

Genuit Group plc

Audited results for the year ended 31 December 2025

Disciplined strategy execution delivering continued growth in challenging market conditions

Genuit Group plc ('Genuit', the 'Company' or the 'Group'), the UK's largest provider of sustainable water and climate products and solutions for the built environment, today announces its audited results for the year ended 31 December 2025.

Financial Results	FY 2025	FY 2024	Change
Revenue (£m)	602.1	561.3	7.3%
Alternative Performance Measures¹			
Underlying operating profit (£m)	94.4	92.2	2.4%
Underlying operating margin (%)	15.7	16.4	(70 bps)
Underlying profit before tax (£m)	82.9	79.3	4.5%
Underlying earnings per share (basic - pence)	26.0	24.6	5.7%
Underlying operating cash conversion (%) ²	102.0	107.6	(560 bps)
Leverage (times pro-forma EBITDA) ³	1.5	0.9	0.6
Statutory Measures			
Operating profit (£m)	69.7	59.2	17.7%
Profit before tax (£m)	58.2	46.3	25.7%
Earnings per share (basic - pence)	18.2	13.5	34.8%
Cash generated from operations (£m)	114.1	115.5	(1.2%)
Dividend per share (pence)	12.9	12.5	3.2%

¹ Alternative performance measures (APMs) are used by the Group to assess the underlying performance of the business. A definition of all the APMs is set out in note 1 on page 24.

² Underlying operating cash conversion has been restated for both periods to a pre-capex and lease payments basis, previously calculated as underlying operating cash flow after payments for capital expenditure excluding non-underlying proceeds of sale and lease liabilities. The Group believes this is a more appropriate measure of cash conversion as it demonstrates working capital cash management efficiency before capital investment, and allows for alignment with the Group's strategic investment profile in the medium-term.

³ Pro-forma EBITDA is reconciled in note 14 on page 39.

Joe Vorih, Chief Executive Officer, said:

"Genuit has again demonstrated its ability to grow and outperform in challenging markets. Against a backdrop of subdued market activity, we delivered organic revenue growth, driven by the adoption of new solutions in structurally attractive segments and targeted market share gains.

We grew underlying profits year-on-year despite cost headwinds from National Insurance and National Living Wage increases. This reflects operational actions taken through the year, the growing impact of the Genuit Business System, and the contribution from recent bolt-on acquisitions. As expected, Group underlying margin strengthened in the second half.

Our strategy remains unchanged despite uncertain market conditions. We remain focused on operational excellence, exposure to sustainability-led growth drivers and disciplined, strategic bolt-on M&A. With a resilient portfolio, cash generative model and a strong balance sheet, we are well positioned to continue outperforming through the cycle."

Financial Highlights

- Full year revenue of £602.1m increased 7.3% year-on-year, including contribution from the acquisitions of Monodraught and Davidson Holdings; revenue rose 3.2% on a like-for-like basis, driven by the adoption of new solutions and targeted market share gains.
- Full year underlying operating profit of £94.4m was in line with expectations and increased by 2.4% year-on-year, broadly flat on a like-for-like basis.
- Full year underlying operating margin decreased by 70 bps to 15.7% (60 bps decrease on a like-for-like basis), impacted by National Insurance and National Living Wage increases; margin improvement in SBS offset softer margins in CMS and WMS.
- Second half underlying operating margin of 16.4% was 140 bps ahead of the first half, driving a 11.7% increase in underlying operating profit versus the first half and demonstrating continued margin progression despite headwinds.
- Reported operating profit of £69.7m (2024: £59.2m) increased 17.7% year-on-year due to higher gross profit and lower exceptional items.
- Continuous improvement through application of the Genuit Business System (GBS) once again delivered strong underlying operating cash generation of £126.4m pre-capex, representing 102.0% cash conversion on a pre-capex basis.
- Leverage of 1.5 times underlying pro-forma EBITDA at the year-end (2024: 0.9 times) includes the funding for two strategic bolt-on acquisitions completed in H2 2025.
- Underlying EPS increased by 5.7% to 26.0 pence.
- The Board is proposing a total dividend per share of 12.9 pence (2024: 12.5 pence), an increase of 3.2%, in line with the Group's progressive dividend policy and reflecting continued profit progression, a robust balance sheet and confidence in the Group's future prospects.

Divisional Simplification

- Following the end of 2025, Genuit further simplified its structure and will now manage the Group as two Divisions.
- The Water Division, led by Steve Currier, results from the combination of the SBS and WMS Business Units. This division will focus on products and solutions that address water distribution, conservation, collection and attenuation in a world experiencing increasingly extreme rainfall patterns. Growth and cost synergies are also targeted from this streamlining.
- The Climate Division, formerly CMS and led by Lee Mellor, will continue to focus on products and solutions that address ventilation and heating markets, supporting the transition to sustainable buildings with clean and healthy air and the adaptation of the built environment to higher temperatures.
- The rest of this document reports segments on the prior basis.

Business Unit Performance

• Climate Management Solutions (CMS)

- Revenue increased 10.7% to £178.9m (5.9% like-for-like), reflecting strong year-on-year growth in ventilation, more than offsetting softness in underfloor heating, with a resilient performance in water filtration.
- Underlying operating profit increased 1.7% to £24.4m on a reported basis at an underlying operating margin of 13.6% (2024: 14.9%). Growth in ventilation margins year-on-year and gains from GBS were partly offset by weaker margins from underfloor heating given lower volumes.

• Water Management Solutions (WMS)

- Revenue increased 5.3% to £169.5m (0.5% like-for-like), reflecting a resilient performance in

Civils, growth in blue-green roofs and in stormwater attenuation sales.

- Underlying operating profit decreased 29.4% to £9.6m on a reported basis at an underlying operating margin of 5.7% (2024: 8.5%), impacted by the National Insurance increase and a slow-moving inventory provision reported in H1.
- The implementation of price, cost and GBS actions resulted in a sequential increase in underlying operating margin from 4.6% in H1 to 6.7% in H2, with further benefits expected to drive continued margin expansion in 2026.

- **Sustainable Building Solutions (SBS)**

- Revenue increased 6.5% to £246.8m (3.3% like-for-like), driven by market share gains in drainage products and growth in commercial markets, more than offsetting soft market volumes in both new housebuilding and RMI markets which were adversely impacted in H2 by political and economic conditions.
- Underlying operating profit increased by 10.1% to £59.9m on a reported basis, at an underlying operating margin of 24.3% (2024: 23.5%), driven by improved operational gearing and cost management in the commercial segment, as well as productivity benefits across the Business Unit from GBS, which helped to offset the impacts of the National Insurance increase.

Strategic and operational highlights

Growth - Focusing on higher-growth, sustainability-driven markets, via organic growth and disciplined M&A opportunities.

With market volumes remaining soft in 2025 and adversely impacted in H2 by prevailing political and economic conditions, the Group's resilient performance reflects its continued focus on:

- **Higher growth market segments:** In CMS, ventilation sales grew by c.10% year-on-year, driven by the adoption of MVHR with cooling in multi-occupancy residential developments. In WMS, there was strong demand in the year for blue-green roofs, driven by urban re-greening and the need for biodiversity gains in urban environments. In SBS, the commercial segment grew by c.10%, supported by market share gains in drainage and demand for prefabricated 'low labour' solutions.
- **Targeted opportunities to grow market share:** SBS was awarded over £20m per annum of drainage business following the exit of a competitor from the UK market. SBS also increased its share of the merged Barratt Redrow developer business
- **End-markets with regulatory-driven growth drivers:** Residential ventilation sales benefited as landlords anticipated Awaab's Law. The latest regulated investment cycle within the water utility sector saw an increase in activity as the sector invests £104bn over the five-year cycle; the Group achieved initial framework wins in 2025 and expects increasing revenue through this cycle.
- **Disciplined M&A:** In H2 2025, Genuit completed the acquisitions of Monodraught and Davidson Holdings, both of which bring highly complementary product portfolios and an opportunity to leverage the Group's routes to market. Both acquisitions are on track to meet our Group profitability target and will be margin accretive in 2026.

Sustainability - Providing the lowest-carbon choice for our customers and maximising exposure to structural growth drivers.

- Continued improvement on reducing scopes 1 & 2 carbon intensity to 0.105 tCO₂e per tonne of production (2024: 0.124 tCO₂e).
- The Group's strong position in recycle use continues with recycled materials forming 50.6% of polymer inputs (2024: 52.0%) enabling customers to cost-effectively de-carbonise the built environment.

Genuit Business System - Creating value and growth through lean transformation and operational excellence.

- Over 75 GBS kaizen events held in 2025 (2024: circa 20), driving improvements in productivity, capacity utilisation, working capital, and customer centricity.
- GBS growth marketing toolkit developed to provide a structured approach to market analysis, market expansion, and the generation of deeper customer insights to drive innovation.
- Over 90% of the Genuit Leadership Team have now participated in GBS kaizen events and 23% of total employees have also participated in lean kaizen events or training.

People and Culture – Creating value and enabling growth through the capability, expertise and development of our employees.

- Continued investment in accredited Earn and Learn programmes for employees, with 18.9% of UK colleagues participating as we improve our commitment to The 5% Club (2024: 18.5%).
- The Group promoted 94 colleagues during 2025 of which c.40% were female. A third of senior leadership positions are held by women, reflecting a continued commitment to diversity and inclusion in the construction industry.

Outlook

- Subdued market conditions in Q4 2025 have continued into Q1 2026 as expected, albeit with some positive signs on order intake.
- Prolonged wet weather has impacted construction site activity in January and February.
- The potential business impact of the evolving situation in the Middle East, including any wider macroeconomic or geopolitical effects, is difficult to assess at this time.
- The Group is targeting continued market outperformance by focusing on higher growth segments, regardless of macroconditions.
- Further progress with the Genuit Business System is strengthening the business through continuous improvement.
- We are confident in achieving our medium-term targets and with a strong balance sheet, the Group will continue to invest for the future.

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A copy of this report will be available on our website www.genuitgroup.com today from 0700hrs (BST).

