items in the nature of interest:</i>                |        |        |
| Interest receivable                                    | 11.7   | 6.0    |
| <i>Remeasurement:</i>                                  |        |        |
| Net gain on remeasurement of derivatives at fair value | -      | 0.8    |
| Gain on remeasurement of foreign exchange              | 0.7    | -      |
| Interest income – pension scheme                       | 6.4    | 4.3    |
| Gain on the repurchase of debt                         | 1.3    | -      |
| Finance income                                         | 20.1   | 11.1   |
| Net finance costs                                      | (38.1) | (40.7) |

The Group's interest cover covenants are calculated using those items of finance income and finance cost that are in the nature of interest, including interest on lease liabilities. In 2025 these were in total £43.1m (2024: £44.5m).

Net finance costs relating to discontinued operations are £nil (2024: £0.4m).

#### 7. Tax

##### Accounting policy

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. This is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

##### a. Tax charge in the income statement

| £m                        | 2025        | 2024          |
|---------------------------|-------------|---------------|
| <b>Current tax:</b>       |             |               |
| Current year              | 31.2        | 34.9          |
| Prior year                | (9.9)       | 0.6           |
| <b>Total current tax</b>  | <b>21.3</b> | <b>35.5</b>   |
| <b>Deferred tax:</b>      |             |               |
| Current year              | 3.4         | (32.8)        |
| Prior year                | 16.9        | (0.5)         |
| <b>Total deferred tax</b> | <b>20.3</b> | <b>(33.3)</b> |
| <b>Total tax charge</b>   | <b>41.6</b> | <b>2.2</b>    |

The total tax charge in 2025 includes a credit of £13.8m relating to costs recognised as adjusting items (2024: £29.0m) and an adjusting tax charge of £27.2m (2024: £nil), which is detailed in note 3.

The prior year adjustments on the previous page include a reclassification of a tax credit of approximately £8.5m from deferred tax to current tax. This reclassification relates to the treatment of prior year adjusting items on the impairment of right-of-use assets.

The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax for the Group is as follows:

|                                                                | 2025          |               | 2024   |       |
|----------------------------------------------------------------|---------------|---------------|--------|-------|
|                                                                | £m            | %             | £m     | %     |
| Loss before tax                                                | (134.7)       |               | (38.4) |       |
| <b>Tax at the UK corporation tax rate</b>                      | <b>(33.7)</b> | <b>25.0</b>   | (9.6)  | 25.0  |
| Tax effect of expenses/credits that are not deductible/taxable | 1.2           |               | 1.2    |       |
| Depreciation of non-qualifying property                        | 11.9          |               | 3.4    |       |
| Share-based payments                                           | 1.8           |               | 2.7    |       |
| Losses                                                         | 29.6          |               | 1.8    |       |
| Property profits                                               | (2.0)         |               | (3.0)  |       |
| Impairment                                                     | 25.8          |               | 5.6    |       |
| Prior period adjustment                                        | 7.0           |               | 0.1    |       |
| <b>Tax expense and effective tax rate for the year</b>         | <b>41.6</b>   | <b>(30.9)</b> | 2.2    | (5.7) |

#### b. Tax charge in the statement of comprehensive income

The following amounts relating to tax have been recognised in other comprehensive income:

| £m                                                                | 2025 | 2024  |
|-------------------------------------------------------------------|------|-------|
| <i>Items that may be reclassified:</i>                            |      |       |
| Deferred tax credit/(charge) on cash flow hedge                   | 0.9  | (0.1) |
| <i>Items that may not be reclassified:</i>                        |      |       |
| Deferred tax credit/(charge) on actuarial movement                | 1.0  | (9.5) |
| Income tax credit/(charge) relating to other comprehensive income | 1.9  | (9.6) |

#### c. Tax credited directly to equity

The following amounts of tax have been recognised in equity:

| £m                   | 2025  | 2024 |
|----------------------|-------|------|
| <i>Deferred tax:</i> |       |      |
| Revaluation reserve  | 0.6   | 0.2  |
| Share-based payments | (0.1) | 0.1  |
|                      | 0.5   | 0.3  |

### 8. Discontinued operations

During 2024 the Group ceased the operations of its Toolstation France business. As this business represented a separate geographical area of operation and was a major proportion of the Group's loss for the year, the Group concluded that it met the definition of a discontinued operation in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Accordingly its results were presented as those of discontinued operations.

#### a. Results of discontinued operations

| £m                                                     | 2025 | 2024   |
|--------------------------------------------------------|------|--------|
| Revenue                                                | –    | 16.3   |
| Gross profit                                           | –    | 8.2    |
| Operating expenses                                     | –    | (44.6) |
| Net finance costs                                      | –    | (0.4)  |
| Loss before tax and loss from discontinuing operations | –    | (36.8) |

The loss before tax in 2024 of £36.8m included costs of £22.2m relating to the closure of the business. There were no significant profit or loss transactions related to the Toolstation France business in 2025 and therefore no results from discontinued operations have been presented. Provisions of £8.0m have been released primarily following the early exit of leases and former colleagues leaving the social plan and have been presented in adjusting items.

#### b. Cash flows relating to discontinued operations

| £m                                                             | 2025          | 2024          |
|----------------------------------------------------------------|---------------|---------------|
| Net cash outflow from operating activities                     | (9.1)         | (15.9)        |
| Net cash used in financing activities                          | (2.5)         | (2.5)         |
| <b>Net cash flows for the year for discontinued operations</b> | <b>(11.6)</b> | <b>(18.4)</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES

#### 9. Goodwill and other intangible assets

##### Accounting policy

Goodwill arising on acquisition represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of a business or a subsidiary at the date of acquisition. All material intangible fixed assets obtained on acquisition have been recognised separately in the financial statements. Goodwill is initially recognised as an asset and allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination and is then reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement and is not reversed. Goodwill is accordingly stated in the balance sheet at cost less any provisions for impairment in value. Intangible assets identified as part of the assets of an acquired business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

##### a. Goodwill by reportable segment

| £m                                   | Merchanting   | Toolstation   | Total          |
|--------------------------------------|---------------|---------------|----------------|
| At 1 January 2024                    | 684.8         | 163.1         | 847.9          |
| Impairment                           | (23.8)        | –             | (23.8)         |
| Effect of movement in exchange rates | –             | (2.8)         | (2.8)          |
| At 1 January 2025                    | <b>661.0</b>  | <b>160.3</b>  | <b>821.3</b>   |
| Impairment                           | <b>(43.6)</b> | <b>(60.1)</b> | <b>(103.7)</b> |
| Effect of movement in exchange rates | –             | 3.2           | 3.2            |
| <b>At 31 December 2025</b>           | <b>617.4</b>  | <b>103.4</b>  | <b>720.8</b>   |

##### b. Other intangible assets

##### Accounting policy

Intangible assets are amortised to the income statement on a straight-line basis over a maximum of 20 years except where they are considered to have an indefinite useful life. In the latter instance, they are reviewed annually for impairment.

The directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off over their estimated useful life, which ranges from three to ten years. Interfaces are amortised over the lower of the remaining estimated useful lives of the systems they operate between. Costs relating to research, maintenance and training are expensed as they are incurred.

Amounts paid to third parties in respect of the development of software and other intangible assets not controlled by the Group are expensed over the period where the Group receives the service. The cost of configuring and customising software is treated as a prepayment and recognised over the period the Group benefits from the implemented software only if the configuration and customisation service is not distinct from the provision of the software itself. Licence fees for using third-party software are expensed over the period the software is in use.

Acquired customer relationships are amortised over their estimated useful lives, which range from five to 15 years. No amortisation is charged on computer software under construction.

| £m                                          | Brand        | Computer software | Customer relationships | Total        |
|---------------------------------------------|--------------|-------------------|------------------------|--------------|
| <b>Cost or valuation</b>                    |              |                   |                        |              |
| At 1 January 2024                           | 148.5        | 112.4             | 151.6                  | 412.5        |
| Additions                                   | –            | 4.1               | –                      | 4.1          |
| Transfers from property, plant & equipment  | –            | 0.6               | –                      | 0.6          |
| Disposals                                   | –            | (0.5)             | –                      | (0.5)        |
| At 1 January 2025                           | 148.5        | 116.6             | 151.6                  | 416.7        |
| Additions                                   | –            | 3.5               | –                      | 3.5          |
| Transfers from property, plant & equipment  | –            | 2.5               | –                      | 2.5          |
| Disposals                                   | –            | (0.6)             | (9.4)                  | (10.0)       |
| <b>At 31 December 2025</b>                  | <b>148.5</b> | <b>122.0</b>      | <b>142.2</b>           | <b>412.7</b> |
| <b>Amortisation</b>                         |              |                   |                        |              |
| At 1 January 2024                           | 76.0         | 102.7             | 133.9                  | 312.6        |
| Charged on acquisition-related intangibles  | 2.3          | –                 | 8.1                    | 10.4         |
| Charged on internally generated intangibles | –            | 3.6               | –                      | 3.6          |
| Impairment                                  | –            | –                 | 3.4                    | 3.4          |
| Disposals                                   | –            | (0.2)             | –                      | (0.2)        |
| At 1 January 2025                           | 78.3         | 106.1             | 145.4                  | 329.8        |
| Charged on acquisition-related intangibles  | 2.0          | –                 | 5.8                    | 7.8          |
| Charged on internally generated intangibles | –            | 3.7               | –                      | 3.7          |
| Transfers from property, plant & equipment  | –            | 0.5               | –                      | 0.5          |
| Impairment                                  | 10.2         | 4.3               | –                      | 14.5         |
| Disposals                                   | –            | (0.5)             | (9.0)                  | (9.5)        |
| <b>At 31 December 2025</b>                  | <b>90.5</b>  | <b>114.1</b>      | <b>142.2</b>           | <b>346.8</b> |
| <b>Net book value</b>                       |              |                   |                        |              |
| At 31 December 2024                         | 70.2         | 10.5              | 6.2                    | 86.9         |
| <b>At 31 December 2025</b>                  | <b>58.0</b>  | <b>7.9</b>        | <b>–</b>               | <b>65.9</b>  |

Where a brand has not been established for a significant period of time the Directors do not have sufficient evidence to support a contention that it will have an indefinite useful life. Accordingly for Toolstation the Directors have decided it is appropriate to amortise their brand costs over their estimated useful lives. The useful lives of those brands being amortised is 20 years.

The Directors consider that the BSS brand, which is a leading brand in its sector with significant history and significant growth prospects, has an indefinite useful life. It is reviewed annually for impairment; details of impairment tests are shown in note 28.

### c. Cash-generating units

The Directors consider that each branch or distribution network in the Group is an individual cash-generating unit ("CGU"). Goodwill and intangible fixed assets with indefinite useful lives have been allocated for impairment testing purposes to groups of individual CGUs within the same brand. The following table analyses goodwill and intangible fixed assets with indefinite useful lives by CGU grouping.

| £m<br>CGU grouping  | 2025        |              |              | 2024        |          |       |
|---------------------|-------------|--------------|--------------|-------------|----------|-------|
|                     | Intangibles | Goodwill     | Total        | Intangibles | Goodwill | Total |
| <b>Merchanting</b>  |             |              |              |             |          |       |
| Travis Perkins      | –           | <b>482.6</b> | <b>482.6</b> | –           | 482.6    | 482.6 |
| Keyline             | –           | <b>100.2</b> | <b>100.2</b> | –           | 100.2    | 100.2 |
| CCF                 | –           | –            | –            | –           | 43.6     | 43.6  |
| BSS Industrial      | <b>49.3</b> | <b>26.8</b>  | <b>76.1</b>  | 49.3        | 26.8     | 76.1  |
| TF Solutions        | –           | <b>7.8</b>   | <b>7.8</b>   | –           | 7.8      | 7.8   |
| <b>Toolstation</b>  |             |              |              |             |          |       |
| Toolstation UK      | –           | <b>103.4</b> | <b>103.4</b> | –           | 103.4    | 103.4 |
| Toolstation Benelux | –           | –            | –            | –           | 56.9     | 56.9  |
|                     | <b>49.3</b> | <b>720.8</b> | <b>770.1</b> | 49.3        | 821.3    | 870.6 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 10. Property, plant and equipment

##### Accounting policy

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any impairment in value. Assets are depreciated to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

- Buildings – 50 years or, if lower, the estimated useful life of the building or the life of the lease
- Leasehold improvements – the life of the lease
- Plant and equipment – 4 to 10 years
- Freehold land is not depreciated

The estimated useful lives are estimated taking into consideration the potential impact of climate change. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds net of expenses and the carrying amount of the asset in the balance sheet and is recognised in the income statement. Where appropriate, the attributable revaluation reserve remaining in respect of properties revalued prior to the adoption of IFRS is transferred directly to retained earnings.

| £m                                    | Freehold     | Long leasehold | Leasehold improvements | Plant and equipment | Total          |
|---------------------------------------|--------------|----------------|------------------------|---------------------|----------------|
| <b>Cost or deemed cost</b>            |              |                |                        |                     |                |
| At 1 January 2024                     | 487.0        | 51.2           | 221.5                  | 740.9               | 1,500.6        |
| Additions                             | 9.6          | –              | 32.5                   | 28.4                | 70.5           |
| Disposals                             | (15.8)       | (4.7)          | (11.4)                 | (45.4)              | (77.3)         |
| Reclassifications                     | 30.5         | 2.2            | (45.1)                 | 18.4                | 6.0            |
| Effect of movements in exchange rates | –            | –              | –                      | (0.7)               | (0.7)          |
| <b>At 1 January 2025</b>              | <b>511.3</b> | <b>48.7</b>    | <b>197.5</b>           | <b>741.6</b>        | <b>1,499.1</b> |
| Additions                             | 21.5         | 4.4            | 13.4                   | 46.0                | 85.3           |
| Disposals                             | (52.1)       | (3.0)          | (1.4)                  | (51.0)              | (107.5)        |
| Reclassifications                     | 17.1         | 1.3            | (18.2)                 | (0.2)               | –              |
| Transfers to intangibles              | –            | –              | –                      | (2.5)               | (2.5)          |
| Effect of movements in exchange rates | –            | –              | –                      | 1.1                 | 1.1            |
| <b>At 31 December 2025</b>            | <b>497.8</b> | <b>51.4</b>    | <b>191.3</b>           | <b>735.0</b>        | <b>1,475.5</b> |

| £m                                    | Freehold     | Long leasehold | Leasehold improvements | Plant and equipment | Total        |
|---------------------------------------|--------------|----------------|------------------------|---------------------|--------------|
| <b>Accumulated depreciation</b>       |              |                |                        |                     |              |
| At 1 January 2024                     | 61.9         | 13.4           | 84.7                   | 492.2               | 652.2        |
| Charged in the year                   | 6.7          | 1.0            | 12.6                   | 59.5                | 79.8         |
| Disposals                             | (5.1)        | (1.4)          | (0.4)                  | (42.1)              | (49.0)       |
| Impairments                           | –            | –              | 11.9                   | 27.7                | 39.6         |
| Reclassifications                     | 14.8         | 0.3            | 5.5                    | (14.6)              | 6.0          |
| Effect of movements in exchange rates | –            | –              | –                      | (0.6)               | (0.6)        |
| <b>At 1 January 2025</b>              | <b>78.3</b>  | <b>13.3</b>    | <b>114.3</b>           | <b>522.1</b>        | <b>728.0</b> |
| Charged in the year                   | 4.8          | 0.7            | 11.8                   | 48.7                | 66.0         |
| Disposals                             | (5.3)        | (1.2)          | (1.4)                  | (41.5)              | (49.4)       |
| Impairments                           | 34.1         | –              | 6.2                    | 35.5                | 75.8         |
| Transfers to intangibles              | –            | –              | –                      | (0.5)               | (0.5)        |
| Effect of movements in exchange rates | –            | –              | –                      | 0.6                 | 0.6          |
| <b>At 31 December 2025</b>            | <b>111.9</b> | <b>12.8</b>    | <b>130.9</b>           | <b>564.9</b>        | <b>820.5</b> |
| <b>Net book value</b>                 |              |                |                        |                     |              |
| At 31 December 2024                   | 433.0        | 35.4           | 83.2                   | 219.5               | 771.1        |
| <b>At 31 December 2025</b>            | <b>385.9</b> | <b>38.6</b>    | <b>60.4</b>            | <b>170.1</b>        | <b>655.0</b> |

Included within freehold property is land with a value of £229.7m (2024: £227.5m), which is not depreciated, and property let to external tenants with a net book value of £56.5m (cost of £62.9m and accumulated depreciation of £6.4m) (2024: net book value £55.7m, cost £61.7m, accumulated depreciation £6.0m). Included within property, plant and equipment is £11.7m (2024: £17.5m) in respect of assets under construction, which are not depreciated. No assets are pledged as security for the Group's liabilities except for freehold property with a net book value of £11.9m (2024: £12.0m) pledged as security to one of the Group's defined benefit pension schemes.

## 11. Leases

### Accounting policy

#### Identifying a lease

At the inception of a contract, the Group assesses whether a contract contains a lease. At inception the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices except for fleet leases for which the Group does not separate non-lease components and accounts for the lease and non-lease components as a single lease component.

#### Recognition exceptions

The Group takes the lease recognition exemption for leases with a lease term of 12 months or less and containing no purchase options and leases where the underlying asset has a low value when new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT equipment, vending machines and paint-mixing machines.

#### Lease terms

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility. The Group has applied judgement to determine the lease term for some lease contracts that includes renewal options and break clauses. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For property leases the most relevant is normally the profitability of the leased branch or warehouse and future plans for the business. If there are significant penalties to terminate or not extend, the Group is typically reasonably certain to not terminate or extend.

### Lessee accounting

#### Initial measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any initial direct costs incurred, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined and otherwise at the incremental borrowing rate.

#### Subsequent measurement

After lease commencement, the Group measures right-of-use assets at cost less accumulated depreciation and accumulated impairment.

