

Growth and outperformance in challenging markets

Tim Pullen
Chief Financial Officer

"With a resilient portfolio and a strong balance sheet, we are well positioned to continue outperforming through the cycle."



The Group delivered organic revenue growth, driven by the adoption of new solutions in structurally attractive segments and targeted market share gains.

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 by 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 & Development expenditure credit (RDEC) (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).

	2025 £m	2024 £m	Change %
Revenue, operating profit and margin			
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)

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

Business Unit Review

	2025 £m	2024 £m	Change %	LFL Change %
Revenue				
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 did 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 £m	ROS* %	2024 £m	ROS* %	Change bps
Underlying operating profit					
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 did 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.



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 in 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 education 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 decarbonise 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 that 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 related 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; 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 the 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 the Genuit Business System and enabling future artificial intelligence (AI) based automation.

Non-underlying items comprised:

	2025 £m	2024 £m
Non-underlying items		
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
Earnings per share		
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. 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 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.

Tim Pullen
Chief Financial Officer

10 March 2026