A live webcast of the Final Results presentation, hosted by Joe Vorih, Chief Executive Officer, and Tim Pullen, Chief Financial Officer, will be broadcast at 0830 on Tuesday 10 March 2026. To access

the live presentation on that date, participants will be required to register in advance using the following webcast link:

<https://www.investis-live.com/genuit-group/6989c99ce7583500133b1b3b/ksngt>

We recommend you register by 0815hrs (GMT). The webcast will be recorded, and a replay will be available shortly after the webcast ends via the same link above. A recording of the presentation and a copy of the slides will be available following the event on the Company's website at [Results, Reports & Presentations - Genuit Group plc](#)

Notes to Editors:

About Genuit Group plc

Genuit Group plc is the UK's largest provider of sustainable water and climate management products for the built environment. Genuit's solutions enable customers to mitigate and adapt to the effects of climate change, while meeting evolving sustainability regulations and standards.

The Group delivers its *Sustainable Solutions for Growth* strategy via two divisions:

Climate – low carbon heating and cooling systems, and clean and healthy air ventilation.

Water– products and solutions for water distribution, conservation, storage and attenuation.

Genuit's portfolio includes some of the industry's most established and innovative brands, including Polypipe, Nuair and Adey.

The Group serves built environment markets with strong climate-related growth drivers, primarily in the UK and with an increasing focus on international diversification.

Chief Executive Officer Review

Our Results: Outperformed subdued markets

During 2025, Genuit continued to deliver on its Sustainable Solutions for Growth strategy, enabling another year of steady progress despite tough market conditions. By harnessing the strength of our Group, we made targeted market share gains and expanded our product and solution offering through range launches and acquisitions. We continued to focus on operational excellence, including through the deployment of the Genuit Business System (GBS), investing in our people and reducing our carbon footprint - all of which has helped to strengthen our position going into 2026. I would like to take this opportunity to thank our Genuit Leadership Team and our 3,274 colleagues for their hard work and dedication in delivering this performance.

After a promising first half of 2025, market volumes were adversely impacted in the second half by uncertainty surrounding the UK Government Budget. This uncertainty impacted business and consumer confidence and contributed to a reduction in volumes year-on-year, particularly in the fourth quarter. Despite this, the Group benefited from its focus on higher growth segments of the construction market, including residential ventilation and blue-green roofs, which helped to offset softness in core residential newbuild and RMI markets.

Against this backdrop, the Group continued to outperform the market, with an organic revenue increase of 3.2% and growth in underlying profits, despite cost headwinds. Our annual underlying operating profit increased to £94.4m from £92.2m on a reported basis, including the contribution of recent bolt-on acquisitions, and was broadly flat on a like-for-like basis.

Our ongoing Group-wide deployment of GBS has contributed lean productivity and efficiency savings, which have helped partially offset the impact of National Insurance and National Living Wage increases. As expected, second half margins were higher than the first half and, as a result of further price and cost actions taken in the second half, we will continue to make progress towards our medium-term margin target. With strong operational gearing and sufficient available capacity to increase production by c.25%, the Group is well-positioned to support a material increase in construction activity.

Underlying operating cash conversion was strong at 102.0%, which exceeds our over 90% medium-term target. Net debt to underlying pro-forma EBITDA as at the end of December 2025 was 1.5 times following our acquisitions in 2025, with both cash conversion and net debt levels enabling us to continue investing in long-term growth.

In line with the Group's progressive dividend policy, we are pleased to be able to propose an increase in our full-year dividend to 12.9 pence per share, reflecting continued profit progression, a robust balance sheet and confidence in the Group's future prospects.

Our Strategy: Sustainable Solutions for Growth

Our Sustainable Solutions for Growth strategy is built around four key pillars:

- **Growth** - Focusing on higher-growth, sustainability-driven markets, via organic growth and disciplined bolt-on M&A opportunities.
- **Sustainability** – Providing the lowest-carbon choice for our customers and maximising exposure to structural growth drivers.
- **Genuit Business System**- Creating value and growth through lean transformation, operational excellence and continuous improvement.
- **People and Culture** – Creating value and enabling growth through the diversity, capability, expertise and development of our employees.

Growth

Genuit is focused on markets with sustainability-linked growth drivers, supporting customers to mitigate climate change and adapt to its effects. Our portfolio of low-carbon, labour-saving and energy-efficient

solutions, spanning heating, cooling, ventilation and water management, underpins our growth strategy.

The Group delivered organic revenue growth in the year, despite the softness in the UK construction sector, benefiting from its exposure to higher growth market segments, and supported by the adoption of new solutions and targeted market share gains.

Ventilation sales were particularly encouraging in the year, driven by the adoption of MVHR with cooling in multi-occupancy residential developments and as landlord's anticipated the introduction of Awaab's Law. There was also strong demand for blue-green roofs, driven by the need for biodiversity gains in urban environments, and for prefabricated 'low labour' solutions – particularly in commercial building.

We achieved market share gains in our drainage portfolio, taking advantage of the exit of a competitor from the UK market and winning a greater share of the merged Barratt Redrow business, the full impact of which will be realised in 2026. We hold number one or two positions in key segments with clear scope to expand further. This reflects our strong brand recognition which, combined with the launch of tiered product ranges, has further strengthened our market position. We remain focused on leading the market with innovation that drives sustainability in the built environment.

Our end markets continue to benefit from legislative tailwinds, including the Future Homes Standard, the Warm Homes Plan and the transition from CF21 to CF25 in schools, providing structural growth opportunities across key product ranges such as MVHR and underfloor heating. Evolving regulation addressing damp and mould in social housing, schools and hospitals is also imperative to drive better ventilation. In addition, the AMP8 regulatory cycle is driving opportunities as the water utility sector invests £104bn over a five-year period; Genuit achieved initial framework wins in 2025 and expects increasing revenue through the AMP8 cycle.

Complementing a strong organic pipeline, Genuit has also continued to strengthen its portfolio via bolt-on M&A, taking a disciplined, value-led approach.

In August and September 2025, we welcomed new colleagues from two acquisitions, Monodraught and Davidson Holdings, both of which bring highly complementary product portfolios and an opportunity to leverage the Group's routes to market, as well as having clear pathways to meet our Group profitability target.

Monodraught was acquired for an enterprise value of £55.6m on a debt-free and cash-free basis, and was funded through existing facilities. It is a UK leader in sustainable ventilation cooling and heating solutions for new and refurbished commercial buildings with a strong presence in education and now forms part of our Climate Division. The business is highly complementary to Nuaire and Domus, with minimal overlap, and provides clear opportunities to leverage the Group's scale and routes to market as well as leverage broader solutions powered by their proprietary Acuity controls.

Davidson Holdings was acquired for an enterprise value of £49.0m, also on a debt-free and cash-free basis and funded through existing facilities. Its leading plumbing and heating brands, which include Salamander, Cistermiser & Keraflo and Talon, hold strong positions in the UK RMI markets across residential and commercial sectors. The portfolio aligns with our sustainability-led growth drivers, particularly water conservation and efficiency, and now forms part of our Water Division. We see clear revenue synergies through leveraging Genuit's routes to market, demand creation and specification selling model.

We remain active in pursuing further bolt-on, strategic acquisitions that enhance organic growth potential and support long-term shareholder returns.

Sustainability

There is an increasing need for climate mitigation and adaptation solutions to meet the urgent challenges facing our infrastructure, buildings, communities and planet. This is demonstrated by an increase in the prevalence of extreme weather events and addressed by both established and emerging legal and regulatory frameworks.

Sustainability is at the heart of our business, and the Group remains focused on sustainability-driven growth, enabling the built environment to respond to climate adaptation and mitigation challenges, whilst staying committed to reducing our overall impact on the environment.

During 2025, we published our second Group Sustainability Report which enhanced our sustainability disclosures and showcased our progress in improving our performance across a wide range of sustainability topics.

We continue to lead the industry as the largest user of recycled polymers, at over 50% of our total

tonnage in the year and we have held the Green Economy Mark since 2019 with over 75% green revenues.

We achieved a 11.0% reduction in carbon emissions across scopes 1 and 2 (market-based) and a 9.9% decrease in scope 3: category 1 (purchased goods and services), supporting our customers who are increasingly focused on the environmental impact of their supply chain.

During the year we increased by nearly fourfold our use of biodiesel in our HGV fleet to 385,789 litres in 2025 (2024: 105,564 litres), enabling strong carbon reductions against scope 1 emissions.

We have continued to accelerate our adoption of Environmental Product Declarations (EPDs) with 57% revenue coverage at year end.

Our ambition is to be the lowest-carbon choice for our customers to maximise exposure to structural growth drivers. During 2025 we undertook an assessment comparing our EPD values to those of key competitors. Of more than 540 carbon comparisons performed, Genuit's products were the lowest-carbon option in 64% of instances.

Further, we continued to improve reducing scopes 1 and 2 carbon intensity, on a rolling twelve-month basis, to 0.105 tCO_{2e} per tonne of production (2024: 0.124 tCO_{2e}).

Public disclosure is a cornerstone of responsible manufacturing and business practices, and we continued to enhance our disclosures with CDP, S&P CSA Global and EcoVadis along with other ratings and disclosure agencies.

Genuit Business System

In 2025, 93% of our Genuit Leadership Team (GLT) participated in kaizen events. This action contributes to meaningful operational improvements and provides hands-on experience with GBS methodologies.

During the year, the Group saw strong adoption of Daily Management practices, with over 50% of our sites now using Daily Management tools to evaluate performance and engage the workforce in resolving issues at source. This structured approach provides clarity for colleagues at every level, supports better decision-making and reinforces a culture where continuous improvement becomes part of day-to-day work.

In 2025, the Group broadened the scope of kaizen events to focus on strategic workstreams and realise further operational efficiencies, like more effective strategy deployment across its Business Units, and the launch of a series of growth tools including market-mapping with our marketing, sales and product development teams.

People and Culture

In 2025, we ran two 'Your Voice' engagement surveys for our colleagues; a pulse survey with a reduced question set in April, and a full survey in October. The Group had an increase in overall engagement from 7.0 in 2024 to 7.1 in 2025.

Feedback from our Your Voice survey made it clear that colleagues want more opportunities to grow, progress, and make an impact. We now have 70 colleagues who have completed our Genuit Leadership Programme (GLP), designed to create empowered, skilled leaders who lead and inspire their teams to success. We are also proud of our continued achievement of Gold member status of The 5% Club, with 18.9% of our UK colleagues in recognised Earn & Learn programmes across several levels and disciplines.

In September 2025, we took a major step forward in how we connect as a business. When Meta retired Workplace, we seized the opportunity to unify our communications and strengthen collaboration across Genuit. We successfully transitioned everyone to Microsoft Viva Engage, extending the power of Teams and SharePoint to all colleagues, whether on a PC, shared device or personal device.

