

17 March 2026

Travis Perkins plc, the UK's largest distributor of building materials, announces its full year results for the year to 31 December 2025

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

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

Robust balance sheet provides flexibility and resilience

- 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.

£m (<i>unless otherwise stated</i>)	Note	2025	2024	Change
Revenue	6	4,565	4,607	(0.9)%
Adjusted operating profit ¹	7	133	152	(12.5)%
Adjusted earnings per share ¹	7	30.8p	36.6p	(15.8)%
Return on capital employed ¹	18	5.3%	5.4%	(0.1)ppt
Net debt / adjusted EBITDA ¹	19	2.1x	2.5x	0.4x
Ordinary dividend per share	14	12.0p	14.5p	(17.2)%
Operating (loss) / profit		(97)	2	
Loss after tax		(176)	(77)	(128.6)%
Basic earnings per share	15	(83.3)p	(36.6)p	(127.6)%

(1) Alternative performance measures are used to describe the Group's performance. Details of calculations can be found in the notes listed.

Gavin Slark, CEO, commented:

“I am delighted to have joined as CEO of Travis Perkins plc. It is a business I am very familiar with from my time in the industry and that has enabled me to hit the ground running since I joined at the start of January. I have been immediately impressed with the energy and enthusiasm that exists across all parts of the Group to rebuild our capabilities and performance and enhance our standing as the UK’s largest distributor of building materials.

We have fantastic brands and locations, complemented by a resilient and committed workforce who want to see us back at our best. I want to thank Geoff Drabble, our Chairman, for stepping in and supporting the management team last year and for putting in place the foundations of our recovery. I also want to thank all our colleagues for their dedication and effort in responding to these changes.

We have made significant operational progress over the past year. We have a fully resourced senior management team in place, have successfully overcome the difficulties associated with implementing a new IT system and have taken action to reduce the administrative overheads in our central and regional teams. However, it is the strength of our balance sheet that now provides the necessary resilience and flexibility to underpin our competitiveness in what remains a challenging market backdrop for UK construction activity. We will maintain our disciplined and selective approach to capital allocation as we navigate our way back to better market conditions.

I am looking forward to working with all our colleagues to develop and communicate our strategy for the Group as we look to the future. I have no doubt that we can restore the Group’s performance and create significant shareholder value over the medium term.”

Analyst Presentation

Management are hosting a results presentation at 8.30am. For details of the event please contact the Travis Perkins Investor Relations team as below. The presentation will also be available via a listen-only webcast - please register at the following link:

<https://travis-perkins-fy-results-25.open-exchange.net/webcast>

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(b) neither Travis Perkins plc nor any other member of the Group, nor persons acting on their behalf makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained within this announcement.

This announcement is current as of 17th March 2026, the date on which it is given. This announcement has not been and will not be updated to reflect any changes since that date.

Past performance of the shares of Travis Perkins plc cannot be relied upon as a guide to the future performance of the shares of Travis Perkins plc.

2025 Performance

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 impairments	111	63
Toolstation Europe impairments and restructuring	99	-
Restructuring	12	43
Staircraft impairment and divestment	3	33
Adjustments to prior year items	(3)	-
Total	222	139

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 Benchmarx 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.

Segmental performance

Merchanting

	2025	2024	Change
Revenue	£3,722m	£3,786m	(1.7)%
Like-for-like growth	(0.1)%	(6.8)%	6.7ppt
Adjusted operating profit	£122m	£149m	(18.1)%
Adjusted operating margin	3.3%	3.9%	(60)bps
ROCE	6%	7%	(1.0)ppt
Branch network	727	724	3

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:

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

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-joint and staircase manufacturer Staircraft for cash consideration of £21m as part of a continued focus on simplifying the Group's operating model.

Toolstation

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

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.

Financial Performance

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%	(0.2)%
Like-for-like volume	0.5%	1.0%	0.5%
Like-for-like revenue growth	(0.1)%	2.4%	0.3%
Network changes	(1.0)%	0.6%	(0.6)%
Trading days	(0.6)%	(0.3)%	(0.6)%
Total revenue growth	(1.7)%	2.7%	(0.9)%

Quarterly revenue analysis

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

Operating profit

£m	2025	2024	Change
Merchanting	122	149	(18.1)%
Toolstation	33	21	57.1%
Unallocated costs	(32)	(29)	(10.3)%
Adjusted operating profit excluding property profits	123	141	(12.8)%
Property profits	10	11	(9.1)%
Adjusted operating profit	133	152	(12.5)%
Amortisation of acquired intangible assets	(8)	(11)	
Adjusting items	(222)	(139)	
Operating profit	(97)	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
Adjusted operating profit excluding property profits	123	141	(18)
Depreciation of PPE and share-based payments	78	96	(18)
Change in working capital	136	6	130
Net interest paid before lease interest	(20)	(20)	0
Interest on lease liabilities	(30)	(30)	0
Tax paid	(22)	(21)	(1)
Adjusted operating cash flow	265	172	93
Capital investments			
Capex excluding freehold transactions	(60)	(64)	4
Proceeds from disposals excluding freehold transactions	1	1	0
Free cash flow	206	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
Base capital expenditure	60	64
Freehold property	26	12
Gross capital expenditure	86	76
Disposals	(52)	(63)
Net capital expenditure	34	13

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
Free cash flow	206	109	97
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
Change in cash and cash equivalents	196	100	

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.