The lease liability is subsequently remeasured to reflect changes in the lease term, the assessment of a purchase option and future lease payments resulting from a change in an index or a rate used to determine those payments. The remeasurements are matched by adjustments to the right-of-use asset. Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

#### Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. Estimated useful lives are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### Dilapidations

The Group recognises provisions for the cost of reinstating certain Group properties at the end of their lease term. These are recognised either as part of the right-of-use asset where applicable, or directly to the profit or loss for costs related to wear and tear.

#### Sale and leaseback transactions

If an asset transfer satisfies the requirements of IFRS 15 – Revenue from Contracts with Customers to be accounted for as a sale, the Group measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right-of-use retained. Accordingly, the Group only recognises the amount of gain or loss that relates to the rights transferred to the buyer.

### a. Amounts recognised in the balance sheet

All right-of-use assets relate to land and buildings except for £53.2m in respect of plant and equipment (2024: £58.4m). Additions to right-of-use assets in 2025 were £90.1m (2024: £152.1m).

Lease liability maturity analysis – contractual undiscounted cash flows:

| £m                                                  | 2025  | 2024  |
|-----------------------------------------------------|-------|-------|
| Less than one year                                  | 121.9 | 119.9 |
| One to five years                                   | 363.4 | 369.3 |
| More than five years                                | 315.1 | 336.2 |
| Total undiscounted lease liabilities at 31 December | 800.4 | 825.4 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 11. Leases *continued*

##### b. Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases:

| £m                                             | 2025 | 2024 |
|------------------------------------------------|------|------|
| Expense relating to short-term leases          | 3.7  | 4.4  |
| Expense relating to leases of low-value assets | 3.2  | 3.5  |
| Impairment of right-of-use assets              | 19.7 | 31.2 |

An impairment right-of-use assets has been recognised with respect to land and buildings of £19.7m (2024: £17.9m) and plant and equipment of £nil (2024: £13.3m). Total depreciation of right-of-use assets of £87.4m (2024: £96.8m) represents £73.3m in respect of land and buildings (2024: £83.6m) and £14.1m in respect of plant and equipment (2024: £13.2m). The total cash outflow for leases in 2025 was £128.1m (2024: £131.3m).

The Group's profit on the disposal of properties includes £7.4m (2024: £7.2m) arising from sale and leaseback transactions. Cash proceeds of £35.1m (2024: £43.1m) were received as a result of these transactions.

##### c. The Group's leasing activities

The Group leases various properties, motor vehicles and equipment. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of property and equipment leases across the Group and are used to provide operational flexibility.

The Group routinely enters into sale and leaseback transactions as part of its property management and investment strategy. The requirement of IFRS 16 – Leases to, in transfers that are accounted for as a sale, only recognise the amount of any gain or loss that relates to the rights transferred to the buyer-lessor, results in differences between the recognition of cash proceeds from the disposal of property, plant and equipment and the recognition of profit from these disposals.

#### d. The Group as lessor

The Group leases a number of ex-trading properties and surplus units in trade parks owned by the Group to third parties. At the balance sheet date, the Group had contracts with lessees for the following undiscounted future minimum lease payments:

| £m                  | 2025 | 2024 |
|---------------------|------|------|
| Within one year     | 4.8  | 4.7  |
| One to two years    | 7.5  | 8.3  |
| Two to three years  | 6.4  | 7.5  |
| Three to four years | 3.3  | 3.5  |
| Four to five years  | 2.1  | 2.1  |
| After five years    | 5.6  | 5.0  |
|                     | 29.7 | 31.1 |

#### 12. Inventories

##### Accounting policy

Inventories, which consist of goods for resale, are stated at the lower of average weighted cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of disposal.

| £m          | 2025  | 2024  |
|-------------|-------|-------|
| Inventories | 666.9 | 648.6 |

Inventories are stated net of inventory provisions of £23.5m (2024: £29.0m).

The cost of inventories recognised as an expense in 2025 was £3,276.4m (2024: £3,328.9m). A credit of £5.5m (2024: charge of £5.2m) was recognised as a result of the movement of provisions against inventory.

### 13. Supplier income

#### Accounting policy

Supplier income comprises fixed price rebates, volume rebates and customer sales support.

Fixed price and volume rebates received and receivable are initially deducted from the cost of inventory and therefore reduce cost of sales when the goods are sold. The cost of inventory held on the balance sheet reflects the impact of these rebates.

The Group receives customer sales support payments that are made entirely at the supplier's option, that are requested by the Group when a specific product is about to be sold to a specific customer and for which payment is only received after the sale has been completed. All customer sales support receipts received and receivable are deducted from cost of sales when the sale to the third party has been completed, i.e. when the customer sales support payment has been earned.

Supplier income receivable is netted off against trade payables when there is a legally binding arrangement in place and it is management's intention to do so, otherwise amounts are included in other receivables in the balance sheet.

Supplier income balances included within the Group balance sheet are as follows:

| £m                         | 2025   | 2024   |
|----------------------------|--------|--------|
| Other receivables          | 96.4   | 99.0   |
| Trade payables             | 89.1   | 73.0   |
| Inventories                | (59.3) | (53.0) |
| Net balance sheet position | 126.2  | 119.0  |

### 14. Trade and other receivables

#### Accounting policy

##### Trade and other receivables

The Group's trade and other receivables at the balance sheet date comprise principally amounts receivable from the sale of goods, amounts due in respect of rebates in relation to unbilled work in progress and sundry prepayments.

##### Impairment of financial assets

Trade and other receivables are subject to the expected credit loss model in IFRS 9 – Financial Instruments. The Group applies the IFRS 9 – Financial Instruments simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and the commencement of legal proceedings. A receivable is classified as credit impaired when it exceeds 120 days overdue or when the debtor enters administration or liquidation or is subject to other legal proceedings.

| £m                                            | 2025   | 2024   |
|-----------------------------------------------|--------|--------|
| <b>Current:</b>                               |        |        |
| Trade receivables                             | 515.6  | 598.1  |
| Allowance for doubtful debts                  | (32.6) | (29.8) |
|                                               | 483.0  | 568.3  |
| Other receivables                             | 105.0  | 111.8  |
| Prepayments                                   | 26.7   | 33.7   |
| Accrued income                                | 16.0   | 46.7   |
| Total current trade and other receivables     | 630.7  | 760.5  |
| <b>Non-current:</b>                           |        |        |
| Prepayments                                   | 12.0   | 15.3   |
| Total non-current trade and other receivables | 12.0   | 15.3   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 14. Trade and other receivables *continued*

The Directors consider that the only class of asset containing material credit risk is trade receivables. The average credit term taken for sales of goods is 56 days (2024: 59 days). No interest is charged on the trade receivable from the date of the invoice until the date the invoice is classified as overdue according to the trading terms agreed between the Group and the customer. Thereafter, the Group retains the right to charge interest at 4% p.a. (2024: 4%) above the clearing bank base rate on the outstanding balance.

##### Movement in the allowance for doubtful debts

| £m                                                 | 2025   | 2024  |
|----------------------------------------------------|--------|-------|
| At 1 January                                       | 29.8   | 21.5  |
| Amounts written off during the year                | (13.6) | (8.4) |
| Charge for impairment losses for trade receivables | 16.4   | 16.7  |
| At 31 December                                     | 32.6   | 29.8  |

##### Expected credit loss assessment

Loss rates are based on actual credit loss experience over the past ten years and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2025.

| £m                     | Gross carrying amount | Weighted average loss rate | Net loss allowance | Credit impaired |
|------------------------|-----------------------|----------------------------|--------------------|-----------------|
| Current (not past due) | 408.7                 | 0.8%                       | (2.7)              | No              |
| Days overdue:          |                       |                            |                    |                 |
| 1–30                   | 46.9                  | 6.4%                       | (2.5)              | No              |
| 31–60                  | 20.3                  | 14.1%                      | (2.4)              | No              |
| 61–90                  | 3.3                   | 22.8%                      | (0.6)              | No              |
| 91–120                 | 1.7                   | 41.5%                      | (0.6)              | No              |
| More than 120          | 34.7                  | 82.5%                      | (23.8)             | Yes             |
|                        | 515.6                 |                            | (32.6)             |                 |

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2024.

| £m                     | Gross carrying amount | Weighted average loss rate | Net loss allowance | Credit impaired |
|------------------------|-----------------------|----------------------------|--------------------|-----------------|
| Current (not past due) | 530.7                 | 0.8%                       | (3.7)              | No              |
| Days overdue:          |                       |                            |                    |                 |
| 1–30                   | 24.2                  | 7.2%                       | (1.5)              | No              |
| 31–60                  | 8.5                   | 19.7%                      | (1.4)              | No              |
| 61–90                  | 3.9                   | 28.0%                      | (0.9)              | No              |
| 91–120                 | 1.4                   | 53.3%                      | (0.6)              | No              |
| More than 120          | 29.4                  | 88.6%                      | (21.7)             | Yes             |
|                        | 598.1                 |                            | (29.8)             |                 |

#### 15. Provisions

##### Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation because of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet dates, and are discounted to present value.

Should a provision ultimately prove to be unnecessary then it is credited back into the income statement. Where the provision was originally established as an adjusting item, any significant release is shown as an adjusting credit.

The Group has a number of vacant and partly sublet leased properties. Where necessary a provision has been made for the residual commitments, after taking into account existing and anticipated subtenant arrangements. The Group recognises provisions for the cost of reinstating certain Group properties at the end of their lease term, based on the conditions set out in the terms of the individual leases. The timing of the outflows will match the ends of the relevant leases, which range from two to 25 years.

It is Group policy to self-insure using policies with a high excess against claims arising in respect of damage to third party assets, or due to employers or public liability claims. Whilst the Group does not have a contractual right to defer payment, the nature of insurance claims means they may take some time to be settled. The insurance claims provision represents management's best estimate, based upon external advice of the value of outstanding claims against it where the final settlement date is uncertain, in line with IAS 37.

| £m                                  | Property    | Insurance   | Restructuring | Total       |
|-------------------------------------|-------------|-------------|---------------|-------------|
| <b>At 1 January 2024</b>            | 17.1        | 21.1        | 4.9           | 43.1        |
| Charge to income statement          | 17.5        | 3.1         | 17.2          | 37.8        |
| Utilisation of provision            | (6.4)       | (4.3)       | (9.2)         | (19.9)      |
| <b>At 31 December 2024</b>          | 28.2        | 19.9        | 12.9          | 61.0        |
| Charge to income statement          | 2.5         | 2.2         | 2.0           | 6.7         |
| Utilisation of provision            | (0.6)       | (3.9)       | (7.8)         | (12.3)      |
| <b>At 31 December 2025</b>          | <b>30.1</b> | <b>18.2</b> | <b>7.1</b>    | <b>55.4</b> |
| Included in current liabilities     | 16.1        | 18.2        | 7.1           | 41.4        |
| Included in non-current liabilities | 14.0        | -           | -             | 14.0        |
|                                     | 30.1        | 18.2        | 7.1           | 55.4        |

The restructuring provision relates to restructuring activities treated as adjusting items and discussed in note 3. It excludes property-related provisions and inventory amounts which are separately classified.

The following table details the Group's liquidity analysis of its provisions, based on the undiscounted net cash outflows. The impact of discounting is not material for the Group's provisions.

| £m            | 0-1 year | 1-2 years | 2-5 years | 5+ years | Total |
|---------------|----------|-----------|-----------|----------|-------|
| <b>2025:</b>  |          |           |           |          |       |
| Property      | 16.1     | 3.6       | 2.9       | 7.5      | 30.1  |
| Insurance     | 18.2     | -         | -         | -        | 18.2  |
| Restructuring | 7.1      | -         | -         | -        | 7.1   |
|               | 41.4     | 3.6       | 2.9       | 7.5      | 55.4  |
| <b>2024:</b>  |          |           |           |          |       |
| Property      | 6.6      | 7.5       | 5.9       | 8.2      | 28.2  |
| Insurance     | 19.9     | -         | -         | -        | 19.9  |
| Restructuring | 12.9     | -         | -         | -        | 12.9  |
|               | 39.4     | 7.5       | 5.9       | 8.2      | 61.0  |

## 16. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting periods.

| £m<br>(Asset)/liability:                             | At 1 January<br>2025 | Disposal     | Recognised in<br>income | Recognised in<br>equity | Recognised<br>in other<br>comprehensive<br>income | At 31 December<br>2025 |
|------------------------------------------------------|----------------------|--------------|-------------------------|-------------------------|---------------------------------------------------|------------------------|
| Trading losses                                       | (17.5)               | -            | 17.5                    | -                       | -                                                 | -                      |
| <b>Deferred tax asset</b>                            | <b>(17.5)</b>        | <b>-</b>     | <b>17.5</b>             | <b>-</b>                | <b>-</b>                                          | <b>-</b>               |
| Capital allowances                                   | 11.4                 | (1.7)        | (6.9)                   | -                       | -                                                 | 2.8                    |
| Revaluation of property                              | 2.7                  | -            | -                       | (0.6)                   | -                                                 | 2.1                    |
| Share-based payments                                 | (2.2)                | -            | -                       | 0.1                     | -                                                 | (2.1)                  |
| Provisions                                           | 4.7                  | -            | (2.2)                   | -                       | -                                                 | 2.5                    |
| Property assets acquired<br>in business combinations | 8.0                  | (3.3)        | (0.8)                   | -                       | -                                                 | 3.9                    |
| Brand                                                | 15.3                 | -            | 0.2                     | -                       | -                                                 | 15.5                   |
| Pension scheme asset                                 | 29.2                 | -            | 1.3                     | -                       | (1.0)                                             | 29.5                   |
| Deferred gains on<br>property disposals              | 28.6                 | -            | (1.7)                   | -                       | -                                                 | 26.9                   |
| Lease liability                                      | (163.7)              | -            | 18.2                    | -                       | -                                                 | (145.5)                |
| Right-of-use asset                                   | 133.5                | -            | (5.3)                   | -                       | -                                                 | 128.2                  |
| Cash flow hedge                                      | 0.8                  | -            | -                       | -                       | (0.9)                                             | (0.1)                  |
| <b>Deferred tax liability</b>                        | <b>68.3</b>          | <b>(5.0)</b> | <b>2.8</b>              | <b>(0.5)</b>            | <b>(1.9)</b>                                      | <b>63.7</b>            |
| <b>Net deferred tax</b>                              | <b>50.8</b>          | <b>(5.0)</b> | <b>20.3</b>             | <b>(0.5)</b>            | <b>(1.9)</b>                                      | <b>63.7</b>            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES continued

#### 16. Deferred tax continued

| £m<br>(Asset)/liability:                             | At 1 January<br>2024 | Recognised in<br>income | Recognised in<br>equity | Recognised<br>in other<br>comprehensive<br>income | At 31 December<br>2024 |
|------------------------------------------------------|----------------------|-------------------------|-------------------------|---------------------------------------------------|------------------------|
| Trading losses                                       | (18.0)               | 0.5                     | –                       | –                                                 | (17.5)                 |
| <b>Deferred tax asset</b>                            | <b>(18.0)</b>        | <b>0.5</b>              | <b>–</b>                | <b>–</b>                                          | <b>(17.5)</b>          |
| Capital allowances                                   | 21.1                 | (9.7)                   | –                       | –                                                 | 11.4                   |
| Revaluation of property                              | 2.9                  | –                       | (0.2)                   | –                                                 | 2.7                    |
| Share-based payments                                 | (2.9)                | 0.8                     | (0.1)                   | –                                                 | (2.2)                  |
| Provisions                                           | 4.4                  | 0.3                     | –                       | –                                                 | 4.7                    |
| Property assets acquired in<br>business combinations | 8.8                  | (0.8)                   | –                       | –                                                 | 8.0                    |
| Brand                                                | 21.8                 | (6.5)                   | –                       | –                                                 | 15.3                   |
| Pension scheme asset                                 | 25.1                 | (5.4)                   | –                       | 9.5                                               | 29.2                   |
| Deferred gains on property<br>disposals              | 29.3                 | (0.7)                   | –                       | –                                                 | 28.6                   |
| Lease liability                                      | (151.0)              | (12.7)                  | –                       | –                                                 | (163.7)                |
| Right-of-use asset                                   | 132.6                | 0.9                     | –                       | –                                                 | 133.5                  |
| Cash flow hedge                                      | 0.7                  | –                       | –                       | 0.1                                               | 0.8                    |
| <b>Deferred tax liability</b>                        | <b>92.8</b>          | <b>(33.8)</b>           | <b>(0.3)</b>            | <b>9.6</b>                                        | <b>68.3</b>            |
| <b>Net deferred tax</b>                              | <b>74.8</b>          | <b>(33.3)</b>           | <b>(0.3)</b>            | <b>9.6</b>                                        | <b>50.8</b>            |

Deferred tax of £20.2m in respect of trading losses primarily relating to the Toolstation Netherlands business was previously recognised by the Group. Following a review of forecasts based on the existing Netherlands store network, the Group concluded that the recognition criteria of IAS 12 – Income Taxes are no longer met and derecognised the deferred tax asset on its unused trading losses.

No deferred tax asset has been recognised on the losses of £122.7m (2024: remaining losses of £21.7m) in the Group's Toolstation Europe businesses as there is currently insufficient evidence that these losses would be utilised.

All deferred tax assets and liabilities are assessed within the relevant jurisdiction and no amounts are offset inappropriately.

#### 17. Trade and other payables

##### Accounting policy

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs and are measured at amortised cost. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

| £m                                 | 2025         | 2024  |
|------------------------------------|--------------|-------|
| Trade payables                     | <b>682.6</b> | 532.9 |
| Other taxation and social security | <b>22.4</b>  | 79.0  |
| Other payables                     | <b>66.5</b>  | 92.8  |
| Accruals                           | <b>81.4</b>  | 120.6 |
| Deferred income                    | <b>11.3</b>  | 12.9  |
| <b>Trade and other payables</b>    | <b>864.2</b> | 838.2 |

Included in trade payables at 31 December 2025 are amounts of £94.8m (2024: £88.4m) which are due for settlement under supplier financing arrangements with third-party banks, of which suppliers had received payments for £57.4m (2024: £57.5m). Suppliers choose to enter into these arrangements which provide access to the option of early settlement of invoices at interest rates based on Travis Perkins' credit rating. If suppliers do not elect for early payment, invoices are settled on the date agreed in the existing payment terms. In some cases, Travis Perkins has agreed extensions to payment terms with suppliers who regularly access the scheme, with the longest payment terms 107 days (2024: 107 days), an extension of 45 days (2024: 45 days). The total net amount outstanding where terms have been extended at 31 December 2025 was £9.2m (2024: £9.7m). Liabilities that are part of the arrangement had a range of payment dates of 52 – 107 days with trade payables that are not part of an arrangement having a range of 45 – 75 days (2024: 52 – 107 days compared to 45 – 75 days). These arrangements do not provide the Group with a significant benefit of additional financing and have been put in place for the benefit of the Group's suppliers, providing them with access to cost-efficient third-party funding. As such, outstanding balances are classified as trade payables and form part of the operating cash flows movement in the consolidated cash flow statement. There were no non-cash transfers from trade payables to finance payables in 2025 (2024: none). There are no significant judgements applied in the calculation of supplier finance balances.