We are continually working to create an environment where all employees can be their authentic selves and in 2025 we proudly launched five new diversity and inclusion colleague networks. Each network is led and managed by passionate colleagues, with a dedicated chair and co-chair who meet regularly with our Chief People Officer. The networks are open to everyone, fostering allyship and understanding across our business.

Summary

Since launching our Sustainable Solutions for Growth strategy in November 2022, we have continued to lay the foundation for growth and success, while making solid progress towards our medium-term targets. We have a better-led, more engaged and inclusive team and GBS to share best practices and drive continuous improvement, creating a leaner, more agile and streamlined business than ever before. We remain focused on higher-growth, sustainability-led markets augmented by strategic bolt-on acquisitions that add solution depth and scale.

The strong progress we made as a Group on simplifying our organisational structures over the past four years has helped unlock more opportunity. As a further simplification, we took the decision to move to a two divisional structure from the beginning of 2026. This allows us to focus on two segments, Climate and Water, enabling the Group to deliver even more value to our customers and optimise synergies to reinvest in growth for the future.

As a result, the Group is well positioned for market recovery following a solid performance in 2025 as we delivered above-market organic growth and increased profits through operational excellence and balanced price and cost management despite the previously mentioned labour cost headwinds.

Whilst market conditions have been uncertain, the team at Genuit have continued to strive for excellence as 'Together, we create sustainable living'. The commitment and dedication of all of our colleagues underpins the Group's success and I thank them for all their hard work.

Group Results

Revenue and profitability

Group revenue for the year ended 31 December 2025 was £602.1m (2024: £561.3m), which was an increase of 7.3% year-on-year. On a like-for-like basis, excluding the impact of 2024 and 2025 acquisitions, revenue was 3.2% higher than prior year. For the year, UK revenue increased 7.4% and international revenue increased by 6.0%, the latter representing 10.9% of revenue in the year (2024: 11.0%). Second-half revenue increased 5.3% year-on-year (0.4% increase excluding August and September 2025 acquisitions) following a 9.3% increase in the first half, reflecting the decrease in market activity in the lead up to the UK Government Budget.

Underlying operating profit was £94.4m (2024: £92.2m), an increase of 2.4% on a reported basis (0.4% reduction like-for-like), supported by the growth in revenue but offset by National Insurance headwinds, and some margin softness in WMS and CMS. The Group's underlying operating margin decreased by 70 basis points to 15.7% (2024: 16.4%) as a result.

Profit before tax was £58.2m (2024: £46.3m), an increase of 25.7%.

The Group continued to invest in product development and innovation throughout the year. In 2025, operating profit benefited from £1.6m of HMRC approved Research and Development expenditure credit (2024: £1.5m).

Underlying profit after tax was higher than the prior year at £64.6m (2024: £61.1m). Underlying basic earnings per share increased by 5.7% to 26.0 pence (2024: 24.6 pence).

Including non-underlying items, profit after tax was £45.2m (2024: £33.5m), and basic earnings per share was 18.2 pence (2024: 13.5 pence).

Revenue, operating profit and margin	2025 £m	2024 £m	Change %
Revenue	602.1	561.3	7.3
Underlying operating profit	94.4	92.2	2.4
Underlying operating margin	15.7%	16.4%	(70 bps)

Revenue by geographic destination	2025 £m	2024 £m	Change %
UK	536.4	499.3	7.4
Europe	35.7	32.9	8.5
Rest of World	30.0	29.1	3.1
Group	602.1	561.3	7.3

Revenue	2025 £m	2024 £m	Change %	LFL Change %
Climate Management Solutions	178.9	161.6	10.7	5.9
Water Management Solutions	169.5	160.9	5.3	0.5
Sustainable Building Solutions	246.8	231.7	6.5	3.3
	595.2	554.2	7.4	3.2
Other*	6.9	7.1	(2.8)	(2.8)
Total Group	602.1	561.3	7.3	3.2

* Relates to Polypipe Italia SRL which does not form part of the Group's strategic Business Units in 2024 and 2025 but will form part of the Water Division for 2026 onwards.

Underlying operating profit	2025 £m	ROS* %	2024 £m	ROS* %	Change bps
Climate Management Solutions	24.4	13.6	24.0	14.9	(130)
Water Management Solutions	9.6	5.7	13.6	8.5	(280)
Sustainable Building Solutions	59.9	24.3	54.4	23.5	80
	93.9	15.8	92.0	16.6	(80)
Other**	0.5	7.2	0.2	2.8	440
Total Group	94.4	15.7	92.2	16.4	(70)

* Return on sales (ROS) is equivalent to underlying operating margin (underlying operating profit/revenue).

** Relates to Polypipe Italia SRL which does not form part of the Group's strategic Business Units in 2024 and 2025 but will form part of the Water Division for 2026 onwards.

Business Unit Review

Climate Management Solutions

The Climate Management Solutions (CMS) Business Unit is focused on addressing the need for clean healthy air and low carbon heating and cooling.

Revenue of £178.9m (2024: £161.6m) in CMS increased by 10.7% versus 2024 (5.9% on a like-for-like basis) reflecting strong year-on-year growth in ventilation, more than offsetting softness in underfloor heating, with a resilient performance in water filtration.

CMS reported an underlying operating margin of 13.6% in 2025, 130 basis points lower than 2024. Growth in ventilation margins year-on-year and gains from GBS in water filtration were offset by lower margins from underfloor heating.

Integration of the Monodraught ventilation business (acquired August 2025) is proceeding well with a focus on go-to-market strategy and sales synergies. Monodraught is a market leader in hybrid ventilation systems and is positioned to capitalise on regulatory and structural drivers related to energy efficiency and cleaner, healthier air in the nation's schools and higher educational establishments.

Going forward, the Group will refer to this segment as the Climate Division. The Climate Division will benefit from the evolution in regulations and standards for homes and buildings that aim to de-carbonise the built environment and adapt to climate change.

Water Management Solutions

The Water Management Solutions (WMS) Business Unit enables the upgrade of the stormwater and wastewater infrastructure to adapt to increasingly extreme rainfall patterns and address the demand for re-greening urban areas and increasing biodiversity.

Revenue of £169.5m (2024: £160.9m) in WMS increased by 5.3% versus 2024 (0.5% on a like-for-like basis) reflecting a resilient performance in civils, growth in blue-green roofs and stormwater attenuation

sales.

WMS reported an underlying operating margin of 5.7% during the year, representing a 280 basis points decline versus prior year, but with margin increasing from 4.6% in H1 to 6.7% in H2 as a result of pricing and cost actions as well as the deployment of GBS productivity improvements.

The WMS medium-term growth strategy is underpinned by focused commercial activity and product solutions. Going forward in 2026, WMS will be reported as part of the Water Division. The combined Water Division expects to benefit from changes in water management, biodiversity legislation, more effective rainwater collection and reuse, and attenuation of flooding and stormwater runoff in an environment where extreme rainfall events are more prevalent than ever.

Sustainable Building Solutions

The Sustainable Building Solutions (SBS) Business Unit provides its customers with a range of market-leading products in plumbing and water supply, drainage and other building accessories which enable the decarbonisation of the built environment, the collection and conservation of water in an environment of increasing scarcity and provides solutions that reduce labour requirements in an economy where skills shortages are prevalent.

SBS delivered revenue of £246.8m (2024: £231.7m), 6.5% higher than prior year (3.3% on a like-for-like basis).

Despite market-driven volume challenges, underlying operating profit margin improved by 80 basis points, driven primarily by effective cost management and the impact of GBS projects on productivity and efficiency.

Integration of the acquired Davidson Holdings businesses is proceeding well and the three acquired businesses are expected to generate over 20% underlying operating profit in 2026, in line with the Group's medium-term profit target.

Going forward, SBS will be reported as part of the newly formed Water Division.

Acquisitions

Monodraught

On 29 August 2025, the Group acquired 100% of the voting rights and shares of Monodraught Topco Limited ('Monodraught') for an enterprise value of £55.6m on a debt-free and cash-free basis, fully funded via the Group's existing debt facilities. Monodraught is a UK market leader in solutions covering the design, manufacture, commission and maintenance of sustainable ventilation, cooling and heating solutions for new and refurbished commercial buildings, with advanced controls and data management capability and a strong presence in the education sector.

Davidson Holdings

On 26 September 2025, the Group acquired 100% of the voting rights and shares of Davidson Holdings Limited ('Davidson'), a group of three businesses, for an enterprise value of £49.0m on a debt-free and cash-free basis, fully funded via the Group's existing debt facilities. The businesses comprise leading brands in the plumbing and heating sectors including Salamander, Cistermiser & Keraflo and Talon. These brands have strong market positions, primarily in the UK repair, maintenance and improvement sectors of the residential and commercial segments, and benefit from sustainability-led growth drivers.

Non-underlying items

Non-underlying items decreased to £24.7m (2024: £33.0m) before tax. These included non-cash amortisation of £13.7m (2024: £14.4m), restructuring costs of £5.1m to complete targeted actions to increase the efficiency of operations and reduce the cost base, and acquisition costs of £3.1m. The prior year included non-cash impairment charges of £12.4m in respect of the Adey business which had encountered prolonged delays to recovery in market conditions, and no further impairment has been identified in the current year.

In November 2025, the Group began a process to divest Polydeck Limited within the next 12 months and therefore this business is held-for-sale as at 31 December 2025. This resulted in a one-off Polydeck customer relationship impairment of £1.2m and a fair value adjustment of £0.3m to property, plant and equipment.

The Group incurred £1.3m of costs associated with cloud-based systems transformation. The Group expects this investment to increase in coming years as it modernises core systems and transforms the management of data, with the goal of transforming operational efficiency and productivity, in combination with GBS and enabling future artificial intelligence (AI) based automation.

Non-underlying items comprised:

	2025 £m	2024 £m
Amortisation of intangible assets	13.7	14.4
Impairment of goodwill	-	12.4
Impairment of intangible assets held-for-sale	1.2	-
Impairment of property, plant and equipment held-for-sale	0.3	-
Impairment of right-of-use property	0.2	-
Unwind of inventory fair value adjustments	1.5	-
Restructuring costs	5.1	1.8
Acquisition related costs	3.1	1.1
Systems and transformation costs	1.3	1.1
Software supplier dispute	-	4.3
Employment matters	-	(1.1)
Product liability claim	(0.2)	0.1
Profit on disposal of property, plant and equipment	(1.5)	(1.1)
Non-underlying items before taxation	24.7	33.0
Tax effect on non-underlying items	(5.3)	(5.4)
Non-underlying items after taxation	19.4	27.6

Exchange rates

The Group trades predominantly in Sterling but has some revenue and costs in other currencies, mainly the US Dollar and the Euro, and takes appropriate forward cover on these cash flows using forward currency derivative contracts in accordance with its hedging policy.