Net debt and funding

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

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.

Principal risks and uncertainties

Against a backdrop of continued uncertainty, both nationally and globally, the Group has continued to take a proactive approach to risk management to identify and pursue opportunities, rebuild and deliver against its strategic priorities, and, most importantly, prioritise the safety and well-being of colleagues and customers.

During the year, the Board has reviewed the Group's principal risks and made a number of updates to the risk set, to more accurately reflect the current environment and business priorities. The risks remain broadly in line with those presented in pages 52 to 59 of the 2025 Annual Report & Accounts, and updates made are summarised below:

- Risks in relation to *macroeconomic volatility* and *long-term market trends* have been combined under **External Market & Environment** to enable focus on shorter-term responsiveness to changes in the market, as well as longer-term opportunity;
- In recent years the Group has focused on technology-enabled business change, leading up to the implementation of new systems across the business. There is now a drive to focus on core business operations and maximising value from new system capability, rather than an appetite for further large-scale change across the Group. As such, *Managing Change* is no longer considered a standalone principal risk and has been replaced with a principal risk focusing on **Business Operating Model & Driving Competitive Advantage**.
- Changes in technology, along with increasing geopolitical tensions, mean that organisational resilience becomes much wider than IT risk. As such, the Group's principal risks in relation to *critical asset failure and supply chain resilience*, have been combined into one risk covering the broader topic of **Business Continuity & Resilience**, to include supply chain, critical infrastructure and key IT dependencies.
- We remain committed to ensuring we have the right people in the right roles to meet the needs of our customers and suppliers, and acknowledge the ongoing challenge across the sector in obtaining and retaining people with the skills and experience needed for a changing market. As such, **People & Skills** has been added as a standalone principal risk.

Accordingly, the 2025 Annual Report & Accounts will report risks under the following captions: external market & environment, business continuity & resilience, climate change & carbon reduction, cyber threat & data security, legal compliance, health, safety & wellbeing, business operating model & driving competitive advantage and people & skills.

For the principal risks carried forward from 2024, the risk trends and inherent level have been reviewed and remain unchanged.

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. Global unrest, including the war in Ukraine and conflict in the Middle East, continue to be monitored as potential risks in relation to supply chain and macroeconomic volatility more generally, and the Group continues to ensure compliance with relevant trade sanctions. The Board remains watchful of developments which may impact the Group such as economic policy and political uncertainty. There are no other emerging risks considered significant enough to report at this time.

Consolidated income statement

For the year ended 31 December 2025

£m	Notes	2025	2024
Revenue	6	4,564.6	4,607.4
Cost of sales		(3,372.0)	(3,403.7)
Gross profit		1,192.6	1,203.7
Charge for impairment losses for trade receivables		(16.4)	(16.7)
Selling and distribution		(797.1)	(779.2)
Administrative expenses – other		(259.1)	(271.3)
Profit on disposal of properties		9.9	11.3
Other operating income		3.5	4.0
Adjusted operating profit		133.4	151.8
Administrative expenses – adjusting items	8	(222.2)	(139.1)
Administrative expenses – amortisation of acquisition-related intangible assets	9	(7.8)	(10.4)
Operating (loss) / profit	7	(96.6)	2.3
Finance income	10	20.1	11.1
Finance costs	10	(58.2)	(51.8)
Loss before tax		(134.7)	(38.4)
Adjusting items - deferred tax		(27.2)	–
Tax on adjusting items		13.8	29.0
Other tax		(28.2)	(31.2)
Total tax		(41.6)	(2.2)
Loss from continuing operations		(176.3)	(40.6)
Loss from discontinuing operations	12	-	(36.8)
Loss for the year		(176.3)	(77.4)

All loss for the year is attributable to the owners of the Company.

