Travis Perkins plc

Annual Report
and Accounts
25

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

Leveraging scale

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.

1,400+ branches

c.17,000 colleagues

CONTENTS

Strategic report

Governance

Financial statements

Other information

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**

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_2e)
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

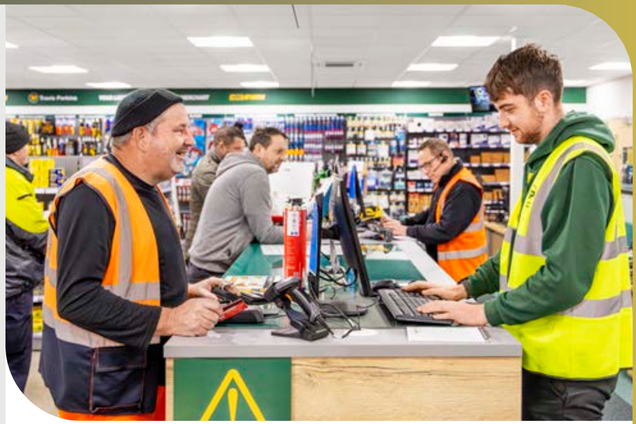
OVERVIEW

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

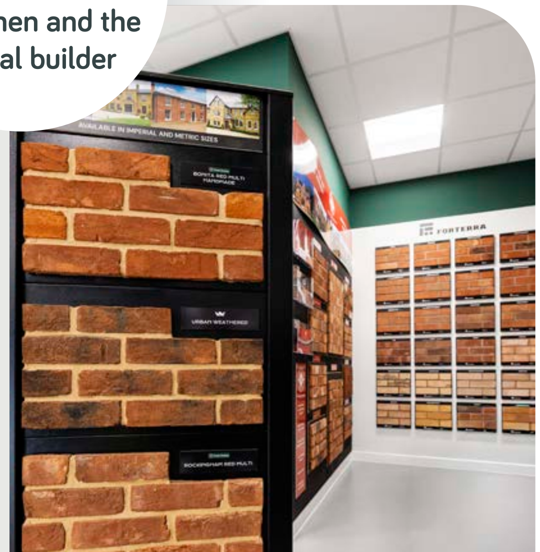
Best locations in the UK

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.

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.

BSS

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.

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.

CCF

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.

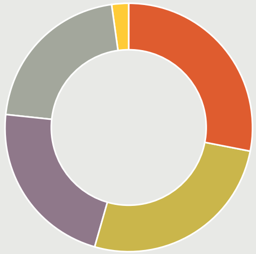
Toolstation

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.

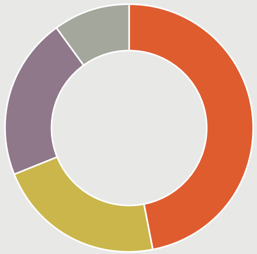
Serving the construction industry

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 Merchanting 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

Delivering for our customers

> 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

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

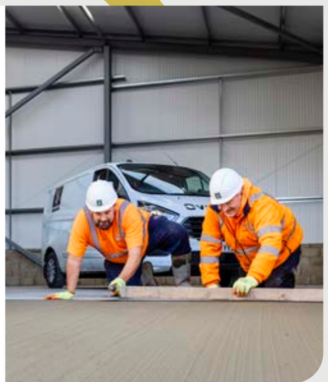
Market mix	Group revenue mix
18%	15%

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	Group revenue mix
26%	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	Group revenue mix
17%	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	Group revenue mix
39%	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

	BSS, CCF, Keyline, tf solutions	Travis Perkins	Toolstation
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

	BSS, CCF, Keyline, tf solutions	Travis Perkins	Toolstation
Strategic priorities	• Being the distributor of choice • Leading on infrastructure	• Hire • Managed Services • Benchmarx • General builder proposition	• Network roll-out • Ongoing digital development
Strategic initiatives	• Technical development • Data-led sales approach	• Operational efficiency • Network investment	• Customer, colleague and supplier propositions

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.

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.

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.

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_2e).

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	**4,565**	4,607	(0.9)%
Adjusted operating profit[1]	2a	**133**	152	(12.5)%
Adjusted earnings per share[1]	20b	**30.8p**	36.6p	(15.8)%
Return on capital employed[1]	26	**5.3%**	5.4%	(0.1)ppt
Net debt / adjusted EBITDA[1]	25	**2.1x**	2.5x	0.4x
Ordinary dividend per share	21	**12.0p**	14.5p	(17.2)%
Operating (loss)/profit		**(97)**	2	
Loss after tax		**(176)**	(77)	(128.6)%
Basic loss per share	20a	**(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.

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)**	–
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.

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	**£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

	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-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

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

3,000+ colleagues trained in our new Service Standards

We care about everyones 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.

Service drives us forward and safety brings us home.

Richard Lavin
Managing Director, Travis Perkins General Merchant

Stay Safe.

Merchanting in numbers

720+
Branches

12,000
Colleagues

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	**£843m**	£821m	2.7%
Life-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.

Revenue

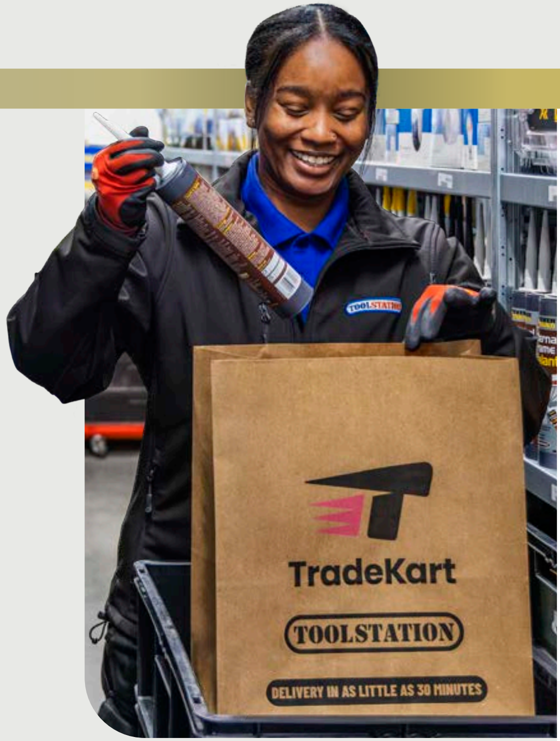
£843m

2024: £821m

Adjusted operating profit

£33m

2024: £21m



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

We pride ourselves on our Trustpilot rating of 4.6*

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").

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

Lakhvir Sanghera
Managing Director, Toolstation

Trustpilot

Toolstation in numbers

700+
Stores

5,300+
Colleagues

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%	**(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 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)
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.

FINANCIAL REVIEW CONTINUED

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 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.

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	–
Current tax payable on 2025 profits	**31.2**
Tax for 2025 to be paid in 2026	(3.8)
Tax refunds received in 2025 relating to years prior to 2025	(5.7)
Total net current taxes paid in 2025	**21.7**
Other taxes paid in 2025:	
Business rates	46.1
National Insurance contributions	53.9
Other taxes and duties	16.8
Total tax contribution for 2025	**124.9**
Tax collected in 2025:	
PAYE	70.1
Employee's NI	22.2
VAT	139.0
Total tax collected and paid for 2025	**369.8**

* 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.