Finance costs

Underlying net finance costs decreased to £11.5m (2024: £12.9m) primarily due to lower interest rates during 2025 than 2024, offset by higher net debt post August 2025 due to acquisitions. Group net debt excluding lease liabilities increased from £101.6m as at 31 December 2024 to £179.3m as at 31 December 2025, with a corresponding increase in net debt to EBITDA leverage from 0.9 times to 1.5 times. Interest cover was 9.7 times for the year (2024: 8.3 times).

During the year interest was payable on the RCF at SONIA plus an interest rate margin ranging from 1.425% to 1.825%. The interest rate margin at 31 December 2025 was 1.825% (2024: 1.625%).

Pensions

The Group does not have any defined benefit pension schemes and only has defined contribution pension arrangements in place. Pension costs for the year amounted to £9.1m (2024: £6.3m) reflecting the full year impact of the introduction of a salary sacrifice scheme in July 2024 and increased up-take enhancing our employee value proposition.

Taxation

Underlying taxation

The underlying tax charge in 2025 was £18.3m (2024: £18.2m) representing an effective tax rate of 22.1% (2024: 23.0%). This was below the composite UK standard tax rate of 25.0% (2024: 25.0%) due to the benefit of Patent Box relief.

Taxation on non-underlying items

The non-underlying taxation credit of £5.3m (2024: £5.4m) represents an effective rate of 21.5% (2024: 16.4%).

Earnings per share

	2025 Pence	2024 Pence
Basic	18.2	13.5
Underlying basic	26.0	24.6
Diluted	17.8	13.3
Underlying diluted	25.4	24.3

The Directors consider that the underlying basic earnings per share (EPS) measure provides a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in our financial performance.

Underlying basic EPS increased by 5.7% in 2025.

Dividend

The final dividend of 8.7 pence (2024: 8.4 pence) per share is being recommended for payment on 3 June 2026 to shareholders on the register at the close of business on 1 May 2026, in line with the Group's progressive dividend policy. The ex-dividend date will be 30 April 2026. The full year dividend of 12.9 pence per share reflects the strength of the balance sheet and the Board's confidence in the Group's medium-term strategy.

The Group aims to pay a progressive dividend, based on dividend cover of 2.0 times or greater, over the business cycle. The Directors intend that the Group will pay the total annual dividend in two tranches, an interim dividend and a final dividend, announced at the time of publication of the interim and preliminary results.

Balance sheet

The Group's balance sheet is summarised below:

	2025 £m	2024 £m
Property, plant and equipment	191.4	183.7
Right-of-use assets	29.1	27.0
Goodwill	509.6	451.5
Other intangible assets	163.4	128.7
Net working capital	33.8	27.3
Taxation	(57.2)	(45.8)
Other current and non-current assets and liabilities	0.9	(0.2)
Net debt (loans and borrowings, and lease liabilities, net of cash and cash equivalents)	(208.1)	(129.2)
Net assets	662.9	643.0

The net value of property, plant and equipment has increased by £7.7m with continued investment in targeted capital expenditure.

Cash flow and net debt

The Group's cash flow statement is summarised below:

	2025 £m	2024 £m
Operating cash flows before movement in net working capital	112.5	106.5
Add back non-underlying cash items	12.3	12.7
Underlying operating cash flows before movement in net working capital	124.8	119.2
Movement in net working capital	1.6	9.0
Underlying cash generated from operations (before net capital expenditure)	126.4	128.2
Net capital expenditure excluding non-underlying proceeds of sale	(29.7)	(26.0)
Settlement of lease liabilities	(9.6)	(10.6)
Underlying cash generated from operations after net capital expenditure excluding non-underlying proceeds of sale	87.1	91.6
Income tax paid	(11.9)	(10.4)
Interest paid	(9.7)	(11.4)
Interest received	0.9	-
Non-underlying proceeds of sale	2.1	4.9
Other non-underlying cash items	(12.3)	(12.7)
Settlement of deferred and contingent consideration	-	(1.6)
Debt issue costs	(0.4)	-
Acquisition of businesses net of cash at acquisition	(105.6)	(5.2)
Dividends paid	(31.3)	(30.8)
Proceeds from exercise of share options net of purchase of own shares	3.8	0.8
Other	(0.4)	(0.9)
Movement in net debt – excluding IFRS 16	(77.7)	24.3
Movement in IFRS 16	(1.2)	(3.3)
Movement in net debt – including IFRS 16	(78.9)	21.0

Delivery of strong cash generation remains core to the Group's strategy. The Group's pre-capex underlying operating cash conversion was 102.0% (2024: 107.6%) calculated as underlying operating cash flow divided by underlying EBITDA.

A positive working capital movement in the year was achieved through lower levels of inventory and improved debtor position, achieved through strategic buying and improvements generated by GBS. In 2026, the Group will focus on continuing to achieve over 90% pre-capex operating cash conversion.

Net capital expenditure investment (excluding non-underlying proceeds of sale) increased to £29.7m (2024: £26.0m). The Group has continued to focus on investing in targeted manufacturing facility development, capacity and key strategic and innovative projects.

Financing

Net debt of £208.1m (2024: £129.2m) comprised:

	2025 £m	2024 £m
Bank borrowings	(225.0)	(146.5)
Cash and cash equivalents	44.8	43.6
Net debt (excluding unamortised debt issue costs)	(180.2)	(102.9)
Unamortised debt issue costs	0.9	1.3
IFRS 16	(28.8)	(27.6)
Net debt	(208.1)	(129.2)
Net debt (excluding IFRS 16 and unamortised debt issue costs): pro-forma EBITDA	1.5	0.9

On 22 July 2025, the Group exercised the option to extend the Sustainability-Linked Revolving Credit Facility (RCF) to 9 August 2028, securing a facility of £310.3m to August 2027 and £285.6m to August 2028, with an uncommitted accordion facility of up to £50.0m. Subsequently an agreement was signed on 25 September 2025 that increased the committed RCF facility to £350.0m for the term. At 31 December 2025, the amount drawn on the RCF was £175.0m (2024: £121.5m).

On 24 September 2025, the Note Purchase and Private Shelf Agreement originally dated 10 August 2022 was amended and restated, extending the uncommitted facility to 9 August 2028 for an amount of \$180.0m, c.£133m (previously £125.0m). The Group has £25.0m issued loan notes from the original agreement dated 10 August 2022 with a repayment date of 9 August 2029, and on 20 October 2025, a further £25.0m of loan notes were issued from the amended shelf agreement, with a repayment date of 20 October 2032, leaving an uncommitted facility of c.\$145m at 31 December 2025 (c.£107m).

The Group is subject to two financial covenants. At 31 December 2025, there was significant headroom. Facility interest cover and net debt to EBITDA (leverage) covenants were comfortably achieved:

Covenant	Covenant requirement	Position at 31 December 2025
Interest cover	>4.0:1	9.7:1
Leverage	<3.0:1	1.5:1

Going concern

The Group continues to meet its day-to-day working capital and other funding requirements through a combination of long-term funding and cash deposits. The Group's bank financing facilities consist of a £350.0m Sustainability-Linked RCF until August 2028, with an uncommitted accordion facility of up to £50.0m. In addition, there are two seven-year private placement loan notes of £25.0m each, with an uncommitted c.£107m shelf facility. At 31 December 2025, liquidity headroom (cash and undrawn committed banking facilities) was £219.8m (2024: £272.1m).

The Group's focus will continue to be on de-leveraging, and its net debt to EBITDA ratio stood at 1.5 times pro-forma EBITDA at 31 December 2025 (2024: 0.9 times). This headroom means the Group is well positioned with a strong balance sheet.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue in operational existence for a period of at least the next 22 months to 31 December 2027. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Forward-looking statements

This report contains various forward-looking statements that reflect management's current views with respect to future events and financial and operational performance. These forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the Group's control, and which may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. All statements (including forward-looking statements) contained herein are made and reflect knowledge and information available as of the date of preparation of this report and the Group disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this report should be construed as a profit forecast.

Directors' Responsibilities

Each of the Directors confirms that, to the best of their knowledge, the consolidated financial statements, prepared in accordance with UK-Adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and undertakings included in the consolidation taken as a whole; and the Group Results, Chief Executive Officer Review and Business Unit Review includes a fair review of the development and performance of the business and the position of the Group and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Annual General Meeting

The Annual General Meeting is scheduled to be held on 22 May 2026.

By order of the Board:

Joe Vorih

Chief Executive Officer

Tim Pullen

Chief Financial Officer

Group Income Statement for the year ended 31 December 2025

	Notes	2025			2024		
		Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
Revenue	2	602.1	-	602.1	561.3	-	561.3
Cost of sales		(335.7)	(1.3)	(337.0)	(311.5)	1.0	(310.5)
Gross profit		266.4	(1.3)	265.1	249.8	1.0	250.8
Selling and distribution costs		(81.3)	-	(81.3)	(75.2)	-	(75.2)
Administration expenses		(89.9)	(8.5)	(98.4)	(81.7)	(7.2)	(88.9)
Amortisation of intangible assets		(0.8)	(13.7)	(14.5)	(0.7)	(14.4)	(15.1)
Impairment of intangible assets		-	(1.2)	(1.2)	-	-	-
Impairment of goodwill		-	-	-	-	(12.4)	(12.4)
Operating profit	2	94.4	(24.7)	69.7	92.2	(33.0)	59.2
Finance costs	5	(12.4)	-	(12.4)	(12.9)	-	(12.9)
Finance revenue	5	0.9	-	0.9	-	-	-
Profit before tax		82.9	(24.7)	58.2	79.3	(33.0)	46.3
Income tax	6	(18.3)	5.3	(13.0)	(18.2)	5.4	(12.8)
Profit for the year attributable to the owners of the parent company		64.6	(19.4)	45.2	61.1	(27.6)	33.5
Basic earnings per share (pence)	7			18.2			13.5
Diluted earnings per share (pence)	7			17.8			13.3
Dividend per share (pence) – interim	8			4.2			4.1
Dividend per share (pence) – final	8			8.7			8.4
				12.9			12.5

Non-underlying items are presented separately and are detailed in note 4.