Earnings per share (note 15):

	2025	2024
Basic earnings per share		
– from continuing operations	(83.3)p	(19.2)p
– total	(83.3)p	(36.6)p
Diluted earnings per share		
– from continuing operations	(83.3)p	(19.2)p
– total	(83.3)p	(36.6)p
Adjusted basic earnings per share	30.8p	36.6p
Total dividend declared per share (note 14)	12.0p	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		(176.3)	(77.4)
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Actuarial (loss) / gain on defined benefit pension schemes	13	(4.2)	35.1
Deferred tax credit / (charge) relating to other comprehensive income		1.0	(9.5)
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Foreign exchange differences on retranslation of foreign operations		4.1	(2.3)
Fair value (loss) / gain on cash flow hedges		(5.1)	0.4
Reclassification of cash flow hedges to profit or loss		2.2	–
Deferred tax on cash flow hedges		0.9	(0.1)
Total other comprehensive (loss) / profit for the year net of tax		(1.1)	23.6
Total comprehensive loss for the year		(177.4)	(53.8)

Total comprehensive loss for the year attributable to the owners of the Company arises from:

	2025	2024
Continuing operations	(177.4)	(16.9)
Discontinued operations	-	(36.9)
	(177.4)	(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
Assets			
Non-current assets			
Goodwill		720.8	821.3
Other intangible assets		65.9	86.9
Property, plant and equipment		655.0	771.1
Right-of-use assets		512.8	545.4
Non-current prepayments		12.0	15.3
Deferred tax asset		–	17.5
Derivative financial instruments		1.3	3.3
Retirement benefit asset	13	118.1	116.9
Total non-current assets		2,085.9	2,377.7
Current assets			
Inventories		666.9	648.6
Trade and other receivables		630.7	760.5
Tax debtor		0.4	–
Cash and cash equivalents, excluding bank overdrafts	16	426.9	244.4
Total current assets		1,724.9	1,653.5
Total assets		3,810.8	4,031.2
Equity and liabilities			
Capital and reserves			
Issued share 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
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
Total equity		1,776.3	1,974.1
Non-current liabilities			
Interest-bearing loans and borrowings	16	419.4	421.8
Lease liabilities	16	532.7	560.1
Derivative financial instruments		3.1	–
Deferred tax liabilities		63.7	68.3
Long-term provisions		14.0	21.6
Total non-current liabilities		1,032.9	1,071.8
Current liabilities			
Interest-bearing loans and borrowings	16	7.2	–
Lease liabilities	16	88.7	94.5
Overdraft	16	–	13.2
Derivative financial instruments		0.1	–
Trade and other payables		864.2	838.2
Short-term provisions		41.4	39.4
Total current liabilities		1,001.6	985.3
Total liabilities		2,034.5	2,057.1
Total equity and liabilities		3,810.8	4,031.2

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
At 1 January 2024	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
Total comprehensive loss for the year	–	–	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	–
At 1 January 2025	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)
Total comprehensive loss for the year	–	–	(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
At 31 December 2025	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
Cash flows from operating activities		
Loss before tax	(134.7)	(38.4)
Adjustments for:		
Depreciation of property, plant and equipment	66.0	79.8
Depreciation of right-of-use assets	87.4	96.8
Amortisation of other intangibles	3.7	3.6
Amortisation of acquisition-related intangibles	7.8	10.4
Share-based payments	7.7	11.7
Gain on disposal of property, plant and equipment	(9.9)	(11.3)
Purchase of tool hire assets	(9.8)	(3.8)
Finance income	(20.1)	(11.1)
Finance costs	58.2	51.8
(Increase) / decrease in inventories	(24.5)	63.6
Decrease / (increase) in receivables	125.7	(76.1)
Increase in payables	33.9	18.0
Adjusting items payments less than the charge	214.7	119.2
Cash generated from operations	406.1	314.2
Income taxes paid	(21.7)	(20.9)
Net cash inflow from continuing operating activities	384.4	293.3
Net cash outflow from discontinued operating activities	(9.1)	(15.9)
Net cash from operating activities	375.3	277.4
Cash flows from investing activities		
Interest received	11.7	5.8
Proceeds on disposal of property, plant and equipment	52.0	63.0
Purchases of land and buildings	(27.0)	(12.3)
Purchases of other property, plant and equipment	(46.8)	(55.8)
Purchase/development of computer software	(3.5)	(4.1)
Proceeds on sale of subsidiary (note 8)	20.8	–
Net cash inflow / (outflow) from continuing investing activities	7.2	(3.4)
Net cash inflow / (outflow) from investing activities	7.2	(3.4)
Cash flows from financing activities		
Sale of own shares	–	0.1
Repayment of lease liabilities	(95.9)	(93.8)
Dividends paid	(28.6)	(23.2)
Drawdown of borrowings	250.5	–
Repayment of bonds	(248.7)	–
Interest paid and debt arrangement fees	(31.9)	(25.3)
Interest on lease liabilities	(29.7)	(29.6)
Net cash outflow used in continuing financing activities	(184.3)	(171.8)
Net cash outflow used in discontinued financing activities	(2.5)	(2.5)
Net cash used in financing activities	(186.8)	(174.3)
Net increase in cash and cash equivalents	195.7	99.7
Cash and cash equivalents at 1 January	231.2	131.5
Cash and cash equivalents at 31 December (note 16)	426.9	231.2