## 18. Pension arrangements

The Group has a number of historical defined benefit pension schemes, all of which are closed to new members and future accruals. The Group operates four final salary schemes being The Travis Perkins Pensions and Dependents' Benefit Scheme ("the TP DB scheme"), the BSS Defined Benefit Scheme ("the BSS DB Scheme"), the immaterial Platinum pension scheme and the immaterial BSS Ireland Defined Benefit Scheme. The reconciliations and disclosures are presented as an aggregation of all schemes as each scheme is subject to similar risk characteristics.

### Accounting policy

The cost of providing benefits under defined benefit pension schemes is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effects of asset ceilings and minimum funding payments and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income. Remeasurement recorded in the statement of comprehensive income is not recycled. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Net interest expense or income is recognised within finance costs or finance income.

### a. Expected future cash flows

The Directors have agreed with the BSS DB Scheme's Trustees and the TP DB Scheme's Trustees that, following the elimination of the deficits in these schemes, no further contributions from the Group are currently required. Both schemes fund their management and administrative expenses.

### b. Balance sheet position and movements during the year

The amount included in the balance sheet arising from the Group's obligations in respect of all of its defined benefit schemes and the movements during the year:

| £m                                                        | 2025         |                   |       | 2024         |                   |        |
|-----------------------------------------------------------|--------------|-------------------|-------|--------------|-------------------|--------|
|                                                           | Gross assets | Gross obligations | Net   | Gross assets | Gross obligations | Net    |
| Gross pension asset as at 1 January                       | 971.1        | (854.2)           | 116.9 | 1,096.9      | (996.3)           | 100.6  |
| <i>Amounts recognised in income:</i>                      |              |                   |       |              |                   |        |
| Administration expenses                                   | (1.7)        | (0.1)             | (1.8) | (3.0)        | (0.1)             | (3.1)  |
| Interest income/(cost)                                    | 52.0         | (45.6)            | 6.4   | 48.7         | (44.2)            | 4.5    |
| <i>Other movements:</i>                                   |              |                   |       |              |                   |        |
| Contributions from sponsoring companies                   | 0.2          | -                 | 0.2   | 0.4          | -                 | 0.4    |
| Foreign exchange                                          | 0.9          | (0.3)             | 0.6   | (0.5)        | 0.4               | (0.1)  |
| Withdrawal of assets                                      | -            | -                 | -     | (23.2)       | -                 | (23.2) |
| Benefits paid                                             | (47.4)       | 47.4              | -     | (49.8)       | 49.8              | -      |
| Balance sheet reclassifications                           | -            | -                 | -     | -            | 2.7               | 2.7    |
| <i>Amounts recognised in other comprehensive income:</i>  |              |                   |       |              |                   |        |
| Return on plan assets (excluding amounts in net interest) | (4.0)        | -                 | (4.0) | (98.4)       | -                 | (98.4) |
| Actuarial loss from changes in demographic assumptions    | -            | (7.2)             | (7.2) | -            | (4.7)             | (4.7)  |
| Actuarial gain from changes in financial assumptions      | -            | 14.1              | 14.1  | -            | 100.4             | 100.4  |
| Actuarial (loss)/gain from experience adjustments         | -            | (7.1)             | (7.1) | -            | 37.8              | 37.8   |
| Gross pension asset as at 31 December                     | 971.1        | (853.0)           | 118.1 | 971.1        | (854.2)           | 116.9  |

The asset valuation of £971.1m (2024: £971.1m) at 31 December 2025 consists of the TP DB Scheme £739.9m (2024: £738.2m) and the BSS DB Scheme £231.2m (2024: £232.9m). The obligation valuation of £853.0m (2024: £854.2m) consists of the TP DB Scheme £644.7m (2024: £645.1m) and the BSS DB Scheme £208.3m (2024: £209.1m).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 18. Pension arrangements *continued*

##### b. Balance sheet position and movements during the year *continued*

The actual gain on scheme assets of £48.0m (2024: loss of £49.7m) is represented by the interest income and return on plan assets (excluding amounts net interest) figures on the previous page.

The withdrawal of assets in 2024 represented the unwind of a Group-controlled special purpose vehicle ("SPV") used to fund the historical deficit in the TP DB Scheme.

The deferred tax liability of £29.5m (2024: £29.2m) has been recognised at the standard rate of corporation tax, as this rate best reflects the rate at which the liability will unwind. The pension surplus, net of deferred tax, as at 31 December 2025 is £88.6m (2024: £87.7m).

There are no restrictions on the current realisability of the pension surplus. The Group has an explicit right to a surplus in respect of the TP DB Scheme and, based on the operation of trust law in a winding up of the BSS DB Scheme following a gradual settlement, has an unconditional right to receive any surplus in the BSS DB Scheme.

##### c. Defined benefit scheme obligations

###### i. Valuation of scheme obligations

Full actuarial valuations of the TP DB scheme and the BSS DB scheme have been carried out as at 30 September 2023. The IAS 19 valuations have been based upon the results of the 30 September 2023 valuations, updated to 31 December 2025 by a qualified actuary.

The defined benefit pension schemes expose the Group to actuarial risks such as investment risk, interest rate risk and longevity risk. A summary of the risks and the management of those risks is given below and continued overleaf.

|                        |                                                                                                                                                                                                                                                                                       |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Investment risk</b> | The present value of the defined benefit liabilities of the schemes is calculated using a discount rate predetermined by reference to high-quality corporate bond yields. If the return on scheme assets is below this rate it may create a plan deficit.                             |
| <b>Interest risk</b>   | A decrease in corporate bond yields will increase the schemes' liabilities, but the effect will be partially offset by an increase in the return on the schemes' bond and gilt assets.                                                                                                |
| <b>Longevity risk</b>  | The present value of the liabilities of the schemes is calculated by reference to the best estimate of mortality of pension scheme members both during and after their employment. An increase in the life expectancy of the schemes' members will increase the schemes' liabilities. |

##### ii. Major actuarial assumptions

|                                                                 | At 31 December<br>2025 | At 31 December<br>2024 |
|-----------------------------------------------------------------|------------------------|------------------------|
| Rate of increase of pensions in payment (post 2006 entitlement) | <b>2.80%</b>           | 2.95%                  |
| Discount rate                                                   | <b>5.55%</b>           | 5.50%                  |
| Inflation assumption – RPI                                      | <b>2.85%</b>           | 3.05%                  |
| Inflation assumption – CPI                                      | <b>2.45%</b>           | 2.55%                  |

The yield curve used in setting the discount rate, which includes bonds with an average AA rating and excludes bonds which are sub-sovereign or issued by universities to reflect the credit risk of the defined benefit schemes. In respect of longevity, the valuation adopts the S4PA year of birth tables with improvements in life expectancy to continue in the medium term, with base year appropriate to the member's date of birth.

The weighted average life expectancy of 65-year-old members for the mortality tables used to determine pension liabilities at 31 December 2025 was 21.9 years for men and 24.0 years for women (2024: 21.6 years for men and 23.8 years for women).

##### iii. Maturity profile of obligations

The weighted average duration of the obligations of the defined benefit pension schemes is 12 years, with approximately 90% of the obligations expected to mature by 2060.

##### iv. Sensitivities

###### Key estimate over pension assumptions

The Group has chosen to adopt assumptions that the Directors believe are generally in line with comparable companies. If the difference between actual inflation is greater than assumed, or if long-term interest rates are lower than assumed, or if the average life expectancy of pensioners increases, then the pension surplus could be materially greater/lower than currently stated in the balance sheet.

The estimated effects of reasonably possibly changing the key assumptions (discount rate, inflation and life expectancy) on the IAS 19 – Employee Benefits balance sheet position of the Group's defined benefit pension schemes as at 31 December 2025 is given below.

| Assumption    |                    | £m     |
|---------------|--------------------|--------|
| Discount rate | Increase of 0.25%  | (24.8) |
|               | Decrease of 0.25%  | 25.6   |
| Inflation     | Increase of 0.25%  | 15.3   |
|               | Decrease of 0.25%  | (14.9) |
| Longevity     | Increase of 1 year | 25.6   |
|               | Decrease of 1 year | (26.2) |

#### d. Scheme assets

##### i. Scheme assets and investment strategy

The assets of the TP DB Scheme and the BSS DB Scheme are held separately from those of the Group in funds under the control of the schemes' Trustees.

The investment strategy for the UK schemes are controlled by the Trustee in consultation with the Company. The scheme assets do not include any of the Group's own financial instruments. In accordance with the schemes' derisked investment strategy, a high proportion of the largest two pension schemes' assets are invested in gilts and corporate bonds ("liability-driven investments").

All fair values are provided by the fund managers. Where available, the fair values are quoted prices (e.g. listed equity, sovereign debt and corporate bonds). Unlisted investments are included at values in accordance with relevant guidance. Other significant assets are valued based on observable inputs such as yield curves. The liability-driven investments, which comprise fixed-interest and index-linked gilts, futures, interest and inflation rate swaps, repurchase agreements and liquidity funds, are all daily priced and traded.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and Trustees are currently considering the implications of the case for the TP DB Scheme and the BSS DB scheme. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the Directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

##### ii. Fair value of scheme assets

The major categories and fair values of scheme assets at the end of the reporting period for each category are as follows:

| £m                           | At 31 December<br>2025 | At 31 December<br>2024 |
|------------------------------|------------------------|------------------------|
| <b>Level 1:</b>              |                        |                        |
| Cash                         | 165.0                  | 71.8                   |
| <b>Level 2:</b>              |                        |                        |
| Equities                     | 1.1                    | 0.9                    |
| Secured finance              | 44.6                   | 34.1                   |
| Corporate bonds              | 471.7                  | 522.6                  |
| Diversified growth fund      | 1.4                    | 1.4                    |
| Liability driven investments | 692.2                  | 876.6                  |
| Repurchase agreements        | (467.7)                | (633.8)                |
| <b>Level 3:</b>              |                        |                        |
| Secured finance income fund  | 62.8                   | 97.5                   |
|                              | 971.1                  | 971.1                  |

##### e. Defined contribution schemes

The Group operates two defined contribution schemes for all qualifying colleagues. The pension cost, which represents contributions payable by the Group, amounted to £19.3m in the year (2024: £19.0m).

##### f. Pension scheme contributions for the year

The total charge to the income statement disclosed in note 31 of £21.1m (2024: £22.1m) comprises defined benefit scheme current service costs of £1.8m (2024: £3.1m) and £19.3m (2024: £19.0m) of contributions payable to the defined contribution schemes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 19. Share capital and reserves

##### Accounting policy

Equity instruments represent the ordinary share capital of the Group and are recorded at the proceeds received, net of directly attributable incremental issue costs.

Consideration paid by the Group for its own shares is deducted from total shareholders' equity. Where such shares vest to colleagues under the terms of the Group's share incentive schemes or the Group's Sharesave schemes or are sold, any consideration received is included in shareholders' equity.

##### a. Share capital

| Ordinary shares                   | Authorised, issued and fully paid |      |
|-----------------------------------|-----------------------------------|------|
|                                   | No.                               | £m   |
| At 1 January and 31 December 2025 | 212,509,334                       | 23.8 |

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

##### b. Own shares

| No.            | 2025      | 2024      |
|----------------|-----------|-----------|
| At 1 January   | 1,192,183 | 1,668,682 |
| Reissued       | (523,060) | (476,499) |
| At 31 December | 669,123   | 1,192,183 |

The own shares are held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

##### c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The revaluation reserve represents the revaluation surplus that arose from property revaluations in 1999 and prior years.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- The foreign exchange reserve represents the exchange differences recognised on translation of the assets and liabilities of the operations that have a functional currency different from the Group.
- The capital redemption reserve arises as a result of the share buybacks and the subsequent cancellation of shares.
- Retained earnings represents cumulative results for the Group less cumulative dividends paid.

## 20. Earnings per share

### a. Basic and diluted earnings per share

| £m                                                                                        | 2025        | 2024        |
|-------------------------------------------------------------------------------------------|-------------|-------------|
| Loss attributable to the owners of the parent                                             |             |             |
| – from continuing operations                                                              | (176.3)     | (40.6)      |
| – from discontinued operations                                                            | –           | (36.8)      |
| Weighted average number of shares for the purposes of basic earnings per share            | 211,697,889 | 211,106,493 |
| Dilutive effect of share options on potential ordinary shares                             | 3,686,346   | 3,794,915   |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 215,384,235 | 214,901,408 |
| Loss per share                                                                            |             |             |
| – from continuing operations                                                              | (83.3)p     | (19.2)p     |
| – from discontinued operations                                                            | –           | (17.4)p     |
| – total                                                                                   | (83.3)p     | (36.6)p     |
| Diluted loss per share                                                                    |             |             |
| – from continuing operations                                                              | (83.3)p     | (19.2)p     |
| – from discontinued operations                                                            | –           | (17.4)p     |
| – total                                                                                   | (83.3)p     | (36.6)p     |

A total of 1,823,148 share options (2024: 159,768 share options) had an exercise price in excess of the average market value of the shares during the year. As a result, these share options were excluded from the calculation of diluted earnings per share.

### b. Adjusted earnings per share

Adjusted earnings per share is calculated by excluding the effect of adjusting items, the amortisation of acquisition-related intangible assets from earnings and the loss from discontinued operations.

| £m                                                           | 2025    | 2024   |
|--------------------------------------------------------------|---------|--------|
| Loss for the purposes of earnings per share                  | (176.3) | (77.4) |
| Adjusting items                                              | 222.2   | 139.1  |
| Amortisation of acquisition-related intangible assets        | 7.8     | 10.4   |
| Tax on adjusting items                                       | (13.8)  | (29.0) |
| Tax on amortisation of acquisition-related intangible assets | (1.9)   | (2.6)  |
| Adjusting tax                                                | 27.2    | –      |
| Loss from discontinued operations                            | –       | 36.8   |
| Earnings for adjusted earnings per share                     | 65.2    | 77.3   |
| Adjusted earnings per share                                  | 30.8p   | 36.6p  |

## 21. Dividends

### Accounting policy

Dividends proposed by the Board of Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting.

Amounts were recognised in the financial statements as distributions to equity shareholders as follows:

| £m                                                                                                     | 2025 | 2024 |
|--------------------------------------------------------------------------------------------------------|------|------|
| Final dividend for the year ended 31 December 2024 of 9.0 pence (2023: 5.5 pence) per ordinary share   | 19.1 | 11.6 |
| Interim dividend for the year ended 31 December 2025 of 4.5 pence (2024: 5.5 pence) per ordinary share | 9.5  | 11.6 |
| Total dividend recognised during the year                                                              | 28.6 | 23.2 |

The Directors are recommending a final dividend of 7.5 pence in respect of the year ended 31 December 2025. The anticipated cash payment in respect of the proposed final dividend is £15.8m (2024: £19.1m).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 22. Borrowings

##### Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

A summary of the Group's objectives, policies, procedures and strategies with regard to financial instruments and capital management can be found in the Strategic report on page 24.

##### a. Summary

| £m                                    | 2025  | 2024  |
|---------------------------------------|-------|-------|
| Bonds                                 | –     | 250.0 |
| Term loan                             | 75.0  | 75.0  |
| Senior unsecured notes                | 348.2 | 100.0 |
| Overdraft                             | –     | 13.2  |
| Finance charges netted off borrowings | (3.8) | (3.2) |
| Accrued interest                      | 7.2   | –     |
|                                       | 426.6 | 435.0 |
| Current liabilities                   | 7.2   | 13.2  |
| Non-current liabilities               | 419.4 | 421.8 |
|                                       | 426.6 | 435.0 |

The Group's term loan, senior unsecured notes and committed revolving credit facility are subject to two financial covenants:

- Leverage: Net debt / Adjusted EBITDA < 4.0x
- Interest cover: Adjusted operating profit / Net interest payable > 2.0x

At 31 December 2025, the following facilities were in place:

- £75m term loan (2024: £75m) repayable in 2027 incurring interest at a weighted average rate of 4.6% (2024: 4.6%).
- £100m 2023 senior unsecured notes repayable between 2029 and 2031 incurring interest at a weighted average rate of 6.2% (2024: 6.2%).
- £93m and US\$40m 2025 senior unsecured notes repayable between 2028 and 2035 incurring interest at a weighted average rate of 6.4%, issued on 13 March 2025.
- £76m, US\$25m and €36m 2025 senior unsecured notes repayable between 2029 and 2037 incurring interest at a weighted average rate of 6.2%, issued on 10 November 2025.

The £250m bond held at 31 December 2024, incurring interest at a rate of 3.8% (2024: 3.8%), was fully repaid in the year. On 10 April 2025, the Group repurchased £125.0m of the sterling bond at a price of 98.964 per cent. On 19 December 2025, the Group repurchased the remaining £125.0m of the sterling bond at a price of 100.00 per cent.

The variable interest rate on the term loan is hedged by an interest rate swap and parts of the 2025 senior unsecured notes that are denominated in US dollars and euros are hedged by currency swaps. Details of the swaps are disclosed in note 27.

The Group's £15.0m overdraft facility and the Group's £375.0m revolving credit facility were undrawn as at 31 December 2025. The overdraft balance of £13.2m on 31 December 2024 was presented as part of current liabilities and formed part of the Group's notional cash pool and its aggregate cash position of £231.2m.