Group Statement of Comprehensive Income for the year ended 31 December 2025

	2025 £m	2024 £m
Profit for the year	45.2	33.5
Other comprehensive (expense)/income:		
Items which may in the future be reclassified to the income statement:		
Effective portion of changes in fair value of forward foreign currency derivatives	0.2	(0.3)
Effective portion of changes in fair value of interest rate derivatives	(0.5)	0.1
Exchange differences on translation of foreign operations	-	(0.1)
Other comprehensive expense for the year net of tax	(0.3)	(0.3)
Total comprehensive income for the year	44.9	33.2

Group Balance Sheet at 31 December 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment	9	191.4	183.7
Right-of-use assets	10	29.1	27.0
Intangible assets	11	673.0	580.2
Total non-current assets		893.5	790.9
Current assets			
Inventories		69.6	73.5
Trade and other receivables		89.0	81.8
Income tax receivable		3.6	3.2
Cash and cash equivalents		44.8	43.6
Assets held-for-sale	13	1.1	-
Total current assets		208.1	202.1
Total assets		1,101.6	993.0
Current liabilities			
Trade and other payables		(124.8)	(128.2)
Lease liabilities	10	(9.9)	(7.4)
Liabilities held-for-sale	13	(0.2)	-
Total current liabilities		(134.9)	(135.6)
Non-current liabilities			
Loans and borrowings	14	(224.1)	(145.2)
Lease liabilities	10	(18.9)	(20.2)
Deferred income tax liabilities		(60.8)	(49.0)
Total non-current liabilities		(303.8)	(214.4)
Total liabilities		(438.7)	(350.0)
Net assets		662.9	643.0
Capital and reserves			
Equity share capital		0.3	0.2
Share premium		97.4	93.6
Capital redemption reserve		1.1	1.1
Hedging reserve		(0.4)	(0.1)
Foreign currency retranslation reserve		(0.2)	(0.2)
Other reserves		116.5	116.5
Retained earnings		448.2	431.9
Total equity		662.9	643.0

Group Statement of Changes in Equity for the year ended 31 December 2025

	Equity share capital £m	Share premium £m	Capital redemption reserve £m	Hedging reserve £m	Foreign currency retranslation reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
At 31 December 2024	0.2	93.6	1.1	(0.1)	(0.2)	116.5	431.9	643.0
Profit for the year	-	-	-	-	-	-	45.2	45.2
Other comprehensive expense	-	-	-	(0.3)	-	-	-	(0.3)
Total comprehensive (expense)/income for the year	-	-	-	(0.3)	-	-	45.2	44.9
Dividends paid	-	-	-	-	-	-	(31.3)	(31.3)
Issue of share capital	0.1	3.8	-	-	-	-	-	3.9
Share-based payments charge	-	-	-	-	-	-	2.5	2.5
Share-based payments excess tax benefit	-	-	-	-	-	-	(0.1)	(0.1)
At 31 December 2025	0.3	97.4	1.1	(0.4)	(0.2)	116.5	448.2	662.9
At 31 December 2023	0.2	93.6	1.1	0.1	(0.1)	116.5	425.2	636.6
Profit for the year	-	-	-	-	-	-	33.5	33.5
Other comprehensive expense	-	-	-	(0.2)	(0.1)	-	-	(0.3)
Total comprehensive (expense)/income for the year	-	-	-	(0.2)	(0.1)	-	33.5	33.2
Dividends paid	-	-	-	-	-	-	(30.8)	(30.8)
Share-based payments charge	-	-	-	-	-	-	2.9	2.9
Share-based payments settled	-	-	-	-	-	-	0.8	0.8
Share-based payments excess tax benefit	-	-	-	-	-	-	0.3	0.3
At 31 December 2024	0.2	93.6	1.1	(0.1)	(0.2)	116.5	431.9	643.0

Group Cash flow Statement for the year ended 31 December 2025

	Notes	2025 £m	2024 £m
Operating activities			
Cash generated from operations	15	114.1	115.5
Income tax paid		(11.9)	(10.4)
Interest received		0.9	-
Net cash flows from operating activities		103.1	105.1
Investing activities			
Settlement of deferred and contingent consideration	12	-	(1.6)
Acquisition of businesses net of cash at acquisition	12	(105.6)	(5.2)
Proceeds from disposal of assets held-for-sale		-	4.9
Proceeds from disposal of property, plant and equipment		2.6	0.7
Purchase of property, plant and equipment		(27.6)	(25.6)
Purchase of intangible assets		(2.6)	(1.1)
Net cash flows from investing activities		(133.2)	(27.9)
Financing activities			
Debt issue costs		(0.4)	-
Drawdown of bank borrowings		235.0	69.4
Repayment of bank borrowings		(156.6)	(68.0)
Interest paid		(9.7)	(11.4)
Dividends paid		(31.3)	(30.8)
Proceeds from exercise of share options		3.8	0.8
Settlement of lease liabilities		(9.6)	(10.6)
Net cash flows from financing activities		31.2	(50.6)
Net change in cash and cash equivalents		1.1	26.6
Cash and cash equivalents at 1 January 2024		43.6	17.0
Net foreign exchange difference		0.1	-
Cash and cash equivalents at 31 December 2025		44.8	43.6

1. Basis of preparation

The preliminary results for the year ended 31 December 2025 have been prepared in accordance with UK-Adopted International Accounting Standards (UK-adopted IAS). Whilst the financial information included in this preliminary announcement has been computed in accordance with the recognition and measurement requirements of IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The accounting policies adopted have been consistently applied in all material aspects to all the periods presented.

The financial information set out in this announcement does not constitute the statutory accounts for the Group within the meaning of Section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2025 will be filed in due course. The auditor's report on these accounts was not qualified or modified and did not contain any statement under Sections 498(2) or (3) of the Companies Act 2006 or any preceding legislation.

There were no accounting standards or interpretations that have become effective in the current reporting period which had an impact on disclosures, financial position, or performance.

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 22 months ending 31 December 2027, sales volumes grow in line with or moderately above external construction industry forecasts. In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks and reverse stress testing. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

At 31 December 2025, the Group had available £175.0m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2028, subject to covenant headroom. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue in operational existence for a period to 31 December 2027. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Four non-statutory measures have been used in preparing the consolidated financial statements:

- Underlying profit and earnings measures exclude certain non-underlying items (which are detailed in note 4) and, where relevant, the tax effect of these items. The Directors consider that these measures provide a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in the Group's financial performance.
- Underlying operating cash conversion on a pre-capex basis is defined as cash generated from operations, adjusted for non-underlying cash items and after movement in net working capital, divided by underlying EBITDA.
- Leverage is defined as net debt divided by pro-forma EBITDA (both are reconciled in note 14). Net debt within the leverage calculation is defined as loans and borrowings net of unamortised issue costs less cash and cash equivalents, excluding the effects of IFRS 16.
- Pro-forma EBITDA is defined as pre-IFRS 16 underlying operating profit before depreciation, amortisation and share-based payment charges, for the 12 months preceding the balance sheet date, adjusted where relevant, to include a full year of EBITDA from acquisitions made during those 12 months.

2. Segment information

The Group's operating segments are aligned with the Group's Sustainable Solutions for Growth strategy, comprising three strategic Business Units – Climate Management Solutions (CMS), Water Management Solutions (WMS) and Sustainable Building Solutions (SBS). The reporting segments are organised based on the nature of the end markets served. The Group's reporting segments are its operating segments, so no aggregation has been performed under IFRS 8 to arrive at reportable segments. Inter-segment sales are on an arm's length basis in a manner similar to transactions with third parties. Other segments relates to Polypipe Italia SRL which does not form part of the Group's strategic Business Units in 2024 and 2025 but will form part of the Water Division for 2026 onwards.

	2025				
	Climate Management Solutions	Water Management Solutions	Sustainable Building Solutions	Other	Total
	£m	£m	£m	£m	£m
Segmental revenue	180.2	188.1	267.4	8.1	643.8
Inter-segment revenue	(1.3)	(18.6)	(20.6)	(1.2)	(41.7)
Revenue	178.9	169.5	246.8	6.9	602.1
Underlying operating profit*	24.4	9.6	59.9	0.5	94.4
Non-underlying items – segmental	(12.4)	(5.3)	(3.0)	-	(20.7)
Non-underlying items – Group					(4.0)
Segmental operating profit	12.0	4.3	56.9	0.5	69.7
Finance costs					(12.4)
Finance revenue					0.9
Profit before tax					58.2

	2024				
	Climate Management Solutions	Water Management Solutions	Sustainable Building Solutions	Other	Total
	£m	£m	£m	£m	£m
Segmental revenue	164.8	183.3	252.7	7.8	608.6
Inter-segment revenue	(3.2)	(22.4)	(21.0)	(0.7)	(47.3)
Revenue	161.6	160.9	231.7	7.1	561.3
Underlying operating profit *	24.0	13.6	54.4	0.2	92.2
Non-underlying items – segmental	(24.9)	(0.2)	(1.7)	-	(26.8)
Non-underlying items – Group					(6.2)
Segmental operating profit	(0.9)	13.4	52.7	0.2	59.2
Finance costs					(12.9)
Finance revenue					-
Profit before tax					46.3

* Underlying operating profit is stated before non-underlying items as defined in the Group Accounting Policies in the Annual Report and Accounts and is the measure of segmental profit used by the Group's chief operating decision maker. Details of the non-underlying items of £24.7m (2024: £33.0m) are detailed in note 4.