Notes

1. The Group's principal accounting policies are set out in the 2025 Annual Report & Accounts, which is available on the Company's website www.travisperkinsplc.co.uk. All accounting policies have been applied consistently in 2025.
2. The Directors are recommending a final dividend of 7.5p in respect of the year ended 31 December 2025 (2024: 9.0p). The dividend will be paid on 28 May 2026 to shareholders on the register at the close of business on 17 April 2026. The Company's shares will go ex-dividend on 16 April 2026. The Company operates a Dividend Reinvestment Plan, elections for which must be received by the Company's registrar by 5.30pm on 6 May 2026.
3. The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2024 or 2025. The financial information for 2024 is derived from the statutory accounts for the year ended 31 December 2024 which have been delivered to the registrar of companies. The auditor has reported on the 2024 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2025 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies in due course.
4. This announcement was approved by the Board of Directors on 16 March 2026.
5. It is intended to post the Annual Report & Accounts to shareholders on 30 March 2026 and to hold the Annual General Meeting on 21 May 2026. Copies of the annual report prepared in accordance with IFRS will be available from the Company Secretary, Travis Perkins plc, Ryehill House, Rye Hill Close, Lodge Farm Industrial Estate, Northampton, NN5 7UG from 17 March 2026 and will be available on the Group's website at www.travisperkinsplc.co.uk.

6. 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%
Total revenue (decline) / growth	(1.7%)	2.7%	(0.9%)

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, including changes to the number of trading days. When branches close, revenue is excluded from the prior year figures for the months equivalent to the post-closure period in the current year.

7. Profit

a. Operating profit

£m	2025	2024
Operating (loss) / profit	(96.6)	2.3
Adjusting items (note 8)	222.2	139.1
Amortisation of acquisition-related intangible assets	7.8	10.4
Adjusted operating profit	133.4	151.8
Less: profit on disposal of properties	(9.9)	(11.3)
Adjusted operating profit excluding property profits	123.5	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	(134.7)	(38.4)
Adjusting items (note 8)	222.2	139.1
Amortisation of acquisition-related intangible assets	7.8	10.4
Adjusted profit before tax	95.3	111.1
Total tax	(41.6)	(2.2)
Adjusting tax charge	27.2	–
Tax on adjusting items	(13.8)	(29.0)
Tax on amortisation of acquisition-related intangible assets	(1.9)	(2.6)
Adjusted profit after tax	65.2	77.3

Adjusted profit excludes adjusting items and amortisation of acquisition-related intangible assets.

8. Adjusting items

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.

£m	2025	2024
Merchanting impairments	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.

9. 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.

£m	2025			Consolidated
	Merchanting	Toolstation	Unallocated	
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			Consolidated
	Merchanting	Toolstation	Unallocated	
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

10. 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)

11. Tax

£m	2025	2024
Current tax:		
Current year	31.2	34.9
Prior year	(9.9)	0.6
Total current tax	21.3	35.5
Deferred tax:		
Current year	3.4	(32.8)
Prior year	16.9	(0.5)
Total deferred tax	20.3	(33.3)
Total tax charge	41.6	2.2

12. 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)
Net cash flows for the year for discontinued operations	(11.6)	(18.4)

13. Pension schemes

£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

14. Dividends

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).

15. 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

16. Net debt

£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
At 31 December 2024	72.4	349.4	–	421.8	(231.2)	654.6	845.2
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
31 December 2025	74.1	352.5	–	426.6	(426.9)	621.4	621.1

17. Cash flow metrics

£m	2025	2024
Loss before tax	(134.7)	(38.4)
Less: Net interest	38.1	40.7
Adjusting items	222.2	139.1
Amortisation of acquisition-related intangible assets	7.8	10.4
Profit on disposal of properties	(9.9)	(11.3)
Adjusted operating profit excluding property profits	123.5	140.5
Movement on working capital	135.1	5.5
Depreciation of property, plant and equipment	66.0	79.8
Amortisation and impairment of internally-generated intangibles	3.7	3.6
Share-based payments	7.7	11.7
Interest on lease liabilities	(29.7)	(29.6)
Other net interest paid	(20.2)	(19.5)
Income tax paid	(21.7)	(20.9)
Adjusted operating cash flow	264.4	171.1
Capital expenditure excluding freehold purchases	(60.2)	(63.8)
Disposal of plant and equipment	0.7	1.2
Free cash flow	204.9	108.5

18. Return on capital employed

Group return on 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 7)	133.4	151.8
Average capital employed	2,520.2	2,809.2
Return on capital employed	5.3%	5.4%

19. Net debt to adjusted EBITDA

£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