##### b. Fair values

The book values of financial liabilities have been determined based on amortised cost. Their fair values are approximately equal to their carrying amounts.

Details of the fair values of derivatives are given in note 27.

##### c. Guarantees and security

There are cross guarantees on the overdrafts between Group companies.

Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, TP Property Company Limited, CCF Limited, Keyline Civils Specialist Limited, Toolstation Limited and The BSS Group Limited are guarantors of the following facilities advanced to Travis Perkins plc:

- £75m term loan
- £100m 2023 senior unsecured notes
- £93m and US\$40m March 2025 senior unsecured notes
- £75.5m, US\$25m and €36m November 2025 senior unsecured notes
- £375m revolving credit facility (2024: £375m)
- Currency derivatives (note 27)

The Group companies have entered into other guarantee and counter-indemnity arrangements in respect of guarantees issued in favour of Group companies by several banks amounting to approximately £28.9m (2024: £31.8m).

The interest rate and currency swaps are guaranteed by Travis Perkins Trading Company Limited, Travis Perkins (Properties) Limited, CCF Limited, Keyline Civils Specialist Limited, The BSS Group Limited and Toolstation Limited.

#### 23. Net debt

##### Accounting policy

Cash and cash equivalents comprise cash balances and cash deposits with an original maturity of three months or less held by the Group and Company, net of overdrafts. Cash collected through card payments is recognised upon transaction. The carrying amount of these assets approximates to their fair value.

## Movement in net debt

Net debt is defined as the sum of current and non-current debt, and leases, less cash and cash equivalents.

| £m                                                      | Liabilities from financing activities |                        |                             |              | Other assets and liabilities                   |              | Total        |
|---------------------------------------------------------|---------------------------------------|------------------------|-----------------------------|--------------|------------------------------------------------|--------------|--------------|
|                                                         | Term loan                             | Senior unsecured notes | Liability to pension scheme | Subtotal     | Cash and cash equivalents, including overdraft | Leases       |              |
| At 1 January 2024                                       | 71.5                                  | 349.0                  | 24.6                        | 445.1        | (131.5)                                        | 608.4        | 922.0        |
| Additions to leases                                     | -                                     | -                      | -                           | -            | -                                              | 152.1        | 152.1        |
| Disposals of leases                                     | -                                     | -                      | -                           | -            | -                                              | (8.6)        | (8.6)        |
| Cash flow                                               | -                                     | -                      | -                           | -            | (99.7)                                         | (127.4)      | (227.1)      |
| Finance charges and fees                                | 0.9                                   | 0.4                    | -                           | 1.3          | -                                              | -            | 1.3          |
| Loan settlement                                         | -                                     | -                      | (24.6)                      | (24.6)       | -                                              | -            | (24.6)       |
| Discount unwind on lease liabilities                    | -                                     | -                      | -                           | -            | -                                              | 30.1         | 30.1         |
| <b>At 31 December 2024</b>                              | <b>72.4</b>                           | <b>349.4</b>           | <b>-</b>                    | <b>421.8</b> | <b>(231.2)</b>                                 | <b>654.6</b> | <b>845.2</b> |
| Additions to leases                                     | -                                     | -                      | -                           | -            | -                                              | 90.1         | 90.1         |
| Disposals of leases                                     | -                                     | -                      | -                           | -            | -                                              | (24.9)       | (24.9)       |
| Cash flow                                               | -                                     | 1.8                    | -                           | 1.8          | (195.7)                                        | (128.1)      | (322.0)      |
| Finance charges and fees                                | 0.2                                   | (2.2)                  | -                           | (2.0)        | -                                              | -            | (2.0)        |
| Foreign exchange retranslation of foreign currency debt | -                                     | (2.2)                  | -                           | (2.2)        | -                                              | -            | (2.2)        |
| Discount unwind on lease liabilities                    | -                                     | -                      | -                           | -            | -                                              | 29.7         | 29.7         |
| Reclassification                                        | 1.5                                   | 5.7                    | -                           | 7.2          | -                                              | -            | 7.2          |
| <b>31 December 2025</b>                                 | <b>74.1</b>                           | <b>352.5</b>           | <b>-</b>                    | <b>426.6</b> | <b>(426.9)</b>                                 | <b>621.4</b> | <b>621.1</b> |

Cash and cash equivalents comprises short-term deposits of £392.0m (2024: £200.0m), cash of £34.9m (2024: £44.4m) and overdraft of £nil (2024: £13.2m). Net cash before lease liability was £0.3m (2024: net debt of £190.6m).

The £1.8m (2024: £nil) cash flow movement in the senior unsecured notes balance represents the net cash movement comprising repayment of the £250.0m bond, which was repaid at the discounted amount of £248.7m, and the issuance of the £250.5m private placement debt.

## 24. Cash flow metrics

Free cash flow is defined as net cash flow before dividends, freehold property purchases and disposals, pension deficit repair contributions, adjusting and discontinued cash flows and the issuance and repayment of debt. Adjusted operating cash flow is defined as free cash flow before capital expenditure excluding freehold purchases and the disposal of plant and equipment.

| £m                                                              | 2025           | 2024   |
|-----------------------------------------------------------------|----------------|--------|
| Loss before tax                                                 | <b>(134.7)</b> | (38.4) |
| Less: Net interest                                              | <b>38.1</b>    | 40.7   |
| Adjusting items                                                 | <b>222.2</b>   | 139.1  |
| Amortisation of acquisition-related intangible assets           | <b>7.8</b>     | 10.4   |
| Profit on disposal of properties                                | <b>(9.9)</b>   | (11.3) |
| Adjusted operating profit excluding property profits            | <b>123.5</b>   | 140.5  |
| Movement on working capital                                     | <b>135.1</b>   | 5.5    |
| Depreciation of property, plant and equipment                   | <b>66.0</b>    | 79.8   |
| Amortisation and impairment of internally-generated intangibles | <b>3.7</b>     | 3.6    |
| Share-based payments                                            | <b>7.7</b>     | 11.7   |
| Interest on lease liabilities                                   | <b>(29.7)</b>  | (29.6) |
| Other net interest paid                                         | <b>(20.2)</b>  | (19.5) |
| Income tax paid                                                 | <b>(21.7)</b>  | (20.9) |
| Adjusted operating cash flow                                    | <b>264.4</b>   | 171.1  |
| Capital expenditure excluding freehold purchases                | <b>(60.2)</b>  | (63.8) |
| Disposal of plant and equipment                                 | <b>0.7</b>     | 1.2    |
| Free cash flow                                                  | <b>204.9</b>   | 108.5  |

The figure for 'cash payments on adjusting and discontinued items' presented in the Uses of Free Cash Flow table in the Strategic report on page 23 includes £10.9m of payments on leases where the right-of-use asset has been impaired through an adjusting item. This cash outflow is included in repayments of lease liabilities in the cash flow statement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 25. Net debt to adjusted EBITDA

Net debt to adjusted EBITDA is defined as the ratio of net debt (note 23) to earnings before interest, tax, depreciation, amortisation and adjusting items ("adjusted EBITDA") and is used in one of the Group's debt covenants.

| £m                            | 2025   | 2024  |
|-------------------------------|--------|-------|
| Operating (loss)/profit       | (96.6) | 2.3   |
| Depreciation and amortisation | 164.9  | 190.5 |
| Adjusting items               | 222.2  | 139.1 |
| Adjusted EBITDA               | 290.5  | 331.9 |
| Net debt                      | 621.1  | 845.2 |
| Net debt to adjusted EBITDA   | 2.1x   | 2.5x  |

#### 26. Return on capital employed

Average capital employed is calculated as follows:

| £m                       | 2025    | 2024    |
|--------------------------|---------|---------|
| Opening net assets       | 1,974.1 | 2,040.3 |
| Net pension surplus      | (87.7)  | (75.5)  |
| Net debt                 | 845.2   | 922.0   |
| Opening capital employed | 2,731.6 | 2,886.8 |
| Closing net assets       | 1,776.3 | 1,974.1 |
| Net pension surplus      | (88.6)  | (87.7)  |
| Net debt                 | 621.1   | 845.2   |
| Closing capital employed | 2,308.8 | 2,731.6 |
| Average capital employed | 2,520.2 | 2,809.2 |

Group return on capital employed is calculated as follows:

| £m                                 | 2025    | 2024    |
|------------------------------------|---------|---------|
| Adjusted operating profit (note 2) | 133.4   | 151.8   |
| Average capital employed           | 2,520.2 | 2,809.2 |
| Return on capital employed         | 5.3%    | 5.4%    |

### 27. Financial instruments and risk management

#### Accounting policy

##### *Investments and other financial assets classification*

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income "FVOCI", or through profit or loss "FVTPL")
- Those to be measured at amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTPL or at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income or finance costs, together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the income statement.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains and losses in the period in which it arises.

**Impairment**

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Derivative financial instruments**

The Group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from financing activities. The Group does not enter into speculative financial instruments. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for derivative trading purposes.

Derivative financial instruments are stated at fair value. The fair value of derivative financial instruments is the estimated amount the Group would receive or pay to transfer to a market participant the derivative at the balance sheet date, taking into account current interest and exchange rates and the current creditworthiness of the counterparties.

Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in the Statement of Comprehensive Income. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the items being hedged.

In order to qualify for hedge accounting, the Company is required to document from inception, the relationship between the item being hedged and the hedging instrument. The Company is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an on-going basis. This effectiveness testing is performed at each reporting date to ensure that the hedge remains highly effective.

Derivative financial instruments are classified as cash flow hedges when they hedge the Company's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from re-measuring the derivative instrument is recognised directly in equity.

The associated cumulative gain or loss is removed from equity and recognised in the Statement of Comprehensive Income in the same period during which the hedged transaction affects the Statement of Comprehensive Income. The classification of the effective portion when recognised in the Statement of Comprehensive Income is the same as the classification of the hedged transaction. Any element of the re-measurement criteria of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the Statement of Comprehensive Income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs or the original hedged item affects the Statement of Comprehensive Income. If a forecasted hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the Statement of Comprehensive Income.

Foreign currency forward contracts are marked-to-market at the balance sheet date, with any gains or losses being taken through the income statement. Derivatives embedded in commercial contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the underlying contracts, with unrealised gains or losses being reported in the income statement.

**a. The carrying value of categories of financial instruments**

| £m                                                                            | 2025           | 2024           |
|-------------------------------------------------------------------------------|----------------|----------------|
| <b>Financial assets:</b>                                                      |                |                |
| Mandatorily at FVTPL                                                          | -              | 0.5            |
| Loans and receivables (including cash and cash equivalents) at amortised cost | 1,030.9        | 958.0          |
| Designated instrument-by-instrument at FVOCI                                  | 1.3            | 3.3            |
|                                                                               | <b>1,032.2</b> | <b>961.3</b>   |
| <b>Financial liabilities:</b>                                                 |                |                |
| Mandatorily at FVTPL                                                          | 0.1            | -              |
| Borrowings at amortised cost                                                  | 426.6          | 435.0          |
| Trade and other payables (including overdrafts) at amortised cost             | 828.9          | 753.0          |
| Designated instrument-by-instrument as either FVTPL or FVOCI                  | 3.1            | -              |
| Leases                                                                        | 621.4          | 654.6          |
|                                                                               | <b>1,880.1</b> | <b>1,842.6</b> |

Loans and receivables exclude prepayments of £38.7m (2024: £49.0m). Trade and other payables exclude taxation and social security and deferred income and accruals relating to employee benefits totalling £35.3m (2024: £85.2m). The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group has considered the impact of credit risk on its financial instruments and because the counterparties are banks with strong credit ratings considers its impact to be immaterial. The issuer credit ratings of the banks and financial institutions where the Group's deposits are held ranges from A to AAA (S&P), A1 to Aa2 (Moody's), and A to AA- (Fitch).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 27. Financial instruments and risk management *continued*

##### b. Fair value of financial instruments

Financial assets and financial liabilities measured at fair value comprise foreign currency forward contracts, interest rate swaps and currency swaps. The fair value of these derivative financial instruments was calculated using discounted cash flows analysis and the following inputs: interest rate and foreign exchange forward curves and GBP, EUR and USD benchmark rates. These instruments were classified as level 2 in the fair value hierarchy because all inputs used in the valuation techniques were based on observable market data.

There were no transfers between levels during the year.

The carrying value of the financial assets and financial liabilities measured at amortised cost approximates their value either due to short maturities or because these are floating rate instruments and the credit risk did not change significantly since initial recognition.

##### c. Risk management

###### Derivatives

During 2022 the Group obtained a five-year term loan facility for £75m and at the same time entered into an equal interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument.

The £125m of US private placement notes issued in March 2025 included a dollar tranche of \$40m on a three-year term. The £125m of US private placement notes issued in November 2025 included a euro tranche of €36m on a four-year term and USD tranches of \$5m, \$10m and \$10m on four-year, five-year and seven-year terms respectively. The Group entered into currency swap arrangements to mitigate the risk arising from movements in exchange rate.

The risk management objective is to hedge against the volatility of cash flows of the variable interest rate and foreign exchange elements of the loan facility. Interest rate swaps and currency swaps were designated as hedging instruments in their entirety. Since all critical terms matched during the year, there is an economic relationship. The only source of ineffectiveness of the designated hedges is expected to be credit risk and foreign currency basis risk. Hedge ineffectiveness in relation to the swaps was negligible for 2025 and 2024.

The Group has the following derivative financial instruments in the balance sheet:

| £m                                                            | 2025 | 2024 |
|---------------------------------------------------------------|------|------|
| <b>Non-current assets</b>                                     |      |      |
| Interest rate swap – cash flow hedge                          | 1.3  | 3.3  |
| Total non-current derivative financial instrument assets      | 1.3  | 3.3  |
| <b>Non-current liabilities</b>                                |      |      |
| Currency swaps – cash flow hedge                              | 3.1  | –    |
| Total non-current derivative financial instrument liabilities | 3.1  | –    |
| <b>Current liabilities</b>                                    |      |      |
| Foreign currency forward contracts                            | 0.1  | –    |
| Total current derivative financial instrument liabilities     | 0.1  | –    |

The Group's hedging reserve relates to the combined hedge instruments:

| £m                                                           | 2025  | 2024  |
|--------------------------------------------------------------|-------|-------|
| At 1 January                                                 | 2.5   | 2.2   |
| Change in fair value of hedging instrument recognised in OCI | (5.1) | 0.4   |
| Reclassified from OCI to profit or loss                      | 2.2   | –     |
| Deferred tax recognised in OCI                               | 0.9   | (0.1) |
| At 31 December                                               | 0.5   | 2.5   |

Interest rate swaps currently in place cover 100% of the term loan principal outstanding. The fixed interest rate of the swap is 2.673%. The interest rate of the term loan consists of a variable element based on the Sterling Overnight Index Average ("SONIA") and a margin between 1.8% – 2.4%. The swap contracts require settlement of the net interest receivable or payable every six months and coincides with the dates on which payment is due on the underlying term loan.

The effects of the interest rate swaps of the Group's financial position and performance are as follows:

| £m                                                                   | 2025           | 2024           |
|----------------------------------------------------------------------|----------------|----------------|
| Carrying amount (non-current assets)                                 | 1.3            | 3.3            |
| Notional amount                                                      | 75.0           | 75.0           |
| Maturity date                                                        | 15 August 2027 | 15 August 2027 |
| Hedge ratio                                                          | 1:1            | 1:1            |
| Loss on fair value remeasurement of hedging instruments for the year | (2.0)          | 0.4            |
| Weighted average hedged rate for the year                            | 4.2%           | 5.1%           |

Currency swaps currently in place cover 100% of the principal outstanding. The Group swapped the US\$40m tranche of its March 2025 debt issuance for £32m at the prevailing market rate on a term equal to the principal term. At each semi-annual interest date, interest at 6.07% is received in USD and interest of 6.06% is paid in GBP. The Group swapped the €36m and US\$25m tranches of its November 2025 debt issuance for £50m at the prevailing market rate on a term equal to the principal term. At each semi-annual interest date, for the euro tranches, interest at 3.97% is received in EUR and interest of 5.79% is paid in GBP, and for the USD tranches, interest at 5.53% is received in USD and interest of 6.10% is paid in GBP. The semi-annual interest dates on the swaps coincide with the dates on which interest payments are due on the underlying facility.

The effects of the exchange rate swaps on the Group's financial position and performance are as follows:

| £m                                                                   | 2025                                       |
|----------------------------------------------------------------------|--------------------------------------------|
| Carrying amount (non-current assets)                                 | (3.1)                                      |
| Notional amount                                                      | US\$65m and €36m                           |
| Maturity date                                                        | Between 13 March 2028 and 10 Nov 2032      |
| Hedge ratio                                                          | 1:1                                        |
| Loss on fair value remeasurement of hedging instruments for the year | (3.1)                                      |
| Weighted average hedged rate for the year                            | 5.8% (EUR tranches)<br>6.1% (USD tranches) |

The following amounts were recognised in the Group's profit and loss:

| £m                                                                                                          | 2025  | 2024 |
|-------------------------------------------------------------------------------------------------------------|-------|------|
| Net (loss)/gain on foreign currency forwards not qualifying as hedges included in interest (expense)/income | (0.6) | 0.8  |

#### Interest risk management

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts and forward interest rate contracts when appropriate. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

#### Currency risk management

The Group is exposed to exchange rate risk as entities in the Group borrow funds in both US dollars and euros. The risk is managed by the Group by the use of both currency and sterling debt and by the use of currency swap contracts when appropriate. Hedging activities are evaluated regularly to align with exchange rate views and defined risk appetite, ensuring optimal hedging strategies are applied.

The Group acquires goods for sale from overseas which, when not denominated in sterling, are paid for principally in US dollars and euros. The Group has entered into forward foreign exchange contracts (all of which are less than one year in duration) to buy US dollars and euros to hedge the exchange rate risk arising from these anticipated future purchases. At the balance sheet date the total notional value of contracts to which the Group was committed was €0.5m and US\$28.5m (2024: €nil and US\$24.0m). The fair value of these derivatives was £0.1m liability (2024: £0.5m asset). These contracts are not designated cash flow hedges and accordingly the fair value movement has been reflected in the income statement.