2. Segment information (continued)

Geographical analysis

	2025 £m	2024 £m
Revenue by destination		
UK	536.4	499.3
Rest of Europe	35.7	32.9
Rest of World	30.0	29.1
Total Group	602.1	561.3

3. Operating Profit

	2025 £m	2024 £m
Income statement charges		
Depreciation of property, plant and equipment	21.0	19.2
Depreciation of right-of-use assets	7.7	7.1
Cost of inventories recognised as an expense	264.4	251.1
Research and development costs expensed	7.6	7.4
Income statement credits		
Research and development expenditure credit	1.6	1.5

4. Non-underlying items

Non-underlying items comprised:

	2025			2024		
	Gross £m	Tax £m	Net £m	Gross £m	Tax £m	Net £m
Cost of sales:						
Unwind of inventory fair value adjustment	1.5	(0.4)	1.1	-	-	-
Employment matters	-	-	-	(1.1)	0.1	(1.0)
Product liability claim	(0.2)	0.1	(0.1)	0.1	-	0.1
Administration expenses						
Restructuring costs	5.1	(1.3)	3.8	1.8	(0.5)	1.3
Acquisition related costs	3.1	-	3.1	1.1	-	1.1
Systems and process transformation costs	1.3	(0.4)	0.9	1.1	(0.3)	0.8
Software supplier dispute	-	-	-	4.3	(1.1)	3.2
Profit on disposal of property, plant and equipment	(1.5)	0.5	(1.0)	(1.1)	-	(1.1)
Amortisation of intangible assets	13.7	(3.4)	10.3	14.4	(3.6)	10.8
Impairment of intangible Assets held-for-sale	1.2	(0.3)	0.9	-	-	-
Impairment of property, plant and equipment held-for-sale	0.3	(0.1)	0.2	-	-	-
Impairment of right-of-use property	0.2	-	0.2	-	-	-
Impairment of goodwill	-	-	-	12.4	-	12.4
Total non-underlying items	24.7	(5.3)	19.4	33.0	(5.4)	27.6

The unwind of the inventory fair value adjustment relates to the fair value uplift of the inventory acquired through the Monodraught and Davidson acquisitions that has been sold in the period since acquisition.

In a prior year, provision was made for a product liability claim which in this year was settled. The balance remaining has been credited back to non-underlying items.

4. Non-underlying items

Restructuring costs incurred in both years are in relation to the reorganisation of the Group. The Group had finished its review of its operating footprint which resulted in the closure of two sites and other costs in the prior year. A new project was undertaken in the current year which was separate to the original review resulting in further restructuring costs. This included the sale of two properties which accounts for the profit on disposal of £1.5m.

Acquisition related costs in the year ended 31 December 2025 relate to the acquisitions of Monodraught and Davidson (2024: Sky Garden and Genuit UFH), as well as costs associated with other merger and acquisition activity.

Systems and process transformation costs relate to the design and configuration of software projects that are significant and support the Group's medium-term strategy, this includes those in respect to the Group-wide ERP implementation which commenced in the second half of the year ending 31 December 2025.

During the year ended 31 December 2025, the Board approved a plan to sell Polydeck Limited, a subsidiary of the Genuit Group. The assets and liabilities of the disposal group have been impaired to fair value resulting in an impairment to plant and equipment of £0.3m and intangible assets of £1.2m.

An impairment of £0.2m has been recognised against a leased property that has been vacated in the year, see note 10.

Amortisation charged in both years relates to intangible assets arising on business combinations.

Prior year impairment of goodwill of £12.4m related to a 2021 acquisition, no further impairment has been identified in the current year.

In the prior year to 31 December 2024, the Group incurred a one-off cost of £4.3m in respect of a dispute with a third party back-office software supplier that was settled in that same year.

5. Finance revenue and costs

	2025 £m	2024 £m
Interest receivable on cash and cash equivalents	(0.9)	-
Finance revenue	(0.9)	-
Interest on bank borrowings	9.7	10.4
Debt issue cost amortisation	0.9	0.9
Unwind of discount on lease liabilities	1.8	1.6
Finance costs	12.4	12.9

6. Income tax

(a) Tax expense reported in the income statement

	2025 £m	2024 £m
<i>Current income tax:</i>		
UK income tax	13.8	13.8
Overseas income tax	-	0.1
Current income tax	13.8	13.9
Adjustment in respect of prior years	(0.7)	(0.3)
Total current income tax	13.1	13.6
<i>Deferred income tax:</i>		
Origination and reversal of timing differences	-	(0.7)
Adjustment in respect of prior years	(0.1)	(0.1)
Total deferred income tax	(0.1)	(0.8)
Total tax expense reported in the income statement	13.0	12.8

6. Income tax (continued)

Details of the non-underlying tax credit of £5.3m (2024: £5.4m) are set out in note 4.

(b) Reconciliation of the total tax expense

The Group has reported an effective tax rate of 22.3% (2024: 27.6%) for the year which is below the standard rate of UK corporation tax of 25.0% (2024: 25.0%).

The differences are explained as follows:

	2025 £m	2024 £m
Accounting profit before tax	58.2	46.3
Accounting profit multiplied by the UK standard rate of income tax of 25.0% (2024: 25.0%)	14.6	11.6
Expenses not deductible for income tax	1.3	2.6
Adjustment in respect of prior years	(1.3)	(0.4)
Effects of patent box	(1.6)	(1.1)
Effects of deferred tax not recognised	-	(0.8)
Effects of other tax rates/credits	-	0.9
Total tax expense reported in the income statement	13.0	12.8

If the impact of non-underlying items is excluded, the underlying income tax rate would be 22.1% (2024: 23.0%).

(c) Deferred income tax

The deferred income tax included in the Group balance sheet is as follows:

	2025 £m	2024 £m
Deferred income tax liabilities/(assets)		
Short-term timing differences:		
- DTL arising on acquired intangible assets	39.6	29.9
- Other short-term timing differences	(0.4)	-
Capital allowances in excess of depreciation	27.9	25.5
Share-based payments	(2.3)	(2.5)
Tax losses	(4.0)	(3.9)
	60.8	49.0

The Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority.

(d) Unrecognised tax losses

No deferred income tax has been recognised on non-trading losses and other timing differences of £nil (2024: £0.3m) as the Directors do not consider that they will be utilised in the foreseeable future.

7. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to the owners of the parent company by the weighted average number of ordinary shares outstanding during the year.

The diluted earnings per share amounts are calculated by dividing profit for the year attributable to the owners of the parent company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of potential ordinary shares that would be issued on the conversion of all the dilutive share options into ordinary shares.

The calculation of basic and diluted earnings per share is based on the following:

	2025 Number	2024 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	248,786,339	248,459,018
Effect of dilutive potential ordinary shares	5,644,798	2,480,464
Weighted average number of ordinary shares for the purpose of diluted earnings per share	254,431,137	250,939,482

Underlying earnings per share is based on the result for the year after tax excluding the impact of non-underlying items of £19.4m (2024: £27.6m). The Directors consider that this measure provides a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in the Group's financial performance. The underlying earnings per share is calculated as follows:

	2025	2024
Underlying profit for the year attributable to the owners of the parent company (£m)	64.6	61.1
Underlying basic earnings per share (pence)	26.0	24.6
Underlying diluted earnings per share (pence)	25.4	24.3

8. Dividend per share

	2025 £m	2024 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2024 of 8.4p per share (2023: 8.3p)	20.9	20.6
Interim dividend for the year ended 31 December 2025 of 4.2p per share (2024: 4.1p)	10.4	10.2
	31.3	30.8
Proposed final dividend for the year ended 31 December 2025 of 8.7p per share (2024: 8.4p)	21.8	20.9

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements.

9. Property, plant and equipment

	Freehold land and buildings £m	Plant and other equipment £m	Total £m
Cost			
At 1 January 2024	61.2	219.0	280.2
Additions	2.7	22.9	25.6
Acquisitions	-	0.5	0.5
Disposals	(0.2)	(14.3)	(14.5)
Transfer from assets held-for-sale	-	6.5	6.5
Exchange adjustment	-	(0.3)	(0.3)
At 31 December 2024	63.7	234.3	298.0
Additions	1.3	26.3	27.6
Acquisitions	-	2.5	2.5
Disposals	(1.6)	(6.4)	(8.0)
Transfer to assets held-for-sale	-	(0.5)	(0.5)
Exchange adjustment	-	0.3	0.3
At 31 December 2025	63.4	256.5	319.9
Depreciation and impairment losses			
At 1 January 2024	9.9	93.9	103.8
Provided during the year	1.8	17.4	19.2
Disposals	(0.1)	(13.1)	(13.2)
Transfer from assets held-for-sale	-	4.3	4.3
Exchange adjustment	-	0.2	0.2
At 31 December 2024	11.6	102.7	114.3
Provided during the year	1.8	19.2	21.0
Impairment	-	0.3	0.3
Disposals	(1.3)	(5.6)	(6.9)
Transfer to assets held-for-sale	-	(0.4)	(0.4)
Exchange adjustment	-	0.2	0.2
At 31 December 2025	12.1	116.4	128.5
Net book value			
At 31 December 2025	51.3	140.1	191.4
At 31 December 2024	52.1	131.6	183.7

Included in freehold land and buildings is non-depreciable land of £16.2m (2024: £16.2m).

Plant and equipment with a fair value of £0.1m has been transferred to assets held-for-sale. Prior to transfer, the carrying value was impaired by £0.3m to record the assets at the lower of carrying amount and fair value less costs to dispose (FVLCD).

Capital commitments

At 31 December 2025, the Group had commitments of £6.0m (2024: £5.0m) relating to plant and equipment purchases.

10. Right-of-use assets and lease liabilities

	Freehold land and buildings £m	Plant and other equipment £m	Motor vehicles £m	Total £m	Lease liabilities £m
At 1 January 2024	11.6	8.1	3.2	22.9	(23.4)
Additions	1.7	5.7	5.6	13.0	(13.0)
Disposals	(3.8)	(3.7)	(0.6)	(8.1)	-
Depreciation of right-of-use assets	(2.0)	(3.0)	(2.1)	(7.1)	-
Depreciation on disposal of right-of-use assets	2.8	3.0	0.4	6.2	-
Transfer from assets-held-for-sale	-	0.2	-	0.2	(0.2)
Exchange adjustment	-	(0.1)	-	(0.1)	-
Unwind of discount on lease liabilities	-	-	-	-	(1.6)
Settlement of lease liabilities	-	-	-	-	10.6
At 31 December 2024	10.3	10.2	6.5	27.0	(27.6)
Additions	1.5	1.0	2.0	4.5	(4.5)
Acquisitions	5.0	0.3	0.5	5.8	(4.7)
Disposals	(0.5)	(3.0)	(0.7)	(4.2)	-
Depreciation of right-of-use assets	(2.3)	(2.9)	(2.5)	(7.7)	-
Depreciation on disposal of right – of – use assets	0.1	2.9	0.6	3.6	-
Reassessment of lease term	0.3	-	-	0.3	0.2
Impairment	(0.2)	-	-	(0.2)	-
Unwind of discount on lease liabilities	-	-	-	-	(1.8)
Settlement of lease liabilities	-	-	-	-	9.6
At 31 December 2025	14.2	8.5	6.4	29.1	(28.8)

During the year, the Group vacated a property at one of the sites in the WMS segment. As a result of this decision, management determined that the break-option in the lease would be exercised and therefore, the lease term has been reassessed reducing the lease liability at 31 December 2025 by £0.2m, with a corresponding reduction in the carrying value of the right-of-use asset. The property right-of-use asset has then been fully impaired as the value-in-use is deemed to be £nil. The impairment of £0.2m has been recognised as non-underlying.