#### Interest rate sensitivity analysis

A sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the balance sheet date. The analysis is prepared assuming that the balances at the balance sheet date were constant for the whole year. A 1.0% increase or decrease is used when reporting interest rate risk internally to key management personnel.

At 31 December 2025 the Group had no floating rate liabilities except for its £75m five-year term loan facility for which the Group entered into an interest rate swap arrangement to hedge the full variable component of the interest rate for the life of the instrument. There was £392m on short-term deposit at 31 December 2025 (2024: £200m). A 1.0% increase or decrease in interest rates, with all other variables held constant, would have the following impact:

- Profit before taxation for the year ended 31 December 2025 would have increased or decreased by £3.9m (2024: increased or decreased by £2.0m) due to the short-term deposits
- Net equity would have increased or decreased by £2.9m (2024: increased or decreased by £1.5m)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES continued

#### 27. Financial instruments and risk management continued

##### c. Risk management continued

##### Exchange rate sensitivity analysis

At 31 December 2025 the Group had no currency liabilities except for its US private placement notes for which the Group entered into currency swap arrangements to hedge the full amount for the life of the instrument.

##### d. Liquidity analysis

The following table details the Group's liquidity analysis for its derivative financial instruments and other financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the derivative instruments that settle on a net basis and the undiscounted gross cash flows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

| £m                                             | 2025     |           |           |          |           |
|------------------------------------------------|----------|-----------|-----------|----------|-----------|
|                                                | 0-1 year | 1-2 years | 2-5 years | 5+ years | Total     |
| <i>Gross settled:</i>                          |          |           |           |          |           |
| Foreign exchange forward contracts             | (21.7)   | -         | -         | -        | (21.7)    |
| Currency swaps cash outflows – cash flow hedge | (4.9)    | (4.9)     | (82.3)    | (8.4)    | (100.5)   |
| Currency swaps cash inflows – cash flow hedge  | 4.1      | 4.1       | 78.5      | 8.3      | 95.0      |
| <i>Net settled:</i>                            |          |           |           |          |           |
| Interest rate swap – cash flow hedge           | 0.8      | 0.5       | -         | -        | 1.3       |
| Total derivative financial instruments         | (21.7)   | (0.3)     | (3.8)     | (0.1)    | (25.9)    |
| <i>Net settled:</i>                            |          |           |           |          |           |
| Borrowings                                     | (23.0)   | (101.2)   | (248.2)   | (189.8)  | (562.2)   |
| Trade and other payables at amortised cost     | (828.9)  | -         | -         | -        | (828.9)   |
| Leases                                         | (121.9)  | (204.3)   | (159.0)   | (315.1)  | (800.3)   |
| Total financial instruments                    | (973.8)  | (305.5)   | (407.2)   | (504.9)  | (2,191.4) |

| £m                                         | 2024     |           |           |          | Total     |
|--------------------------------------------|----------|-----------|-----------|----------|-----------|
|                                            | 0-1 year | 1-2 years | 2-5 years | 5+ years |           |
| <i>Gross settled:</i>                      |          |           |           |          |           |
| Foreign exchange forward contracts         | (18.7)   | -         | -         | -        | (18.7)    |
| <i>Net settled:</i>                        |          |           |           |          |           |
| Interest rate swap – cash flow hedge       | 1.1      | 0.9       | 0.7       | -        | 2.7       |
| Total derivative financial instruments     | (17.6)   | 0.9       | 0.7       | -        | (16.0)    |
| <i>Net settled:</i>                        |          |           |           |          |           |
| Borrowings                                 | (30.6)   | (270.6)   | (132.7)   | (72.2)   | (506.1)   |
| Trade and other payables at amortised cost | (753.0)  | -         | -         | -        | (753.0)   |
| Leases                                     | (119.9)  | (208.0)   | (161.3)   | (336.2)  | (825.4)   |
| Total financial instruments                | (903.5)  | (478.6)   | (294.0)   | (408.4)  | (2,084.5) |

#### 28. Impairment

##### Accounting policy

##### Impairment of tangible and intangible assets

The carrying amounts of the Group's tangible and intangible assets with a definite useful life are reviewed at each balance sheet date to determine whether there is any indication of impairment to their value. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. The Group's CGUs are the branches of its Merchanting and Toolstation businesses. The recoverable amount of an asset is the greater of its fair value less disposal cost and its value-in-use (the present value of the future cash flows that the asset is expected to generate). In determining value in use the present value of future cash flows is discounted using a pre-tax discount rate that reflects current market assessments of the time-value of money in relation to the period of the investment and the risks specific to the asset concerned.

Where the carrying value exceeds the recoverable amount a provision for the impairment loss is established with a charge being made to the income statement. When the reasons for an impairment no longer exist the impairment is reversed in the income statement up to the net book value that the relevant asset would have had if it had not been impaired and if it had been depreciated, except in respect of goodwill for which impairments are not reversed.

For intangible assets that have an indefinite useful life the recoverable amount is estimated on an annual basis.

### a. Measuring recoverable amounts

The recoverable amounts of the goodwill and other non-monetary assets with indefinite useful lives are determined for all CGUs and CGU groupings from value-in-use calculations. Where a potential impairment has been identified, the fair value less costs of disposal has been determined for individual assets. The valuations are considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

The key financial assumptions for the value-in-use models are those regarding the discount rate and the terminal growth rate. The key operating assumptions for these models are sales growth and operating margin percentage. Management estimates pre-tax discount rates that reflect current market assessments of the time-value of money and the risks specific to the CGU groupings that are not reflected in the cash flow projections.

In developing these assumptions, management has considered the possible impacts of climate risks. This has included consideration of the impact of climate risks on the Group's required capital expenditure, on energy costs directly in the business and the supply chain and the impact of the changes on the Group's markets and customers. The assessment was completed as at 30 September 2025.

#### Key financial assumptions

The key financial assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key financial assumptions represent management's assessment of current market conditions and future trends and have been based on historical data from both external and internal sources.

|                       | 2025        | 2024         |
|-----------------------|-------------|--------------|
| Pre-tax discount rate | 9.4 – 12.8% | 11.7 – 12.9% |
| Terminal growth rate  | 1.3 – 2.0%  | 1.6 – 2.0%   |

The pre-tax discount rate used in the estimation of the recoverable amount for the Travis Perkins General Merchant, TFS, Keyline and CCF CGU groupings was 12.8% and for the Toolstation Benelux CGU grouping was 9.4%.

Management determined the values assigned to these financial assumptions as follows:

- Pre-tax discount rates: These are calculated by adjusting the weighted average cost of capital ("WACC") of the Group for the impact of tax and reflect specific risks relating to the Group's industries and the countries in which the Group operates. The pre-tax discount rate is adjusted for risks not adjusted for in the cash flow forecasts, including risks related to the industry of each CGU.
- Terminal growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. For the UK CGUs, this represents the forecast inflation growth for the final year considered in the Bank of England's long-term inflation target. For Toolstation Benelux, this represents the GDP growth forecast for the Netherlands in the final available forecast year in the IMF's World Economic Outlook Database.

### Key operating assumptions

Cash flow forecasts are derived from the most recent Board-approved strategic plans, updated for changes in current trading conditions and adjusted for risks relevant to the cash flows. The key operating assumptions used in the estimation of future cash flows for the UK CGUs and CGU groupings are:

- Sales growth rates on which the approved corporate plans are based and which are derived from a variety of sources that provide market volume forecasts, including construction and consumer outlook reports, current and forecast housing-market transaction numbers and mortgage-approval levels. The Directors consider this to be the principal operating assumption as it determines management's approach to the interlinked factors underlying the operating margin percentage.
- Operating margin percentages are forecast in the context of the sales growth assumptions and are based on historical experience of operating margins, adjusted for the impact of changes to product costs and cost-saving initiatives.

For the less-mature Toolstation Benelux CGU grouping, the key operating assumption is future sales growth. This assumption is set in the context of the store opening profile and historical data from the Toolstation UK and Toolstation Benelux businesses on the store maturity profile.

Cash flows beyond the strategic plan periods (2030 and beyond for the UK CGUs and 2031 and beyond for the Toolstation Benelux CGU) have been determined using the terminal growth rate. The longer period used for the Toolstation Benelux CGU is consistent with market practice for valuing high-growth loss-making businesses. Corporate costs are allocated to CGUs on a pro-rata basis per each CGU's sales.

### Results

The recoverable amount of goodwill and intangible assets with indefinite useful lives was in excess of their book value in all CGUs and CGU groupings and therefore no impairments have been recognised in respect of these CGUs and CGU groupings, except for the Toolstation Benelux CGU and CCF Limited in respect of which a £105.5m and £43.6m impairment charge has been recognised respectively.

There are no reasonably possible changes in the key assumptions used in the impairment reviews that would cause the recoverable amounts to be lower than the carrying amounts except in respect of the Travis Perkins General Merchant, TFS and Keyline CGU groupings. Sensitivity disclosures are provided for these CGU groupings.

### Toolstation Benelux Impairment

Following the annual impairment review of goodwill and intangible assets, an impairment of £105.5m has been recognised in respect of the Toolstation Benelux CGU. Trading conditions in its market have been challenging and as a consequence a lower value in use has been recognised in the impairment model. This impairment charge relates to £22.2m of right-of-use assets, £8.7m of tangible fixed assets, £60.1m of goodwill and £14.5m of other acquisition-related intangible fixed assets. There are no reasonably possible changes in the assumptions used in this impairment review that would result in a materially different impairment charge.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### ASSETS AND LIABILITIES *continued*

#### 28. Impairment *continued*

##### a. Measuring recoverable amounts *continued*

##### CCF

Following the annual impairment review of goodwill and intangible assets, an impairment of £43.6m has been recognised in respect of the CCF CGU. Trading conditions in its market have been challenging and as a consequence a lower recoverable amount has been recognised in the VIU model. A further impairment charge of £2.9m of right-of-use and tangible fixed assets has also been recognised as part of the branch impairment review. The recoverable amount of these fixed assets relating to the CCF business is now £56.6m. There are no reasonably possible changes in the assumptions used in this impairment review that would result in a materially different impairment charge.

##### Branch impairments

Indications of impairment were identified for some Merchanting branches, each of which is a CGU, and as a result of the impairment reviews performed for these branches an impairment charge of £67.4m has been recognised, principally in respect of certain Travis Perkins General Merchant, BSS, TFS, Keyline and CCF branches. All these impairments relate to the Merchanting segment. The annual impairment reviews for branches in the Group's other businesses did not result in any impairments.

The impairment reviews for branches in the Merchanting businesses have resulted in an impairment charge of £67.4m being recognised. This charge consists of £60.2m in respect of Travis Perkins General Merchant branches, £3.1m in respect of CCF branches and £4.1m in respect of other Merchanting CGUs. It reflects the challenging trading conditions and extended period of low market volumes in the UK construction sector. The impairment charge relates to £0.3m of right-of-use assets, £33.8m of tangible fixed assets and £33.3m of freehold property.

In 2024 an impairment charge of £32.7m was recognised in respect of the Staircraft CGU and of £62.7m in respect of some Merchanting branches, principally in respect of certain Travis Perkins General Merchant and CCF branches.

There are no reasonably possible changes in the key assumptions used in the impairment reviews that would cause the recoverable amounts to be lower than the carrying amounts except in respect of the Travis Perkins General Merchant, TFS and Keyline CGU groupings. Sensitivity disclosures are provided for these CGU groupings.

#### Sensitivity disclosures

The recoverable amounts calculated in the impairment reviews of the Travis Perkins General Merchant, TFS and Keyline CGU groupings exceeded the carrying amounts as below.

|                                 | Carrying amount | Headroom |
|---------------------------------|-----------------|----------|
| Travis Perkins General Merchant | 993.7           | 297.0    |
| TFS                             | 24.6            | 0.2      |
| Keyline                         | 182.7           | 4.0      |

Whilst the Directors believe the assumptions are realistic, there are reasonably possible changes in the key assumptions that would cause the recoverable amounts of these CGUs to be lower than the carrying amounts. The key variables applied to the value-in-use calculations for Travis Perkins General Merchant and Keyline, and the value at which the recoverable amount would be equal to the carrying amount for each CGU, were:

|                                       | Travis Perkins General Merchant |             | TFS        |             | Keyline    |             |
|---------------------------------------|---------------------------------|-------------|------------|-------------|------------|-------------|
|                                       | Assumption                      | Sensitivity | Assumption | Sensitivity | Assumption | Sensitivity |
| Pre-tax discount rate                 | 12.8%                           | 15.9%       | 12.8%      | 12.8%       | 12.8%      | 13.0%       |
| Average sales growth                  | 4.9%                            | 3.5%        | 12.7%      | 12.7%       | 6.6%       | 6.4%        |
| Operating margin in the terminal year | 5.5%                            | 4.1%        | 2.9%       | 2.9%        | 3.7%       | 3.6%        |

The average sales growth assumptions, which are compound annual growth rates, reflect an expectation that the significant reduction in construction market volumes in the UK since 2021 will be partially reversed over the forecast period. These impairment reviews are not sensitive to reasonably possible changes to the terminal growth rate. All other variables have been held equal.

There are no reasonably possible changes in the assumptions used in the impairment reviews of Toolstation Benelux, CCF, Toolstation and BSS that would result in a materially different impairment charge.

While there is not a significant risk of an adjustment to the carrying amount of any one branch cash-generating unit that would be material to the Group as a whole in the next financial year, the following table summarises the reasonable possible changes in key assumptions which most impact the impairment of the Group's entire portfolio of branch cash-generating units, presenting in aggregate due to the large number of individually immaterial branch cash-generating units. The reasonable possible change on the next page applies the corresponding change to the base scenario.

|                                       | Reasonably possible scenario       | Impact on Impairment | 2025 |
|---------------------------------------|------------------------------------|----------------------|------|
| Pre-tax discount rate                 | Increase of 100bps for each branch | Increase             | 0.7  |
|                                       | Decrease of 100bps for each branch | Decrease             | 0.5  |
| Sales growth                          | Increase of 5% for each branch     | Decrease             | 1.7  |
|                                       | Decrease of 5% for each branch     | Increase             | 1.7  |
| Operating margin in the terminal year | Increase of 50bps for each branch  | Decrease             | 2.4  |
|                                       | Decrease of 50bps for each branch  | Increase             | 2.9  |

### Key estimates over assumptions used in value-in-use calculations

In testing for impairment, the recoverable amounts of the Travis Perkins General Merchant, TFS and Keyline CGU groupings have been determined by reference to their value-in-use. In producing these estimates, the Directors have made certain estimates concerning discount rates, future cash flows and the future development of the businesses that are consistent with the 2025 strategic plans and the businesses' 2026 budgets. Whilst the Directors consider the assumptions to be realistic, should actual results, including those for future sales growth, be different from expectations, for instance due to a worsening of the British economy, then it is possible that the value of goodwill and other intangible and tangible assets included in the balance sheet could become impaired or the impairment charge could be different. The range of reasonably possible outcomes includes the headroom movements detailed in the scenarios in the table below.

|                                 | Pre-tax discount rate |         | Sales growth |       | Operating margin in the terminal year |        |
|---------------------------------|-----------------------|---------|--------------|-------|---------------------------------------|--------|
|                                 | -100bps               | +100bps | -5%          | +5%   | -50bps                                | +50bps |
|                                 | £m                    | £m      | £m           | £m    | £m                                    | £m     |
| Travis Perkins General Merchant | 153.0                 | (128.6) | (819.9)      | 902.1 | (102.8)                               | 102.8  |
| TFS                             | 2.1                   | (2.9)   | (24.2)       | 26.6  | (4.1)                                 | 4.1    |
| Keyline                         | 22.1                  | (17.9)  | (91.3)       | 100.7 | (22.3)                                | 22.3   |

## 29. Capital commitments

| £m                                              | 2025 | 2024 |
|-------------------------------------------------|------|------|
| Contracted for but not provided in the accounts | 11.2 | 26.4 |

## 30. Disposals

The Staircraft business was sold on 30 April 2025 for cash consideration of £20.8m. As this business did not represent a separate major line of business or geographical area of operations, it has not been presented as a discontinued operation in the income statement. A loss has been recognised on the sale of the business of £2.4m. The revenue of £24.9m and adjusted operating loss of £0.5m in the period to 30 April 2025 are presented in the Group's financial statements as part of the Merchanting segment.

## PEOPLE

### 31. Staff costs

#### a. Average number of persons employed

The average monthly number of persons employed (including Executive Directors):

| No.                    | 2025   | 2024   |
|------------------------|--------|--------|
| Sales and distribution | 16,105 | 16,243 |
| Administration         | 1,281  | 1,351  |
|                        | 17,386 | 17,594 |

#### b. Aggregate remuneration

| £m                             | 2025  | 2024  |
|--------------------------------|-------|-------|
| Wages and salaries             | 574.0 | 565.1 |
| Social security costs          | 62.6  | 52.5  |
| Pension costs (note 18)        | 21.1  | 22.1  |
| Share-based payments (note 32) | 7.7   | 11.7  |
|                                | 665.4 | 651.4 |

Director's remuneration, including pension contributions and Long-Term Incentive plan awards, is set out in the Single Total Figure of Remuneration table in the Directors' remuneration report on pages 88 to 89.