11. Intangible assets

	Goodwill £m	Patents £m	Brand names £m	Customer relationships £m	Licences £m	Customer order book £m	Development costs £m	Total £m
Cost								
At 1 January 2024	466.1	40.4	66.5	114.3	0.8	–	5.0	693.1
Additions	5.3	0.5	–	–	–	–	0.6	6.4
Transfer from assets held-for-sale	4.5	–	–	–	–	–	–	4.5
At 31 December 2024	475.9	40.9	66.5	114.3	0.8	–	5.6	704.0
Additions	-	0.4	0.4	–	–	–	1.8	2.6
Acquisitions	58.1	3.2	7.3	35.4	–	1.9	-	105.9
At 31 December 2025	534.0	44.5	74.2	149.7	0.8	1.9	7.4	812.5
Amortisation and impairment losses								
At 1 January 2024	12.0	23.1	30.3	29.3	0.5	-	1.1	96.3
Charge for the year	-	3.4	5.0	6.1	0.1	-	0.5	15.1
Impairment losses	12.4	-	-	-	-	-	-	12.4
At 31 December 2024	24.4	26.5	35.3	35.4	0.6	-	1.6	123.8
Charge for the year	-	2.9	4.2	6.7	-	0.3	0.4	14.5
Impairment losses	-	-	-	1.2	-	-	-	1.2
At 31 December 2025	24.4	29.4	39.5	43.3	0.6	0.3	2.0	139.5
Net book value								
At 31 December 2025	509.6	15.1	34.7	106.4	0.2	1.6	5.4	673.0
At 31 December 2024	451.5	14.4	31.2	78.9	0.2	-	4.0	580.2

Brand names and customer relationships which arise from business combinations are amortised over their estimated useful lives of between five and twenty years. Brands that have a significant carrying value include Adey (£19.4m) with remaining estimated useful lives of between 5 and 15 years, as well as the newly acquired Monodraught brand (£1.8m) and the four Davidson brands acquired being Salamander, Cistermiser & Keraflo and Talon, (total £5.4m) all with remaining estimated useful lives of 15 years. Customer relationships that have a significant carrying value are those in the following businesses: Adey (£63.6m), remaining estimated useful lives of between 6 and 15 years, Manthorpe (£4.7m) with a remaining estimated useful life of 7 years, Monodraught (£11.2m), remaining estimated useful life of 13 years and those from the Davidson acquisition (£23.5m), remaining estimated useful life of 19 years. The customer order book was acquired with the Monodraught acquisition (£1.6m) and has a remaining estimated useful life of two years.

11. Intangible assets (continued)

Impairment testing of goodwill

Goodwill is not amortised but is subject to annual impairment testing. Goodwill has been allocated for impairment testing purposes to a number of Cash Generating Units (CGUs) which represent the lowest level in the Group at which goodwill is monitored for internal management purposes.

The carrying amount of goodwill allocated to each of the CGUs is as follows:

CGU	31 December 2025 £m	31 December 2024 £m
Building Services & International	39.9	33.6
Infrastructure & Landscape	45.9	45.9
Residential Systems	185.4	169.6
CMS	233.2	-
Others	5.2	5.3
Climate & Ventilation	-	93.7
Nu-Heat	-	20.3
Adey	-	83.1
	509.6	451.5

Following the internal announcement of a CMS organisational change, management reviewed the Group's CGUs and determined that the CMS Business Unit, which consists of the following CGUs to which goodwill is allocated: Climate & Ventilation, Nu-Heat and Adey, is, effective from 1 November 2025, the lowest level in the Group at which this goodwill is monitored for internal management purposes in accordance with the requirements of IAS 36. As such, the goodwill of the entities allocated to these CGUs, including that arising on the acquisition of Monodraught, has been reported in the newly combined CMS CGU for the year ended 31 December 2025.

An impairment test as at 31 October 2025, immediately prior to the creation of the new CMS CGU, was performed for all existing CGUs that included CMS entities, and no impairments were identified.

The goodwill arising on the Monodraught acquisition of £36.0m primarily represents the assembled workforce, technical expertise, market share and expected synergies with other Group companies in the CMS business unit. The goodwill was initially allocated to the Climate & Ventilation CGU, which, as explained above, has since been combined with Nu-Heat and Adey to form the CMS CGU grouping with effect from 1 November 2025.

The goodwill arising on the Davidson acquisition of £22.1m, which primarily represents the assembled workforce, technical expertise and market share, has been allocated to two existing CGUs as follows: Talon and Salamander (£6.8m and £9.0m of goodwill respectively) have been allocated to the Residential Systems CGU and Woodley (£6.3m of goodwill) has been allocated to the Building Services & International CGU. The Group determined that it was appropriate to allocate the goodwill to these CGUs on the basis that these are the CGUs expected to benefit from the synergies of the acquisition and represent the lowest levels within the Group at which the respective goodwill arising from the acquisition is monitored for internal management purposes in accordance with the requirements of IAS 36.

Key assumptions used for value-in-use calculations:

The recoverable amounts of all CGUs are determined from value-in-use calculations, being the net present value of future pre-tax cash flows, discounted at a mid-year position, covering a five-year period. These pre-tax cash flows are based on budgeted cash flow information for a period of one year, and Board approved management forecast growth of between 3.0% to 21.2% for years two to five (2024: 4.0% to 31.2%). Terminal growth rates of 2.0% (2024: 2.0% to 2.4%) have been applied beyond this, based on historical macroeconomic performance and projections of the sector served by the CGUs. A pre-tax discount rate of 14.1% (2024: 13.8%) has been applied in determining the recoverable amounts of CGUs. The pre-tax discount rate is estimated based on the Group's risk adjusted cost of capital.

When assessing for impairment of goodwill, management have considered the impact of climate change and have not identified any material short-term impacts from climate change that would impact the carrying value of goodwill. Over the longer term, the risks and opportunities are more uncertain, and management will continue to assess the quantitative impact of risks at each balance sheet date.

11. Intangible assets (continued)

Recoverable amounts and sensitivities:

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment that would be material to these consolidated financial statements and is satisfied that there is sufficient headroom against the carrying value of all the CGUs.

12. Acquisitions

Monodraught

On 29 August 2025, the Group acquired 100% of the voting rights and shares of Monodraught Topco Limited ('Monodraught'), a market leading solutions business who design, manufacture and maintain sustainable ventilation systems, for an enterprise value of £55.6m on a debt-free and cash-free basis, fully funded via the Group's existing debt facilities. Monodraught is a leading provider of commercial ventilation solutions in the UK, with advanced controls and data management capability focused on the UK education sector.

Monodraught joined the CMS business unit, sitting alongside the Group's existing CMS brands of Nuaire, Domus, Nu-Heat and ADEY to drive commercial scale and market access, with synergies arising from the acquisition being able to be applied to Nuaire immediately (e.g. utilising Monodraught's controls capability) and in the medium-term to interoperable cash-generating solutions across CMS as part of the new CMS Connected Solutions operational and go to market model.

The acquisition significantly enhanced the Group's capability in service provision, controls and data management, bringing additional innovation capability to CMS. This has accelerated the development of integrated heating and cooling solutions across the Group's portfolio and underpinned the significant growth opportunities across CMS, driven by environmental and regulatory tailwinds, consistent with the Group's strategic focus on segments that provide above-market growth rates.

The cash consideration amounted to £58.9m, which included an initial cash payment on acquisition of £57.4m and further cash payments post-acquisition totalling £1.5m (which were paid pre-31 December 2025). The initial cash payment on acquisition of £57.4m was inclusive of the net cash acquired on completion of £2.8m, resulting in a net cash consideration of £56.1m.

The provisional fair value of the identifiable assets and liabilities at the date of acquisition are as follows:

	Fair value £m
Property, plant and equipment	0.8
Right-of-use assets	3.4
Intangible assets	18.5
Inventories	2.0
Trade and other receivables	4.7
Cash and cash equivalents	2.8
Corporation tax receivable	0.1
Deferred tax assets	0.4
Trade and other payables	(1.8)
Lease liabilities	(3.0)
Provisions	(0.4)
Deferred tax liabilities	(4.6)
Net identifiable assets	22.9
Goodwill on acquisition	36.0
Cash consideration	58.9

12. Acquisitions (continued)

Customer relationships (£11.6m), customer order book (£1.9m), the 'Monodraught' brand (£1.8m) and patents/technology (£3.2m) have been recognised as specific intangible assets as a result of this acquisition, along with a corresponding deferred tax liability of £4.6m. The customer relationships have been recognised with an estimated useful life of 13 years due to the strength of Monodraught's relationships with key customers. The remaining intangible assets have been recognised with estimated useful lives of between 2 and 15 years, in line with Group policy and the Monodraught business. Fair value adjustments principally relate to the recognition of intangible assets and deferred tax arising on these adjustments.

The fair value of trade and other receivables was £4.7m. The gross amount of trade and other receivables was £4.7m and it is expected that the full contractual amounts can be collected.

Post-acquisition, Monodraught contributed £6.2m of revenue, £1.3m of operating profit and £1.6m of EBITDA, which were included in the Group income statement. If Monodraught had been acquired on 1 January 2025, the Group's results for the twelve months ended 31 December 2025 would have shown revenue of £614.9m, underlying operating profit of £96.6m and operating profit of £70.2m.

Acquisition costs of £1.7m were expensed and are included in non-underlying items in administration expenses, all of which were fully cash settled in the year.

Davidson Holdings

On 26 September 2025, the Group acquired 100% of the voting rights and shares of Davidson Holdings Limited ('Davidson'), a group of three businesses consisting of Woodley (Reading), Talon (Gillingham) and Salamander (Sunderland), for an enterprise value of £49.0m on a debt-free and cash-free basis, fully funded via the Group's existing debt facilities.

The key brands for each of the three businesses are as follows:

- Woodley - Cistermiser water saving sanitary solutions & Keraflo cold water tank control valves
- Talon - Talon pipe clips and fixings
- Salamander - Salamander shower and boosting pumps

These brands occupy leading market positions, primarily in the UK repair, maintenance and improvement sectors of the residential and commercial segments and are sold through plumbing and heating distributors and merchants. The businesses benefit from sustainability-led growth drivers and are increasingly focused on products and solutions that reduce water usage, consistent with Genuit's Sustainable Solutions for Growth strategy, which are in growing demand to address scarcity of water supply due to climate change.