The total amounts received or receivable by Directors under long-term incentive schemes in respect of qualifying service in the year is £33,000 (2024: £1,000). The aggregate of gains made by the Directors in the year on the exercise of share options equated to £nil (2024: £nil). Details with respect to share options exercised in the year are set out on page 92.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### PEOPLE continued

#### 32. Share-based payments

##### Accounting policy

The Group issues equity-settled share-based payments to colleagues: long-term incentives, executive share options and Save As You Earn ("SAYE"). These payments are measured at fair value at the date of grant taking into account the terms and conditions upon which the options were granted. The cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

##### a. Fair value of options

A pricing model is used to calculate the fair value of the options and the amount to be expensed. The probability of the performance conditions being achieved was included in the fair-value calculations. The inputs into the model for options granted in the year expressed as weighted averages are as follows:

|                                            | 2025  |                   | 2024  |                   |
|--------------------------------------------|-------|-------------------|-------|-------------------|
|                                            | SAYE  | Nil-price options | SAYE  | Nil-price options |
| Share price at grant date (pence)          | 635.5 | 621.3             | 729.0 | 729.0             |
| Option exercise price (pence)              | 483.0 | -                 | 724.0 | -                 |
| Volatility (%)                             | 30.3% | 32.4%             | 32.4% | 37.7%             |
| Option life (years)                        | 3.4   | 3.0               | 3.3   | 2.6               |
| Risk-free interest rate (%)                | 3.7%  | 3.9%              | 4.0%  | 4.4%              |
| Expected dividends as a dividend yield (%) | 2.5%  | 2.5%              | 2.1%  | 3.3%              |

Volatility is based on historic share prices over a period equal to the vesting period. Option life used in the model has been based on options being exercised in accordance with historical patterns. For executive share options the vesting period is three years.

If options remain unexercised after a period of ten years from the date of grant, these options expire. Options are forfeited if the colleague leaves the Group before options vest. SAYE options vest after three or five years and expire three and a half or five and a half years after the date of grant.

The risk-free interest rate of return is the yield on zero-coupon UK Government bonds on a term consistent with the vesting period. Dividends used are based on actual dividends where data is known and future dividends estimated using a dividend cover of three times (within the Board's target range).

The expected life of options used in the model has been adjusted, based upon management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

There are no cash-settled share schemes. All share schemes are equity-settled.

##### b. Income statement charge and shares granted

A description of the share schemes operated by the Group is contained in the Remuneration report on page 78. The estimated fair values of the shares under option granted under the Group's share schemes in 2025 are as follows:

| Share scheme                               | Grant date   | Fair value for the Group<br>£m |
|--------------------------------------------|--------------|--------------------------------|
| Performance Share Plan (nil-price options) | 19 June 2025 | 7.2                            |
| Save As You Earn                           | 25 Sep 2025  | 7.4                            |

##### c. Share options for the Group

The number and weighted average exercise price of share options is as follows:

| In thousands of options                  | The Group                               |                   |                             |                                         |                   |                             |
|------------------------------------------|-----------------------------------------|-------------------|-----------------------------|-----------------------------------------|-------------------|-----------------------------|
|                                          | 2025                                    |                   |                             | 2024                                    |                   |                             |
|                                          | Weighted average exercise price (pence) | Number of options | Number of nil price options | Weighted average exercise price (pence) | Number of options | Number of nil price options |
| Outstanding at the beginning of the year | 474                                     | 4,509             | 2,356                       | 527                                     | 5,132             | 2,229                       |
| Forfeited during the year                | 462                                     | (2,835)           | (757)                       | 542                                     | (1,644)           | (481)                       |
| Exercised during the year                | -                                       | -                 | (523)                       | 706                                     | (19)              | (458)                       |
| Granted during the year                  | 483                                     | 3,313             | 1,191                       | 724                                     | 1,040             | 1,066                       |
| Outstanding at the end of the year       | 569                                     | 4,987             | 2,267                       | 474                                     | 4,509             | 2,356                       |
| Exercisable at the end of the year       | 488                                     | 252               | 152                         | 547                                     | 39                | 75                          |

The weighted-average share price on the date of exercise of options exercised in the period was 529 pence (2024: 896 pence).

Details of the options outstanding at 31 December are as follows:

|                                                     | 2025               |                   | 2024              |             |                   |
|-----------------------------------------------------|--------------------|-------------------|-------------------|-------------|-------------------|
|                                                     | SAYE               | Nil price options | Executive options | SAYE        | Nil price options |
| Range of exercise prices (pence)                    | <b>483 – 1,411</b> | –                 | 898 – 1,958       | 690 – 1,411 | –                 |
| Weighted average exercise price (pence)             | <b>567</b>         | –                 | 1,304             | 717         | –                 |
| Number of shares (thousands)                        | <b>4,979</b>       | <b>2,267</b>      | 14                | 4,530       | 2,349             |
| Weighted average expected remaining life (years)    | <b>2.7</b>         | <b>1.7</b>        | –                 | 2.1         | 1.6               |
| Weighted average contractual remaining life (years) | <b>3.2</b>         | <b>11.7</b>       | –                 | 2.6         | 11.6              |

#### d. Impact of vesting and exercise

If all SAYE shares are acquired on the first possible day, 4.7m of shares will be issued for a consideration of £23.8m in the years below:

|         | No. m |      |      |      |      | £m   |      |      |      |      |
|---------|-------|------|------|------|------|------|------|------|------|------|
|         | 2026  | 2027 | 2028 | 2029 | 2030 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Options | 0.5   | 0.5  | 1.2  | –    | –    | –    | –    | –    | –    | –    |
| SAYE    | 0.7   | 0.6  | 2.7  | 0.1  | 0.6  | 5.0  | 4.4  | 13.4 | 0.5  | 0.5  |

The previous table shows theoretical amounts. For the Group to receive the cash indicated in the periods shown, the following must occur:

- All performance conditions on executive share options must be fully met.
- Options must be exercised on the day they vest (option holders generally have a seven-year period post vesting to exercise the option).
- The share price at the exercise date for SAYE options must exceed the exercise price and every holder must exercise.
- All option/SAYE holders must remain with the Group, or leave on good terms.

If none of the requirements are met then the Group will receive no consideration.

### 33. Key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 – Related Party Disclosures.

| £m                           | 2025        | 2024 |
|------------------------------|-------------|------|
| Short-term employee benefits | <b>9.1</b>  | 10.9 |
| Post-employment benefits     | <b>0.5</b>  | 0.5  |
| Share-based payments         | <b>0.8</b>  | 3.8  |
|                              | <b>10.4</b> | 15.2 |

### 34. Related party transactions

The Group has a related party relationship with its subsidiaries, its Directors and with its pension schemes (note 18). Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2025

### OTHER

#### 35. Impact of new standards and interpretations

A number of new or amended standards became applicable for the current reporting period and as a result the Group has applied the following standards:

- Amendments to IAS 21 – Lack of exchangeability.

The above requirements did not have a material impact on the Group and have been adopted without restating comparatives.

At the date of the approval of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue, but not yet effective:

- IFRS 18 – Presentation and disclosure in financial statements (effective for annual periods beginning on or after 1 January 2027)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- Annual improvements to IFRS – Volume 11 (effective for annual periods beginning on or after 1 January 2026)
- Amendments to IFRS 9 and IFRS 7: Contract Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026)
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026)

The Directors anticipate that adoption of these standards and amendments in future periods will not have a significant impact on the financial statements of the Group with the exception of IFRS 18 and amendments to IFRS 9 as explained below.

IFRS 18 – Presentation and disclosure in financial statements was issued in April 2024 and formally adopted for use in the UK in December 2025 by the UK Endorsement Board (UKEB). The standard replaces IAS 1 – Presentation of Financial Statements with restatement required for comparatives. There is no impact on the Group's 2025 Annual Report and Accounts.

The impact of the standard is currently being assessed and while recognition and measurement will remain the same, key areas of presentation which will be impacted are:

- The presentation of the income statement will require all items of income and expense to be classified into one of five categories: investing, financing, operating, income taxes and discontinued operations, along with revised mandatory sub-totals.
- The cash flow statement will use operating profit as a starting point following the addition of this as a required income statement sub-total.
- Enhanced disclosure requirements around management-defined performance measures.

- Revised principals for aggregation and disaggregation in the financial statements.
- In the transition year a reconciliation disclosure is required for each line in the income statement for the comparative period, from amounts previously presented under IAS 1 to the revised presentation under IFRS 18.

An amendment effective to IFRS 9 – Financial Instruments has been introduced focusing on the derecognition of financial assets and liabilities that are settled through electronic payments. The introduction of this standard will affect the timings of the Group's derecognition of certain financial assets. Had it been in effect as at 31 December 2025, the Group's trade receivables balance would have been £8.2m higher and the Group's cash and cash equivalents balance would have been £8.2m lower.

## COMPANY BALANCE SHEET

As at 31 December 2025

| £m                                                   | Notes | 2025    | 2024    |
|------------------------------------------------------|-------|---------|---------|
| <b>Assets</b>                                        |       |         |         |
| <b>Non-current assets</b>                            |       |         |         |
| Investment in subsidiaries                           | 2     | 2,450.1 | 2,416.7 |
| Derivative financial instruments                     | 8     | 1.3     | 3.8     |
| Total non-current assets                             |       | 2,451.4 | 2,420.5 |
| <b>Current assets</b>                                |       |         |         |
| Debtors                                              | 4     | 123.9   | 200.5   |
| Cash and cash equivalents, excluding bank overdrafts |       | 395.6   | 201.1   |
| Total current assets                                 |       | 519.5   | 401.6   |
| Total assets                                         |       | 2,970.9 | 2,822.1 |
| <b>Equity and liabilities</b>                        |       |         |         |
| <b>Capital and reserves</b>                          |       |         |         |
| Issued capital                                       |       | 23.8    | 23.8    |
| Share premium account                                |       | 545.6   | 545.6   |
| Cash flow hedge reserve                              |       | 0.5     | 2.5     |
| Merger reserve                                       |       | 326.5   | 326.5   |
| Own shares                                           |       | (3.9)   | (7.2)   |
| Capital redemption reserve                           |       | 1.4     | 1.4     |
| Accumulated profits                                  |       | 1,451.2 | 1,269.6 |
| Total equity                                         | 5     | 2,345.1 | 2,162.2 |
| <b>Non-current liabilities</b>                       |       |         |         |
| Interest-bearing loans and borrowings                | 6     | 419.4   | 421.8   |
| Derivative financial instruments                     |       | 3.1     | -       |
| Total non-current liabilities                        |       | 422.5   | 421.8   |

| £m                                    | Notes | 2025    | 2024    |
|---------------------------------------|-------|---------|---------|
| <b>Current liabilities</b>            |       |         |         |
| Interest-bearing loans and borrowings | 6     | 7.2     | 13.2    |
| Derivative financial instruments      | 8     | 0.1     | -       |
| Amounts due to subsidiaries           | 7     | 191.9   | 209.2   |
| Other creditors                       | 9     | 4.1     | 15.7    |
| Total current liabilities             |       | 203.3   | 238.1   |
| Total liabilities                     |       | 625.8   | 659.9   |
| Total equity and liabilities          |       | 2,970.9 | 2,822.1 |

The Company's profit for the year was £205.9m (2024: loss of £28.8m), and total comprehensive income for the year was £203.9m (2024: loss of £28.5m).

The accompanying notes form an integral part of these financial statements.

The financial statements of Travis Perkins plc, registered number 824821, were approved by the Board of Directors on 16 March 2026 and signed on its behalf by:

**Gavin Slark**  
Director

**Duncan Cooper**  
Director

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| £m                                                 | Share capital | Share premium | Merger reserve | Hedging reserve | Own shares | Capital redemption reserve | Retained earnings | Total equity |
|----------------------------------------------------|---------------|---------------|----------------|-----------------|------------|----------------------------|-------------------|--------------|
| At 1 January 2024                                  | 23.8          | 545.6         | 326.5          | 2.9             | (14.1)     | 1.4                        | 1,317.2           | 2,203.3      |
| Loss and total comprehensive loss for the year     | -             | -             | -              | 0.3             | -          | -                          | (28.8)            | (28.5)       |
| Dividends                                          | -             | -             | -              | -               | -          | -                          | (23.2)            | (23.2)       |
| Sale of own shares                                 | -             | -             | -              | -               | 0.1        | -                          | -                 | 0.1          |
| Own shares movement                                | -             | -             | -              | -               | 6.8        | -                          | (6.8)             | -            |
| Equity-settled share-based payments net of tax     | -             | -             | -              | -               | -          | -                          | 11.7              | 11.7         |
| Exercise of options over non-controlling interest  | -             | -             | -              | -               | -          | -                          | (1.2)             | (1.2)        |
| Reclassifications                                  | -             | -             | -              | (0.7)           | -          | -                          | 0.7               | -            |
| At 31 December 2024                                | 23.8          | 545.6         | 326.5          | 2.5             | (7.2)      | 1.4                        | 1,269.6           | 2,162.2      |
| Profit and total comprehensive income for the year | -             | -             | -              | (2.0)           | -          | -                          | 205.9             | 203.9        |
| Dividends                                          | -             | -             | -              | -               | -          | -                          | (28.6)            | (28.6)       |
| Own shares movement                                | -             | -             | -              | -               | 3.3        | -                          | (3.3)             | -            |
| Equity-settled share-based payments net of tax     | -             | -             | -              | -               | -          | -                          | 7.6               | 7.6          |
| At 31 December 2025                                | 23.8          | 545.6         | 326.5          | 0.5             | (3.9)      | 1.4                        | 1,451.2           | 2,345.1      |

## NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

For the year ended 31 December 2025

### GENERAL INFORMATION

#### Overview

Travis Perkins plc is the ultimate parent of the Travis Perkins plc Group ("the Group"). The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 6 to 25. The Company is incorporated and is domiciled in the United Kingdom, England and Wales, as a public limited company under the Companies Act 2006. The address of the registered office is Ryehill House, Ryehill Close, Lodge Farm Industrial Estate, Northampton, NN5 7UG.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates.

#### Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company has not been presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 2 "Share Based Payments" in respect of group settled share-based payments
- The requirements of IFRS 7 "Financial Instruments: Disclosures".
- The requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements".
- The requirements of IAS 7 "Statement of Cash Flows".
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Error".
- The requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures".
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 "Impairment of Assets".

Where required, equivalent disclosures are given in the consolidated financial statements of Travis Perkins plc.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, except that derivative and other financial instruments and contingent consideration arising from business combinations are stated at fair value through profit and loss and also designated financial instruments are stated at fair value through other comprehensive income.

#### Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates ruling on the date of the transaction.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

#### Going concern

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the 12 months from the date of signing this Annual Report and Accounts. For this reason the Board continues to adopt the going concern basis in preparing the financial statements.

In arriving at their opinion the Directors considered:

- The Group's cash flow forecasts and revenue projections.
- The impact on trading performance of severe but plausible downside scenarios. Key assumptions include significant reductions in revenue and limited reductions in fixed overheads, as well as mitigating actions such as delayed capital expenditure, reduced overhead investment and dividends.
- The committed debt facilities available to the Group and the covenants thereon.
- The Group's debt maturity profile and the successful issuance of £125m of new debt in March 2025 and £125m in November 2025.
- The Group's robust policy towards liquidity and cash flow management.
- The Group's ability to successfully manage the principal risk and uncertainties outlined on pages 52 to 59 during periods of uncertain economic outlook and challenging macroeconomic conditions.

The downside scenarios tested, outlining the impact of severe but plausible adverse scenarios based on a severe recession and housing market weakness, show that there is sufficient headroom for liquidity and covenant compliance purposes for at least the next 12 months from the date of approval of these financial statements. The going concern assessment is not sensitive to estimates on inflation.

## NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2025

### GENERAL INFORMATION *continued*

#### Material accounting policies

The principal accounting policies adopted in preparing the financial statements are provided throughout the notes to the financial statements.

#### Material accounting policies

Key judgements and estimates, including those that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, are found in the following notes:

| Page | Note | Description                                       |
|------|------|---------------------------------------------------|
| 158  | 2    | Impairment review for investments in subsidiaries |

Those listed above are key sources of estimation uncertainty for the Group.

#### Standards issued but not yet effective

New standards, amendments and interpretations which are in issue but not yet effective are not expected to have a material impact on the Company's financial statements.

### 1. Income statements disclosures

The audit fee for the Company and the consolidated financial statements is disclosed in note 4(b) of the Group consolidated financial statements. Fees payable to Deloitte LLP for audit and non-audit services to the Company are not required to be disclosed because the Group financial statements disclose such fees on a consolidated basis. Details of the Company's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee report.

#### Staff costs (including Directors):

| £m                             | 2025 | 2024 |
|--------------------------------|------|------|
| Wages and salaries             | 5.2  | 5.7  |
| Social security costs          | 0.5  | 0.7  |
| Other pension costs            | 0.1  | 0.2  |
| Share-based payments (note 11) | 0.7  | 4.3  |
|                                | 6.5  | 10.9 |

The average monthly number of persons employed including Directors during the year was 51 (2024: 50).

### 2. Investments in subsidiaries

#### Accounting policy

Investments in subsidiaries are carried at cost less impairment.

| £m                            | 2025      | 2024      |
|-------------------------------|-----------|-----------|
| Cost                          |           |           |
| At 1 January                  | 3,642.6   | 3,147.8   |
| Additions                     | 33.4      | 494.8     |
| At 31 December                | 3,676.0   | 3,642.6   |
| Provision for impairment      |           |           |
| At 1 January & 31 December    | (1,225.9) | (1,225.9) |
| Net book value at 31 December | 2,450.1   | 2,416.7   |

The additions to investments in 2025 represent the capitalisation of intercompany loans as part of the Group's ongoing project to simplify its legal structure.

The investment balance principally relates to the Company's investment in Travis Perkins Group Holdings Limited, which indirectly holds all of the Group's operating businesses, the investment balance is therefore supported by the recoverable amounts calculated in the impairment reviews (note 28 to the consolidated financial statements), resulting in headroom of £259.4m.

Whilst the Directors believe the assumptions used within the impairment reviews are realistic, there are reasonably possible changes in the key assumptions that would cause the recoverable amount of the Company's investment in Travis Perkins Group Holdings Limited to be lower than the carrying amount. Consistent with the sensitivity disclosures on key assumptions within note 28 to the consolidated financial statements, if pre-tax discount rate increased by 100bps, sales growth reduced by 5% and operating margin reduced by 50 bps within the value in use calculations, the carrying amount of the Company's investment in Travis Perkins Group Holdings Limited would be impaired by £939.0m.

A full listing of all related undertakings is provided in note 10.

### 3. Deferred tax

| £m<br>(Asset)/liability: | At 1 Jan<br>2025 | Recognised<br>in income | Recognised in<br>equity | Recognised in other<br>comprehensive<br>income | At 31 Dec<br>2025 |
|--------------------------|------------------|-------------------------|-------------------------|------------------------------------------------|-------------------|
| Share-based payments     | (1.5)            | 0.2                     | 0.1                     | –                                              | (1.2)             |
| Cash flow hedge          | 0.8              | –                       | –                       | (0.9)                                          | (0.1)             |
| Other timing differences | (0.2)            | –                       | –                       | –                                              | (0.2)             |
|                          | (0.9)            | 0.2                     | 0.1                     | (0.9)                                          | (1.5)             |

| £m<br>(Asset)/liability: | At 1 Jan<br>2024 | Recognised<br>in income | Recognised in<br>equity | Recognised in other<br>comprehensive<br>income | At 31 Dec<br>2024 |
|--------------------------|------------------|-------------------------|-------------------------|------------------------------------------------|-------------------|
| Share-based payments     | (2.0)            | 0.6                     | (0.1)                   | –                                              | (1.5)             |
| Cash flow hedge          | 0.7              | –                       | –                       | 0.1                                            | 0.8               |
| Other timing differences | (0.2)            | –                       | –                       | –                                              | (0.2)             |
|                          | (1.5)            | 0.6                     | (0.1)                   | 0.1                                            | (0.9)             |

### 4. Debtors

#### Accounting policy

Debtors are originally recognised at fair value. Subsequent to the initial recognition they are measured at amortised cost using the effective interest rate method.

| £m                                  | 2025  | 2024  |
|-------------------------------------|-------|-------|
| Current:                            |       |       |
| Amounts owed by subsidiaries        | 90.4  | 155.9 |
| Other financial assets – loan notes | –     | 1.7   |
| Other debtors                       | 33.5  | 42.9  |
|                                     | 123.9 | 200.5 |

Amounts owed by subsidiaries include loans and other balances. The loans are interest-free and repayable on demand and expected to be settled within the next 12 months. Intercompany receivables are measured at amortised cost.

Management considers that the intercompany balances have low credit risk. This judgement is based on the related parties' strong capacity to meet their contractual cash flow obligations in the near term and an assessment of the support available to them within the wider Group. Consequently, impairment loss is considered to be highly immaterial.

### 5. Share capital and reserves

#### Accounting policy

Equity instruments represent the ordinary share capital of the Company and are recorded at the proceeds received, net of directly attributable incremental issue costs.

#### a. Share capital

| Ordinary shares of 11.2p (authorised, issued and fully paid) | No.         | £m   |
|--------------------------------------------------------------|-------------|------|
| At 1 January and December 2025                               | 212,509,334 | 23.8 |

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. See Group note 19 for the explanation of movements in share capital and own shares.

#### b. Own shares

|                | 2025      | 2024      |
|----------------|-----------|-----------|
| At 1 January   | 1,192,183 | 1,668,682 |
| Reissued       | (523,060) | (476,499) |
| At 31 December | 669,123   | 1,192,183 |

The own shares held by the Employee Share Ownership Trust are to satisfy options under the Group's share option schemes. None of the own shares have been allocated to grants of executive options and all rights attaching to the shares are suspended until the shares are reissued.

#### c. Reserves

A description of the nature and purpose of each reserve is given below:

- The share premium represents the amounts above the nominal value received for shares sold.
- The cash flow hedge reserve represents the cumulative gain or loss on the fair value of effective hedging instruments used in cash flow hedges which have not yet been reclassified to profit or loss.
- The merger reserve represents the premium on equity instruments issued as consideration for the acquisition of BSS.
- The own shares reserve represents the cost of shares purchased in the market and held by the Employee Share Ownership Trust to satisfy options under the Group's share option schemes.
- The capital redemption reserve arises as a result of the share buybacks and the subsequent cancellation of shares.
- Retained earnings represents cumulative results for the Company.

## NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *continued*

For the year ended 31 December 2025

### GENERAL INFORMATION *continued*

#### 5. Share capital and reserve *continued*

##### c. Reserves *continued*

##### Distributable reserves

The distributable reserves accessible to the Company broadly approximate its accumulated profits. When required the Company can receive dividends from its subsidiaries to increase the available distributable reserves.

#### 6. Interest-bearing loans and borrowings

##### Accounting policy

Interest-bearing bank loans and overdrafts, loan notes and other loans are recognised in the balance sheet at amortised cost. Finance charges associated with arranging non-equity funding are recognised in the income statement over the life of the facility. All other borrowing costs are recognised in the income statement in accordance with the effective interest rate method.

Details of the interest-bearing loans and borrowings are given in note 22 to the consolidated financial statements.

#### 7. Amounts due to subsidiary undertakings

Amounts due to subsidiary undertakings of £191.9m (2024: £209.2m) relate to loans and other balances and are classified as current liabilities. These loans are interest-free and repayable on demand. Intercompany payables are measured at amortised cost.

#### 8. Financial instruments and risk management

The Company's derivative financial instruments that are measured at fair value are as disclosed in note 27 to the consolidated financial statements. All interest rate swaps and cross currency swaps were designated in cash flow hedges. For details of the Group's hedging instruments see note 27 of the Group financial statements.

#### 9. Other creditors

##### Accounting policy

Other creditors are measured at amortised cost. The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

| £m              | 2025 | 2024 |
|-----------------|------|------|
| Other creditors | 1.9  | 11.0 |
| Accruals        | 2.2  | 4.7  |
|                 | 4.1  | 15.7 |

#### 10. Related undertakings

The registered office of all subsidiary undertakings is Ryehill House, Rye Hill Close, Lodge Farm Industrial Estate, Northampton, NN5 7UG, except for companies with a superscript where the registered office is given after the list of subsidiary companies and investments.

##### Active subsidiary companies (100% ownership and UK registered)

|                                                       |                                        |
|-------------------------------------------------------|----------------------------------------|
| CCF Limited                                           | TP Property Company Limited            |
| Keyline Civils Specialist Limited <sup>1</sup>        | Travis Perkins (Properties) Limited    |
| The BSS Group Limited                                 | Travis Perkins Trading Company Limited |
| The Cobtree Scottish Limited Partnership <sup>1</sup> | Toolstation Europe Limited             |
| Tools & Fastener Solutions Limited                    | Toolstation Limited                    |

##### Dormant & non-trading subsidiary companies (100% ownership and UK registered)

|                                                         |                                                    |
|---------------------------------------------------------|----------------------------------------------------|
| Benchmarx Kitchens and Joinery Limited                  | TP Directors Ltd                                   |
| British Steam Specialties (International) Limited (The) | TP General Partner (Scotland) Limited <sup>1</sup> |
| BSS (UK) Limited                                        | TPG Management Services Limited                    |
| Builders Mate Limited                                   | Travis Group Limited                               |
| E. East & Son Limited                                   | Travis & Arnold Limited                            |
| JS Towell Limited <sup>2</sup>                          | Travis Limited                                     |
| Terant Supplies Limited                                 | Travis Perkins Capital Partner Limited             |
| Tile Giant Holdings Limited                             | Travis Perkins Financing Company No.3 Limited      |
| Toolstation Holdings Limited                            | Travis Perkins Merchant Holdings Limited           |
| Travis Perkins Group Holdings Limited                   | Travis Perkins P&H Group Holdings Limited          |

\* Companies in voluntary liquidation.

**Other subsidiary companies (100% ownership and non-UK registered)**

| Company Name                                        | Registered  | % Ownership | Status  |
|-----------------------------------------------------|-------------|-------------|---------|
| BSS (Ireland) Limited <sup>3</sup>                  | Ireland     | 100         | Active  |
| Toolexpert Benelux BV <sup>4</sup>                  | Netherlands | 100         | Active  |
| Toolstation BV <sup>4</sup>                         | Netherlands | 100         | Active  |
| Toolstation NV/SA <sup>5</sup>                      | Belgium     | 100         | Active  |
| Toolstation Europe BV <sup>4</sup>                  | Netherlands | 100         | Active  |
| Toolstation Netherlands BV <sup>4</sup>             | Netherlands | 100         | Dormant |
| Toolstation SAS <sup>6</sup>                        | France      | 100         | Active  |
| Travis Perkins Hong Kong Limited <sup>7</sup>       | Hong Kong   | 100         | Active  |
| Travis Perkins Sourcing (Shanghai) Ltd <sup>8</sup> | Shanghai    | 100         | Active  |

**Investments**

| Company Name                                           | Registered     | % Ownership | Status |
|--------------------------------------------------------|----------------|-------------|--------|
| Hermitage Park Management Company Limited <sup>9</sup> | United Kingdom | 25          | Active |

**Registered offices (not Ryehill House)**

- 1 50 Mauchline Street, Glasgow, G5 8HQ, United Kingdom
- 2 C/O Forvis Mazars LLP, 1st Floor Two Chamberlain Square, Birmingham, B3 3AX, United Kingdom
- 3 White Heather Industrial Estate, South Circular Road, Dublin, 8, Ireland
- 4 Brandpuntlaan Zuid 12, 2665NZ, Bleiswijk, Netherlands
- 5 Boomsesteenweg 58, 2630 Aarlselaar, Belgium
- 6 61 Route de Grenoble, 69800 Saint Priest, Lyon, France
- 7 Suite 2401, 24/F, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong
- 8 Building No.17, No. 800 Changde Road, JingAn District, Shanghai 200040
- 9 C/O Bruton Knowles LLP 2 Paris Parklands, Railton Road, Guildford, Surrey, United Kingdom, GU2 9JX

**11. Share-based payments**

The Company operates a number of share incentive plans. A description of the share schemes operated by the Group, including that of the Company, is contained in the Remuneration report on page 78 and pages 91 to 92 and in note 32 to the consolidated financial statements.

**12. Related party transactions**

The Company has a related party relationship with its subsidiaries, its Directors and with its pension schemes. In addition the remuneration of the Directors, and the details of their interests in the share capital of the Company are provided in the audited part of the Remuneration report on pages 88 to 92. Other than the payment of remuneration there have been no related party transactions with Directors.

Details of balances outstanding with subsidiary companies are shown in notes 4 and 7 and in the balance sheet on page 155.

## FIVE-YEAR SUMMARY

## CONSOLIDATED INCOME STATEMENT

|                                                                     | 2025<br>£m   | 2024<br>£m   | 2023<br>£m   | 2022<br>£m   | 2021<br>£m    |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|---------------|
| Revenue                                                             | 4,564.6      | 4,607.4      | 4,837.1      | 4,994.8      | 4,568.7       |
| Adjusted operating profit                                           | 133.4        | 151.8        | 198.1        | 295.3        | 352.8         |
| Amortisation of acquisition-related intangible assets               | (7.8)        | (10.4)       | (10.5)       | (10.5)       | (11.1)        |
| Adjusting items – operating                                         | (222.2)      | (139.1)      | (26.9)       | –            | 6.8           |
| Operating (loss)/profit                                             | (96.6)       | 2.3          | 160.7        | 284.8        | 348.5         |
| Net finance costs                                                   | (38.1)       | (40.7)       | (39.3)       | (39.8)       | (42.9)        |
| (Loss)/profit before tax                                            | (134.7)      | (38.4)       | 121.4        | 245.0        | 305.6         |
| Adjusting items – deferred tax                                      | (27.2)       | –            | –            | –            | (4.7)         |
| Other tax                                                           | (14.4)       | (2.2)        | (31.9)       | (52.8)       | (60.1)        |
| Net (loss)/profit from continuing operations                        | (176.3)      | (40.6)       | 89.5         | 192.2        | 240.8         |
| Net (loss)/profit from discontinued operations                      | –            | (36.8)       | (51.4)       | –            | 38.1          |
| (Loss)/profit for the period                                        | (176.3)      | (77.4)       | 38.1         | 192.2        | 278.9         |
| Basic (loss)/earnings per share from continuing operations          | (83.3)p      | (19.2)p      | 42.5p        | 90.8p        | 103.9p        |
| Basic (loss)/earnings per share from discontinued operations        | –            | (17.4)p      | (24.4)p      | –            | 16.4p         |
| <b>Adjusted earnings per share</b>                                  | <b>30.8p</b> | <b>36.6p</b> | <b>54.4p</b> | <b>94.6p</b> | <b>107.3p</b> |
| Dividend declared per ordinary share                                | 12.0p        | 14.5p        | 18.0p        | 39.0p        | 73.0p         |
| Number of branches at 31 December (includes branches of associates) | 1,426        | 1,421        | 1,507        | 1,484        | 1,513         |
| Average number of colleagues                                        | 17,386       | 17,594       | 18,831       | 19,956       | 18,833        |

## CONSOLIDATED FREE CASH FLOW STATEMENT

| £m                                                    | 2025<br>£m | 2024<br>£m | 2023<br>£m | 2022<br>£m | 2021<br>£m |
|-------------------------------------------------------|------------|------------|------------|------------|------------|
| Profit/(loss) before tax                              | (134.7)    | (38.4)     | 121.4      | 245.0      | 305.6      |
| Less: Net interest                                    | 38.1       | 40.7       | 39.3       | 39.8       | 42.9       |
| Adjusting items                                       | 222.2      | 139.1      | 26.9       | –          | (6.8)      |
| Amortisation of acquisition-related intangible assets | 7.8        | 10.4       | 10.5       | 10.5       | 11.1       |
| Profit on disposal of properties                      | (9.9)      | (11.3)     | (15.1)     | (25.3)     | (48.9)     |
| Adjusted operating profit excluding property profits  | 123.5      | 140.5      | 183.0      | 270.0      | 303.9      |
| Depreciation of property, plant and equipment         | 66.0       | 79.8       | 79.1       | 73.6       | 69.2       |
| Amortisation of internally generated intangibles      | 3.7        | 3.6        | 4.6        | 6.5        | 9.7        |
| Share-based payments                                  | 7.7        | 11.7       | 14.6       | 17.0       | 19.1       |
| Movement on working capital                           | 135.1      | 5.5        | (22.6)     | (76.5)     | (151.8)    |
| Other net interest paid                               | (20.2)     | (19.5)     | (25.0)     | (16.9)     | (13.6)     |
| Interest on lease liabilities                         | (29.7)     | (29.6)     | (25.6)     | (21.5)     | (21.2)     |
| Income tax paid                                       | (21.7)     | (20.9)     | (40.7)     | (57.6)     | (59.9)     |
| Capital expenditure excluding freehold purchase       | (60.2)     | (63.8)     | (107.2)    | (110.0)    | (95.0)     |
| Disposal of plant and equipment                       | 0.7        | 1.2        | 2.0        | 10.1       | 4.4        |
| Free cash flow                                        | 204.9      | 108.5      | 62.2       | 94.7       | 64.8       |

FIVE-YEAR SUMMARY *continued*

## CONSOLIDATED BALANCE SHEET

|                                      | 2025<br>£m     | 2024<br>£m | 2023<br>£m | 2022<br>£m | 2021<br>£m |                                         | 2025<br>£m     | 2024<br>£m | 2023<br>£m | 2022<br>£m | 2021<br>£m |
|--------------------------------------|----------------|------------|------------|------------|------------|-----------------------------------------|----------------|------------|------------|------------|------------|
| <b>Assets</b>                        |                |            |            |            |            | <b>Non-current liabilities</b>          |                |            |            |            |            |
| <b>Non-current assets</b>            |                |            |            |            |            | Interest-bearing loans and borrowings   | <b>419.4</b>   | 421.8      | 445.1      | 349.1      | 575.2      |
| Property, plant and equipment        | <b>655.0</b>   | 771.1      | 848.4      | 847.3      | 800.1      | Lease liability                         | <b>532.7</b>   | 560.1      | 518.8      | 438.3      | 414.7      |
| Goodwill and other intangible assets | <b>786.7</b>   | 908.2      | 947.8      | 974.9      | 978.7      | Derivative financial instruments        | <b>3.1</b>     | -          | -          | -          | -          |
| Right-of-use assets                  | <b>512.8</b>   | 545.4      | 530.4      | 451.7      | 439.8      | Long-term provisions and other payables | <b>14.0</b>    | 21.6       | 3.8        | 4.9        | 6.8        |
| Other receivables                    | <b>12.0</b>    | 15.3       | 14.2       | 17.2       | 0.7        | Deferred tax liabilities                | <b>63.7</b>    | 68.3       | 92.8       | 96.0       | 140.4      |
| Retirement benefit asset             | <b>118.1</b>   | 116.9      | 100.6      | 135.9      | 275.8      | <b>Current liabilities</b>              |                |            |            |            |            |
| Derivative financial instruments     | <b>1.3</b>     | 3.3        | 2.9        | 4.3        | -          | Interest-bearing loans and borrowings   | <b>7.2</b>     | -          | -          | 192.5      | -          |
| Deferred tax asset                   | -              | 17.5       | 18.0       | 15.0       | 13.9       | Lease liability                         | <b>88.7</b>    | 94.5       | 89.6       | 74.3       | 74.5       |
| <b>Current assets</b>                |                |            |            |            |            | Overdraft                               | -              | 13.2       | -          | -          | -          |
| Inventories                          | <b>666.9</b>   | 648.6      | 727.6      | 727.8      | 724.4      | Derivative financial instruments        | <b>0.1</b>     | -          | 0.4        | 0.2        | -          |
| Trade and other receivables          | <b>630.7</b>   | 760.5      | 689.6      | 725.9      | 706.7      | Trade and other payables                | <b>864.2</b>   | 838.2      | 795.4      | 852.4      | 921.1      |
| Tax debtor                           | <b>0.4</b>     | -          | 14.5       | 0.7        | -          | Tax liabilities                         | -              | -          | -          | -          | 0.4        |
| Derivative financial instruments     | -              | -          | -          | -          | 0.2        | Short-term provisions                   | <b>41.4</b>    | 39.4       | 39.3       | 26.5       | 29.2       |
| Cash and cash equivalents            | <b>426.9</b>   | 244.4      | 131.5      | 235.7      | 459.8      | <b>Total liabilities</b>                | <b>2,034.5</b> | 2,057.1    | 1,985.2    | 2,034.2    | 2,162.3    |
| <b>Total assets</b>                  | <b>3,810.8</b> | 4,031.2    | 4,025.5    | 4,136.4    | 4,400.1    | <b>Total equity and liabilities</b>     | <b>3,810.8</b> | 4,031.2    | 4,025.5    | 4,136.4    | 4,400.1    |
| <b>Capital and reserves</b>          |                |            |            |            |            |                                         |                |            |            |            |            |
| Issued capital                       | <b>23.8</b>    | 23.8       | 23.8       | 23.8       | 25.2       |                                         |                |            |            |            |            |
| Share premium account                | <b>545.6</b>   | 545.6      | 545.6      | 545.6      | 545.6      |                                         |                |            |            |            |            |
| Merger reserve                       | <b>326.5</b>   | 326.5      | 326.5      | 326.5      | 326.5      |                                         |                |            |            |            |            |
| Own shares                           | <b>(3.9)</b>   | (7.2)      | (14.1)     | (34.3)     | (61.4)     |                                         |                |            |            |            |            |
| Other reserves                       | <b>20.3</b>    | 19.5       | 23.5       | 27.4       | 14.6       |                                         |                |            |            |            |            |
| Accumulated profits                  | <b>864.0</b>   | 1,065.9    | 1,135.0    | 1,213.2    | 1,387.3    |                                         |                |            |            |            |            |
| <b>Total equity</b>                  | <b>1,776.3</b> | 1,974.1    | 2,040.3    | 2,102.2    | 2,237.8    |                                         |                |            |            |            |            |