The acquisition increases the breadth of Genuit's portfolio sold through the merchant channel to plumbing and heating engineers and commercial contractors. Growth synergies are anticipated from leveraging Genuit's broad routes to market and demand creation and specification selling model, while productivity and cost synergies are expected to be unlocked from 2026 onwards via the deployment of GBS and the utilisation of Genuit's purchasing scale.

Davidson joined the SBS business unit on acquisition, sitting alongside the Group's existing SBS brands of Polypipe, MecFlow, Manthorpe, Effast and Terrain. From 1 January 2026, the Group will report in the simplified structure of two divisions and the Davidson businesses will report in the Water Division, which represents the combination of the SBS and WMS Business Units.

The cash consideration amounted to £60.6m, which included an initial cash payment on acquisition of £58.7m and further cash payments post-acquisition totalling £1.9m (which were paid pre-31 December 2025). The initial cash payment on acquisition of £58.7m was inclusive of the net cash acquired on completion of £11.1m, resulting in a net cash consideration of £49.5m.

Post-acquisition, Davidson contributed £7.4m of revenue, £1.1m of operating profit and £1.5m of EBITDA, which were included in the Group income statement. If Davidson had been acquired on 1 January 2025, the Group's results for the twelve months ended 31 December 2025 would have shown

12. Acquisitions (continued)

revenue of £625.6m, underlying operating profit of £96.4m and operating profit of £70.4m.

Acquisition costs of £1.4m were expensed and are included in non-underlying items in administration expenses, all of which were fully cash settled in the year.

The provisional fair value of the identifiable assets and liabilities at the date of acquisition are as follows:

	Fair value £m
Property, plant and equipment	1.7
Right-of-use assets	2.4
Intangible assets	29.3
Inventories	4.6
Trade and other receivables	7.5
Cash and cash equivalents	11.1
Trade and other payables	(8.0)
Lease liabilities	(1.7)
Provisions	(0.8)
Deferred tax liabilities	(7.6)
Net identifiable assets	38.5
Goodwill on acquisition	22.1
Cash consideration	60.6

Customer relationships (£23.8m) and the key Davidson brands (£5.5m) have been recognised as specific intangible assets as a result of this acquisition, along with a corresponding deferred tax liability of £7.3m. Customer relationships have been recognised with an estimated useful life of 19 years due to the strength of Davidson's relationships with key customers. The brand name intangible assets have been recognised with an estimated useful life of 15 years, in line with Group policy and the Davidson businesses. Fair value adjustments principally relate to the recognition of these intangible assets (and the corresponding deferred tax liability) and the fair value uplift of inventories on acquisition of £1.2m, along with the deferred tax liability arising on this adjustment of £0.3m.

The fair value of trade and other receivables was £7.5m. The gross amount of trade and other receivables was £7.5m and it is expected that the full contractual amounts can be collected.

If Monodraught and Davidson had been acquired on 1 January 2025, the Group's results for the twelve months ended 31 December 2025 would have shown revenue of £638.4m, underlying operating profit of £98.6m and operating profit of £70.9m.

Acquisition-related cash flows comprised:

	2025 £m	2024 £m
Operating cash flows – settlement of acquisition costs		
Monodraught	1.7	-
Davidson Holdings	1.4	-
Sky Garden	-	0.3
Genuit UFH	-	0.1
Plura	-	6.5
Other	-	0.7
	3.1	7.6
	2025 £m	2024 £m
Investing cash flows – settlement of deferred and contingent consideration		
Plura	-	1.6
	-	1.6

12. Acquisitions (continued)

	2025 £m	2024 £m
Investing cash flows – acquisition of businesses net of cash at acquisition		
Monodraught	56.1	-
Davidson Holdings	49.5	-
Sky Garden	-	2.2
Genuit UFH	-	3.0
	105.6	5.2

13. Assets held-for-sale

	2025 Fair value £m	2024 Fair value £m
Intangible asset – customer relationships	-	-
Property, plant and equipment	0.1	-
Inventories	0.7	-
Trade and other receivables	0.3	-
Assets held-for-sale	1.1	-
Trade and other payables	(0.2)	-
Liabilities held-for-sale	(0.2)	-

During the year ended 31 December 2025, the Board approved a plan to sell Polydeck Limited, a subsidiary of the Genuit Group which is part of the WMS segment, as it no longer meets the strategic objectives of the Group. The entity has been actively marketed for sale and management are in discussion with interested parties. Sale is expected within 12 months of the balance sheet date, and as such, the assets and liabilities of the disposal group have been classified as held-for-sale and presented as current on the consolidated balance sheet.

The proceeds from the disposal are not expected to meet the carrying value of the net assets and therefore an impairment loss has been recognised of £1.5m to measure the assets and liabilities at FVLCD, this is presented as non-underlying, see note 4. The carrying value of intangible assets (customer lists) allocated to the disposal group of £1.2m has been impaired to £nil with a £0.3m reduction in the corresponding deferred tax liability. Property, plant and equipment have been impaired by £0.3m to fair value of £0.1m.

14. Financial liabilities

	31 December 2025 £m	31 December 2024 £m
Non-current loans and borrowings:		
Bank revolving credit facility – principal	175.0	121.5
– unamortised debt issue costs	(0.9)	(1.3)
Private placement loan notes	50.0	25.0
Total non-current loans and borrowings	224.1	145.2
Cash and cash equivalents	(44.8)	(43.6)
Net debt (excluding lease liabilities)	179.3	101.6

	31 December 2025 £m	31 December 2024 £m
Other financial liabilities:		
Trade and other payables	124.8	128.2
Lease liabilities	28.8	27.6
	153.6	155.8

On 22 July 2025, the Group exercised the option to extend the Sustainability-Linked Revolving Credit Facility (RCF) to 9 August 2028, securing a facility of £310.3m to August 2027 and £285.6m to August 2028, with an uncommitted accordion facility of up to £50.0m. Subsequently an agreement was signed on 25 September 2025 that increased the committed RCF facility to £350.0m for the term. At 31 December 2025, the amount drawn on the RCF was £175.0m (2024: £121.5m). Interest is payable on the RCF facility at SONIA plus a margin of between 1.15% and 2.85% dependant on the Group's leverage and ESG targets. At 31 December 2025 this was SONIA plus 1.825% (2024: 1.625%).

On 24 September 2025 the Note Purchase and Private Shelf Agreement originally dated 10 August 2022 was amended and restated, extending the uncommitted facility to 9 August 2028 for an amount of \$180.0m, c.£133m (previously £125.0m). The Group has £25.0m issued loan notes from the original agreement dated 10 August 2022 with a repayment date of 9 August 2029, and on 20 October 2025, a further £25.0m of loan notes were issued from the amended shelf agreement, with a repayment date of 20 October 2032, leaving an uncommitted facility of c.\$145m at 31 December 2025 (c.£107m). Interest on loan notes is fixed at 4.44% and 5.92% respectively per annum for the period of the loan term.

Debt issue costs of £0.4m in respect to the above amendments have been incurred during the year. These costs have been capitalised and are being amortised to the income statement as finance costs over the term of the facility.

At 31 December 2025, the Group had available, subject to covenant headroom, £175.0m (2024: £228.6m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The Group is subject to a number of covenants in relation to its bank borrowings which, if breached, would result in immediate repayment. These covenants specify certain maximum limits in terms of net debt, excluding lease liabilities, as a multiple of pro-forma EBITDA and interest cover.

14. Financial liabilities (continued)

	2025 £m	2024 £m
Pro-forma EBITDA (12 months preceding the Balance Sheet date)		
Underlying operating profit	94.4	92.2
Depreciation of property, plant and equipment (owned)	21.0	19.2
Amortisation of intangible assets not arising on business combinations	0.8	0.7
Unwind of discount on lease liabilities	(1.8)	(1.6)
Share-based payments charge	2.5	2.9
	116.9	113.4
Underlying EBITDA from acquisitions	6.3	(0.7)
	123.2	112.7

At 31 December 2025, the Group was not in breach of any bank covenants. The covenant position was as follows:

Covenant	Covenant requirement	Position at 31 December 2025
Interest cover (Underlying operating profit excluding share-based payment expense and including unwind of discount on lease liabilities: finance costs excluding finance revenue, debt issue cost amortisation and unwind of discount on lease liabilities)	>4.0:1.0	9.7:1.0
Leverage (Net debt excluding lease liabilities and unamortised debt issue costs: pro-forma EBITDA)	<3.0:1.0	1.5:1.0

15. Reconciliation of profit before tax to cash generated from operations

		2025 £m	2024 £m
Operating activities			
Profit before tax		58.2	46.3
Finance costs	5	12.4	12.9
Finance revenue	5	(0.9)	-
Operating profit		69.7	59.2
Non-cash items:			
Research and development expenditure credit		(1.6)	(1.5)
Software supplier dispute (underlying)		-	(0.9)
Employment matters (underlying)		-	(0.5)
Non-underlying items:			
– unwind of inventory fair value adjustment	4	1.5	-
– employment matters		-	(1.1)
– product liability claim		(0.2)	0.1
– restructuring costs		5.1	1.8
– acquisition related costs		3.1	1.1
– systems and process transformation costs		1.3	1.1
– software supplier dispute		-	4.3
– profit on disposal of property, plant and equipment		(1.5)	(1.1)
– amortisation of intangible assets		13.7	14.4
– impairment of intangible assets held-for-sale		1.2	-
– impairment of property, plant and equipment held-for-sale		0.3	-
– impairment of right-of-use property		0.2	-
– impairment of goodwill		-	12.4
Depreciation of property, plant and equipment	9	21.0	19.2
Depreciation of right-of-use assets	10	7.7	7.1
Amortisation of internally generated intangible assets		0.8	0.7
Share-based payments		2.5	2.9
Cash non-underlying items:			
– settlement of acquisition related costs		(3.1)	(7.6)
– settlement of software supplier dispute		(3.9)	-
– settlement of restructuring costs		(4.2)	(2.2)
– settlement of other exceptional costs		(1.1)	(2.9)
Operating cash flows before movement in working capital		112.5	106.5
Movement in working capital:			
Receivables		4.9	(5.1)
Payables		(11.6)	11.0
Inventories		8.3	3.1
Cash generated from operations		114.1	115.5