Wide  
product  
range



## OTHER INFORMATION

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## ESG DATA REPORT (INCLUDING SASB DATA)

|                                                                                                         | Unit of Measure | SASB reference        | 2025        | 2024        | 2023        | 2022        | 2021        |
|---------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Energy and fuel</b>                                                                                  |                 |                       |             |             |             |             |             |
| Total energy consumed                                                                                   | kWh             | N/A (SECR compliance) | 260,009,437 | 276,611,054 | 311,809,636 | 322,116,912 | 364,826,976 |
| Total UK energy consumed                                                                                | kWh             |                       | 255,410,517 | 267,508,323 | 306,260,839 | 313,744,004 | 358,494,358 |
| Total Non-UK energy consumed                                                                            | kWh             |                       | 4,598,920   | 9,102,731   | 5,548,797   | 8,372,908   | 6,332,618   |
| Total energy consumed                                                                                   | Gigajoules (GJ) | CG-MR-130a.1          | 936,034     | 995,792     | 1,122,515   | 1,080,095   | 1,313,377   |
| Grid energy                                                                                             | %               | CG-MR-130a.1          | 34.01       | 35.98       | 34.58       | 34.67       | 28.35       |
| Renewable energy                                                                                        | %               | CG-MR-130a.1          | 22.83       | 23.84       | 21.85       | 23.50       | 5.83        |
| Fuel consumption                                                                                        | Litres          | N/A                   | 16,434,092  | 17,054,583  | 19,600,396  | 20,680,219  | 22,650,200  |
| <b>Waste</b>                                                                                            |                 |                       |             |             |             |             |             |
| Non-hazardous waste                                                                                     | Tonnes          | N/A                   | 22,810      | 26,624      | 28,149      | 27,238      | 28,175      |
| Hazardous waste                                                                                         | Tonnes          | N/A                   | 247         | 143         | 252         | 297         | 229.0       |
| Landfilled waste                                                                                        | Tonnes          | N/A                   | 403         | 508         | 1,075       | 1,622       | 1,492       |
| Recycled waste                                                                                          | Tonnes          | N/A                   | 7,833       | 10,290      | 10,837      | 8,656       | 10,084      |
| Incinerated waste                                                                                       | Tonnes          | N/A                   | 14,821      | 15,969      | 16,237      | 16,960      | 16,829      |
| Total waste                                                                                             | Tonnes          | N/A                   | 23,057      | 26,767      | 28,401      | 27,535      | 28,404      |
| <b>Data Security</b>                                                                                    |                 |                       |             |             |             |             |             |
| Data breaches                                                                                           | #               | CG-MR-230a.2          | 2           | -           | -           | -           | -           |
| Involving Personally Identifiable Information ("PII")                                                   | %               | CG-MR-230a.2          | 100%        | -           | -           | -           | -           |
| Customers affected                                                                                      | #               | CG-MR-230a.2          | 2           | -           | -           | -           | -           |
| Description of approach to identifying and addressing data security risks                               | Text            | CG-MR-230a.1          |             |             |             |             |             |
| <b>Labour practices</b>                                                                                 |                 |                       |             |             |             |             |             |
| Average hourly wage                                                                                     | £               | CG-MR-310a.1          | 14.42       | 13.81       | 13.21       | 13.54       | 12.8        |
| In-branch colleagues earning minimum wage by region                                                     | %               | CG-MR-310a.1          | 0.0%        | 0.0%        | 0.0%        | 0.0%        | 0.7%        |
| Voluntary turnover rate for in-branch colleagues                                                        | Rate            | CG-MR-310a.2          | 14.7%       | 15.6%       | 17.3%       | 20.6%       | 19.6%       |
| Involuntary turnover rate for in-branch colleagues                                                      | Rate            | CG-MR-310a.2          | 5.8%        | 6.1%        | 7.1%        | 5.7%        | 4.2%        |
| Total amount of monetary losses as a results of legal proceedings associated with labour law violations | £m              | CG-MR-310a.3          | -           | -           | -           | -           | -           |

|                                                                                                          | Unit of Measure | SASB reference | 2025              | 2024    | 2023    | 2022    | 2021    |
|----------------------------------------------------------------------------------------------------------|-----------------|----------------|-------------------|---------|---------|---------|---------|
| <b>Workforce diversity and inclusion</b>                                                                 |                 |                |                   |         |         |         |         |
| <b>Gender</b>                                                                                            |                 |                |                   |         |         |         |         |
| <b>Management</b>                                                                                        |                 |                |                   |         |         |         |         |
| Female                                                                                                   | %               | CG-MR-330a.1   | 22.6%             | 22.6%   | 21.6%   | 23.6%   | 20.6%   |
| Male                                                                                                     | %               | CG-MR-330a.1   | 77.4%             | 77.4%   | 78.4%   | 76.4%   | 79.4%   |
| Not available or Not disclosed                                                                           | %               | CG-MR-330a.1   | –                 | –       | 0%      | 0%      | 0%      |
| <b>All other employees</b>                                                                               |                 |                |                   |         |         |         |         |
| Female                                                                                                   | %               | CG-MR-330a.1   | 25.0%             | 25.1%   | 25.0%   | 25.6%   | 25.7%   |
| Male                                                                                                     | %               | CG-MR-330a.1   | 75.0%             | 74.9%   | 75.0%   | 74.4%   | 74.3%   |
| Not available or Not disclosed                                                                           | %               | CG-MR-330a.1   | –                 | –       | 0%      | 0%      | 0%      |
| <b>Ethnic group</b>                                                                                      |                 |                |                   |         |         |         |         |
| <b>Management</b>                                                                                        |                 |                |                   |         |         |         |         |
| Asian                                                                                                    | %               | CG-MR-330a.1   | 2.7%              | 2.3%    | 2.4%    | 2.5%    | 1.9%    |
| Black or African American                                                                                | %               | CG-MR-330a.1   | 0.6%              | 0.5%    | 0.7%    | 0.7%    | 0.5%    |
| Hispanic or Latino                                                                                       | %               | CG-MR-330a.1   | 1.0%              | 0.9%    | 0.9%    | 0.8%    | 0.9%    |
| White                                                                                                    | %               | CG-MR-330a.1   | 72.6%             | 76.2%   | 80.0%   | 80.1%   | 82.5%   |
| Other                                                                                                    | %               | CG-MR-330a.1   | 4.9% <sup>5</sup> | 0.2%    | 0.3%    | 0.3%    | 0.4%    |
| Not available or Not disclosed                                                                           | %               | CG-MR-330a.1   | 18.2%             | 19.9%   | 15.7%   | 15.7%   | 13.7%   |
| <b>All other employees</b>                                                                               |                 |                |                   |         |         |         |         |
| Asian                                                                                                    | %               | CG-MR-330a.1   | 3.3%              | 3.2%    | 2.7%    | 2.5%    | 2.6%    |
| Black or African American                                                                                | %               | CG-MR-330a.1   | 1.7%              | 1.8%    | 1.3%    | 1.2%    | 1.0%    |
| Hispanic or Latino                                                                                       | %               | CG-MR-330a.1   | 1.7%              | 1.8%    | 1.5%    | 1.5%    | 1.6%    |
| White                                                                                                    | %               | CG-MR-330a.1   | 65.3%             | 62.7%   | 64.0%   | 65.1%   | 64.3%   |
| Other                                                                                                    | %               | CG-MR-330a.1   | 4.0%              | 5.8%    | 2.5%    | 0.5%    | 0.7%    |
| Not available or Not disclosed                                                                           | %               | CG-MR-330a.1   | 24.0%             | 24.7%   | 28%     | 29.3%   | 29.8%   |
| Total amount of monetary losses as a result of legal proceedings associated with employee discrimination | £m              | CG-MR-330a.2   | 0.00              | 0       | 0.01    | 0       | 0       |
| <b>Product sourcing, packaging and marketing</b>                                                         |                 |                |                   |         |         |         |         |
| Revenue from products third-party certified to environmental and/or social sustainability standards      | £m              | CG-MR-410a.1   | 474               | 399     | 407     | 538     | 555     |
| Description of processes to assess and manage risks and/or hazards associated with chemicals in product  | Text            | CG-MR-410a.2   |                   |         |         |         |         |
| Discussion of strategies to reduce the environmental impact of packaging                                 | Text            | CG-MR-410a.3   |                   |         |         |         |         |
| <b>Water consumption</b>                                                                                 |                 |                |                   |         |         |         |         |
| Water consumption                                                                                        | m3              | N/A            | 263,866           | 270,146 | 277,610 | 258,321 | 316,852 |

<sup>5</sup> Where ethnicity is assigned as Belgium or Netherlands these are now listed under the 'Other' category.

## ESG DATA REPORT (INCLUDING SASB DATA) CONTINUED

### CG-MR-230a.1: Description of approach to identifying and addressing data security risks

Travis Perkins Group identifies and manages vulnerabilities within its information systems through an integrated approach involving people, processes, and technology. The Group adopts the NIST Cybersecurity Framework to assess cybersecurity maturity, aligning closely with ISO 27001, Cyber Essentials, and PCI DSS standards.

IT systems are built, procured, deployed, operated, and managed under a defined set of policies and standards. These are routinely reviewed to ensure they remain effective and relevant. Any deviations from established policies are subject to a structured risk assessment and approval process, involving both system and data owners.

Dedicated funding is allocated to security-focused initiatives aimed at strengthening cybersecurity maturity and ensuring risks remain within acceptable thresholds.

Cybersecurity and data protection training is embedded into every colleague's learning plan, including mandatory modules on PCI DSS and cyber awareness. In addition, colleagues are regularly engaged with phishing simulation campaigns designed in line with leading industry practices.

To safeguard the IT environment, a range of technologies are deployed across the infrastructure for threat prevention, detection, and response. This includes firewalls, proxies, data loss prevention tools, extended detection and response (XDR), and continuous monitoring through a Security Information and Event Management (SIEM) system. Security operations are monitored 24/7/365 to ensure rapid threat detection and incident response.

From a testing standpoint, the Group conducts continuous penetration testing and vulnerability scanning across its IT landscape to proactively identify potential weaknesses. Any vulnerabilities identified are assessed, addressed, and tracked based on risk severity and business impact.

Incident response readiness is validated through regular tabletop exercises, designed to test the effectiveness of response plans and playbooks.

This comprehensive security framework forms a core part of the Group's internal control and assurance structure. Ongoing reviews, as outlined in the Internal Audit Plan, ensure that cybersecurity risks are appropriately managed and mitigated.

### CG-MR-410a.2: Description of processes to assess and manage risks and/or hazards associated with chemicals in product

The Group requires its suppliers to adhere to its published 'Supplier Commitments' (<https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/>). Suppliers are required to notify immediately where any product supplied contains substances of very high concern (SVHCs), explosives precursors or poisons or has other restrictions on sale and to take steps to replace any products that contain restricted substances or SVHCs with suitable alternatives. For such products, suppliers are required to provide a Safety Data Sheet (SDS). The business undertakes supplier assessments either via an Online Risk Assessment or via factory audits, based on risk, to assess adherence to the Supplier

Commitments. The supplier assessment programme covers both private label and branded product suppliers. Restricted products are flagged within the business systems, triggering processes at point of sale to ensure they're not sold to underage customers. This includes, for example,

- corrosive products, under the Offensive Weapons Act 2019, including acids and chemicals which may burn the skin but not normal strength household bleach and cleaners); and
- solvents, under the Psychoactive Substances Act 2016, including glues and adhesives, flammable products such as fire lighter fluid, solvent cement, paint stripper, thinners, essentially any substances which are capable of producing a psychoactive effect in a person who consumes it and it is not an exempted substance; and
- spray paint and aerosols; under the Anti-Social Behaviour Act 2003.

There is a requirement in the Group Supplier Manual (<https://www.travisperkinsplc.co.uk/sustainability/social-and-governance/sourcing-responsibly/>) for suppliers delivering to the Group's sites to provide a safety data sheet for all substances delivered which are harmful to health.

### CG-MR-410a3: Description of strategies to reduce the environmental impact of packaging

The Group is committed to reducing its environmental impact relating to packaging. For more information on objectives and progress, please refer to page 34. Throughout 2025 the Group continued to work with own brand suppliers to optimise the amount of material used, achieving packaging reductions and improvements. The Group continued to work with Ecosurety its packaging compliance partner, to ensure smooth transition to the Extend Producer Regulations, and obtain packaging data from its suppliers which is differentiated by packaging levels; primary, secondary and tertiary, and by material type.

With regards to influencing others, the Group will continue its work with the Supply Chain Sustainability School ("SCSS") to raise awareness and share best practice on packaging reductions and transitioning to more sustainable packaging solutions. Travis Perkins and BSS branches continue to backhaul cardboard, plastic and wood packaging to their distribution centres where it is processed and sent for reprocessing.

## OTHER SHAREHOLDER INFORMATION

### Financial diary

|                           |               |
|---------------------------|---------------|
| Ex-dividend date          | 16 April 2026 |
| Record date               | 17 April 2026 |
| Trading statement         | 28 April 2026 |
| Annual General Meeting    | 21 May 2026   |
| Payment of final dividend | 28 May 2026   |

### Annual General Meeting (“AGM”)

The AGM will be held on 21 May 2026 at 9.30am.

### Registrars

For information about shareholdings and dividends and to report changes to your address, bank details or any other account information please contact the Company's registrars (“MUFG”):

MUFG Corporate Markets  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

Shareholder portal provided by MUFG: [www.travisperkins-shares.com](http://www.travisperkins-shares.com)

Email: [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com)

Telephone: +44 (0) 371 664 0300\*

### Shareholder portal

You can view and manage your shareholder account online via the shareholder portal provided by MUFG ([www.travisperkins-shares.com](http://www.travisperkins-shares.com)). You will need to register to use this service and to do so you will require your unique investor code which can be found on your share certificate or dividend confirmation (and which you may see abbreviated as “IVC”).

### Dividends

It is more secure to have your dividends paid directly into your bank account than by cheque. If you do not already have your dividends paid directly into your account and would like to do so, you can do this on the MUFG shareholder portal or you can contact MUFG, who will send you the relevant form to complete. Shareholders outside the United Kingdom may be able to make use of MUFG's International Payment Service facility to have dividends converted into your chosen currency. For further details please contact MUFG or visit <https://www.mpms.mufg.com/en/for-individuals/uk/shareholders/international-payment-service/>.

### Shareholder communications

Travis Perkins plc Annual Reports and other information pertinent to investors, including results, other reports and presentations and regulatory news, are available on the Investors section of our Company website ([www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk)).

### Annual Report

The Annual Report is published on our Company website and a hard copy will be posted to shareholders who have requested it. All other shareholders will be notified by letter or email when the Annual Report is available on our website. A hard copy of the Annual Report can be requested by writing to:

The Company Secretary  
Travis Perkins plc  
Ryehill House  
Rye Hill Close  
Lodge Farm Industrial Estate  
Northampton  
NN5 7UA

or by email to: [cosec@travisperkins.co.uk](mailto:cosec@travisperkins.co.uk)

### Electronic shareholder communications

The Company encourages you to consider if receiving your shareholder communications by email would work best for you. This is a faster, more environmentally friendly and more effective way to communicate with you. If you have received a paper copy of this report or notification of its availability by post and would like to receive fully electronic communication, please register your preference on the MUFG shareholder portal.

### Other shareholder services provided by our registrars

MUFG provide a number of other services that, as a shareholder, might be useful to you:

#### Duplicate share register accounts

If you are receiving more than one copy of our report, or notification by post of its availability online, it may be that your shares are registered in two or more accounts on our register of members. If that is not your intention you may wish to consider merging the accounts into one single entry. Please contact MUFG who will be pleased to help you.

#### Dividend Re-Investment Plan (“DRIP”)

This is a facility provided by MUFG which allows shareholders resident in the United Kingdom, Channel Islands and Isle of Man to use their dividends to buy further shares in the Company. Full details are available by calling MUFG on +44 (0) 371 664 0300, or you can sign up for this service on the MUFG shareholder portal (by clicking on “Manage your account” followed by “Dividend payments” and following the on-screen instructions).

### Share-dealing services

Share-dealing services are available to shareholders resident in the UK, Channel Islands and Isle of Man from MUFG:

On-line dealing: <https://sharedeal.cm.mpms.mufg.com/>

Telephone dealing: +44 (0) 371 664 0445\*

These services are only available to private shareholders resident in the UK.

\* Calls will be charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate; lines are open 9.00am to 5.30pm, Monday to Friday with the exception of share-dealing lines which are open from 8.00am to 4.30pm.



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# Travis Perkins

**Travis Perkins plc**

Ryehill House, Rye Hill Close, Lodge Farm Industrial Estate, Northampton NN5 7UA

[www.travisperkinsplc.co.uk](http://www.travisperkinsplc.co.uk)